1033

Senate Hearings

Before the Committee on Appropriations

Department of the Interior and Related Agencies Appropriations

IMENTS
22 1976
LIBRARY
STATE UNIVERSITY
KSU LIBRARIES
A11900 470774

Fiscal Year 1977

94th CONGRESS, SECOND SESSION

H.R. 14231

PART 5—(Pages 1765–3001)

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE
DEPARTMENT OF THE INTERIOR
FEDERAL ENERGY ADMINISTRATION
FUNDS APPROPRIATED TO THE PRESIDENT
NONGOVERNMENTAL WITNESSES
PENNSYLVANIA AVENUE DEVELOPMENT CORPORATION

AUTHENTICATED
U.S. GOVERNMENT
INFORMATION
GPO

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

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

Printed for the use of the Committee on Appropriations

PART 5 (Pages 1765–3001)

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE
DEPARTMENT OF THE INTERIOR
FEDERAL ENERGY ADMINISTRATION
FUNDS APPROPRIATED TO THE PRESIDENT
NONGOVERNMENTAL WITNESSES
PENNSYLVANIA AVENUE DEVELOPMENT CORPORATION

U.S. GOVERNMENT PRINTING OFFICE

66-307 O WASHINGTON : 1976

COMMITTEE ON APPROPRIATIONS

SUBCOMMITTEE ON DEPARTMENT OF INTERIOR AND RELATED AGENCIES

ROBERT C. BYRD, West Virginia, *Chairman*

JOHN L. McCLELLAN, Arkansas
GALE W. McGEE, Wyoming
JOSEPH M. MONTOYA, New Mexico
DANIEL K. INOUYE, Hawaii
LAWTON CHILES, Florida
MIKE MANSFIELD, Montana
ERNEST F. HOLLINGS, South Carolina

TED STEVENS, Alaska
MILTON R. YOUNG, North Dakota
ROMAN L. HRUSKA, Nebraska
MARK O. HATFIELD, Oregon
HENRY BELLMON, Oklahoma

JAMES R. CALLOWAY, *Chief Counsel and Staff Director*
DWIGHT E. DYER
JOHN GNORSKI
DAVID LOHMAN (*Minority*)
Staff Assistants, Department of the Interior and Related Agencies

CONTENTS

	Page
Monday, April 12, 1976:	
Nongovernmental witnesses	1765
Tuesday, April 13, 1976:	
Nongovernmental witnesses	1939
Wednesday, April 14, 1976:	
Nongovernmental witnesses	2143
Friday, April 30, 1976:	
Federal Energy Administration	2445
Wednesday, May 19, 1976:	
Funds Appropriated to the President	2757
Wednesday, June 16, 1976:	
Department of the Interior:	
Budget amendments	2823
Nondepartmental witnesses	2823
Bureau of Mines	2823
Bureau of Land Management	2851
Geological Survey	2851
Mining Enforcement and Safety Administration	2907
Department of Health, Education, and Welfare:	
Health Services Administration	2915
Pennsylvania Avenue Development Corporation	2937

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

MONDAY, APRIL 12, 1976

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

The subcommittee met at 10 a.m., room 1114, Everett McKinley Dirksen Office Building, Hon. Henry Bellmon presiding.

Present: Senators Young and Bellmon.

NONGOVERNMENTAL WITNESSES

SCOPE OF HEARING

Senator BELLMON. The subcommittee will come to order.

Today is the time set to hear nongovernmental witnesses who wish to appear in connection with appropriations for the Department of Interior and Related Agencies, including the Forest Service, Federal Energy Administration, Energy Research and Development Administration, and the Indian health and education programs of the Department of Health, Education, and Welfare.

In all, 3 days are scheduled this week for outside witnesses, and we have a crowded schedule. It will not be possible to extend the hearings because of the congressional recess which begins Thursday.

Also this week we have several important bills being taken up on the Senate floor, including the budget resolution. This will make it difficult to keep these hearings going continuously, and the schedule may be disrupted from time to time.

Because of these problems, I must ask witnesses to keep summary remarks within 5 minutes. I realize that is a very tight restraint, but when you look at the long list of witnesses you will realize that we must hold it to that time limit or there will be many people who have come a long way to be heard who will not be given that opportunity. So we are going to insist on the 5-minute rule. If the witnesses do not honor the 5-minute limit we probably will not be able to hear everyone who wants to be heard this year.

Remember, all prepared statements will be printed in full in the record. It is not necessary to read your entire statement. We would like you simply to cover the main points and to emphasize any area that you feel needs special attention. In this way it will make for a much better hearing.

When your name is called, please present copies of your prepared statement to the staff and take your seat at the witness table and proceed.

URBAN INDIAN HEALTH

STATEMENT OF JOSEPH ROTHSTEIN, PSYCHOLOGIST AND CONSULTANT, MONTANA UNITED INDIAN ASSOCIATION

Senator BELLMON. Our first witness is Dr. Joe Rothstein of the Montana United Indian Association. Dr. Rothstein.

Our next witness will be Ival V. Goslin of the Upper Colorado River Commission.

Welcome, Dr. Rothstein.

Dr. ROTHSTEIN. Mr. Chairman, I appreciate your allowing us to come to testify on behalf of a group of people that we consider in Montana a lost group of people within our population, the off-reservation urban Indian.

We have submitted all documentation to Indian Health Service with the Billings area health office, and it has been completely endorsed by the Indian Health Service and the Billings area health board.

The testimony I have has been presented to your staff member, and therefore I will not have to go into the entire testimony, as you have just stated, and will hit on the highlights.

This is a group of people that has nowhere to turn. BIA has nothing to do with them and cannot because of law, although they would like to. The only way we can turn is to Indian Health Service.

We are in dire need of health services. We represent a total of 15,000 off-reservation Indians in the State of Montana, and in order to receive health services, they must either purchase them in the community or return to the reservations for their health care needs. The transportation problems and other problems that are concerned in returning to the reservation are just unbelievable. I would like to touch upon a very important area here.

A Standing Rock Sioux Indian who was past president of the National Congress of American Indians, Mr. Vine Deloria, Jr., believes that the future of Indian affairs lies with the urban Indian. More are moving from the reservations to the urban areas every day and presenting problems to any urban area program. He stresses that one-half of American Indians already live in cities, and more are expected because there are more jobs and opportunities in the city as contrasted to the reservation.

Mr. Deloria further recommends Federal funding for urban centers near towns and small cities. Such centers would provide training and employment placement and should include close coordination with Indian urban centers and individual tribes.

Again I have presented the testimony that you can delve into further. But I beg you on behalf of the people we are serving to try to help them because of the severe problems of sanitation, poverty and other things that are concerned. We cannot stop diseases that are carrying over into urban populations, and there is just nowhere to turn for them.

On behalf of those members of our organization, the Montana United Indian Association, the only model like it in the United States,

we ask you to consider them in a favorable light for your appropriation and your grant.

I thank you very much.

Senator BELLMON. Thank you, Dr. Rothstein.

Your concern is about the health of the urban Indian?

Dr. ROTHSTEIN. Yes, sir.

Senator BELLMON. That is really the only area you are concerned with, or are there other problems——

Dr. ROTHSTEIN. When we discuss health, Mr. Chairman, we are concerned with mental health and all the aspects that go along with it; the poor housing, the sanitation conditions that exist, and so forth. And it is presenting an unbelievable problem for us in Montana.

Senator BELLMON. Thank you very much. I appreciate having your testimony.

[The statement follows:]

The 1970 U. S. census reports that there are 827,000 American Indians in the U. S. Approximately one-half of the American Indians are living off the reservations. Information about them is sparse, but their health needs must be considered in-depth if any impact is to be made upon the health of the American Indian as a total group. Indians living off the reservation must use the usual sources of health care, including private physicians, dentists, and hospitals or public clinics or hospitals. The problems of inaccessibility, impersonal treatment, eligibility restrictions, long waits and frightening surroundings await the Indian as they attempt to avail themselves of health care. The health problems of off-reservation Indians who usually reside in the urban areas are different from the problems of the reservation Indians. It must be emphasized that the differentiation of reservation and urban Indians is not a very clear cut one, as Indian populations move back and forth from urban to reservation settings. An example would be--an Indian family moves to an urban setting, locates housing and a job, and appears to settle down. Often homesickness follows and the family remembers the pleasant parts of reservation living. The family is then apt to return to the reservation, giving up the job and housing situation. After a period of time back on the reservation, the family discovers that the nostalgia is not reality. At that point, they accept the advantages of urban living and move back to the city and again have to locate housing, employment, and health care facilities. The Indian who comes to live in the city faces new problems in seeking health care. Families use to receiving free health services from Indian Health Service facilities must now learn to find a physician and buy health services. Finding a satisfactory physician in a new city is a problem for many urban Indian citizens.

The indigent Indian usually does not use Medicaid because of his lack of knowledge about this source of assistance, his fear of the white man's institution, and very importantly, because of his pride. He may find it difficult to prove eligibility, and the welfare agency may think he is ineligible because Indian Health Service is taking care of him.

If the Indian goes to the public facility, he must learn to use identification cards, to respond to questions about income and expenditures in order to prove eligibility, and to cope with part payment mechanisms. In addition, he has the new experience of mingling with patients of other ethnic groups and may be additionally handicapped with transportation problems and language difficulties.

Long waits in clinics and the impersonality of the clinic staff are complaints of the urban Indian. He may also become confused about jurisdictional boundaries for delivery of service.

Distances and transportation problems are perhaps as real for the off-reservation Indian as for those on the reservations. Health care resources, once located, are apt to be a considerable distance away, and public transportation in Montana's urban settings is hardly responsive to anyone's needs. Communication is easier in the urban setting as phones are generally available.

This health proposal includes medical, physical and psychological examinations, employment assistance, and accurate, practical orientation for urban living.

A Standing Rock Sioux Indian who was past President, Director of the National Congress of American Indians, Mr. Vine Deloria, Jr., believes the future of Indian affairs lies with the urban Indian. He stresses that one-half of American Indians already live in cities, and more are expected because there are more jobs and opportunities in the city as contrasted to the reservation. Mr. Deloria further recommends Federal funding for urban centers near towns and small cities. Such centers would provide training and employment placement and should include close coordination with Indian urban centers and individual tribes.

To help the non-reservation Indian get health care, the use of already existing health facilities will be maximized. This project will assist the relocated Indian as to resources available to him and needed referrals. In addition, members of the Indian Center will accompany Indians to the health facility and guide them through this strange process that they now encounter.

Montana has a unique and pressing Indian health problem among its urban off-reservation Indian population. With seven large reservations located in the state, high mobility between reservations and Montana's cities is a common phenomena. The nature of these movements of Indian people, the problems they face in obtaining health care in an urban environment was best described by the example that I previously mentioned about the Indian who comes to live in the city and faces the many new problems that he must face in seeking health care.

Rural health in Montana exists on a very limited basis and has become a critical issue.

Montana is the fourth largest state, geographically, in the U. S. and is predominately rural. The net result is that professionals have not had representation from existing rural communities at a level necessary to create concern and interest that would provide training in academic facilities for the provision of health services to meet the needs of these kind of communities.

The program objectives will involve a process that will develop alternative solutions to various problems encountered within specific communities and the off-reservation rural areas. The fundamental concern of our health services program will be to serve its population. This goal-oriented approach, therefore, will arrive at standards in terms of performance that are related to the goals established.

The PHS orientation manual for 1971 lists leading Indian health problems. Montana has all of these problems and concerns on a day-to-day basis. Therefore the need for a health service delivery program addressing itself to Indian needs is necessary.

The services to be delivered to the identified Indian consumers will be comprehensive in nature. Services such as general medical exams, dental examinations, nutritional programs, transportation, short-term hospitalization, partial hospitalization, outpatient diagnosis and treatment, 24-hour emergency and referral services, rehabilitative services, pre-care and post-care services by trained Indian professionals and paraprofessionals, and the training of Indian health personnel will be undertaken.

The Montana United Indian Association representing 15,000 off-reservation urban citizens in Montana requests positive funding consideration and approval for its project on behalf of its membership. This statewide contract will ease the long overdue burden of providing health and health care services that are so badly needed.

STATEMENT OF IVAL V. GOSLIN, EXECUTIVE DIRECTOR, UPPER COLORADO RIVER COMMISSION

ADDITIONAL $1 MILLION SOUGHT

Senator BELLMON. Our next witness is Mr. Ival V. Goslin of the Upper Colorado River Commission, and the following witness will be Leonard Cotter of the Wyandot Tribe of Oklahoma.

Mr. Goslin.

Mr. GOSLIN. Mr. Chairman, I am Ival Goslin, director of tbe Upper Colorado River Commission that represents the States of Colorado, New Mexico, Utah, and Wyoming.

The commission's statement, which has been filed with you, is in support of the appropriation of the President's budget request for fiscal 1977 for $22 million to the Bureau of Indian Affairs for the purpose of continuing the construction of the Navajo Indian irrigation project.

We subsequently learned that an additional $1 million could be used very well to accelerate award of the contract for the construction of power transmission line to carry power from the Navajo powerplant to the pumping facilities necessary on this irrigation project. We request, if possible, that this additional $1 million be recommended by the committee.

Also subsequent to the preparation of this statement, we learned that, in connection with $2.4 million in the President's budget for the agricultural account in the Bureau of Indian Affairs, Division of Resources, to prepare the second block of 10,000 of rural land for irrigation in 1978, we would very much like to see an additional $500,000 added to this $2.4 million in order to make the irrigation of the second block of land come about on time.

PREPARED STATEMENTS

Also, Mr. Chairman, I have with me a statement by Governor Apodaca of New Mexico in support of almost identically the same thing that the commission is supporting. I would like to request that this statement be printed in the record at the appropriate point.

Copies have already been mailed to the staff, and I will give them the one copy I have.

Senator BELLMON. Without objection, the Governor's statement, together with your own, will be made a part of the record.

Mr. GOSLIN. Thank you, Mr. Chairman, for the opportunity to appear here today.

Senator BELLMON. Thank you, Mr. Goslin.

[The statements follow:]

STATEMENT OF IVAL V. GOSLIN, EXECUTIVE DIRECTOR
UPPER COLORADO RIVER COMMISSION

My name is Ival V. Goslin. I am Executive Director of the Upper Colorado River Commission, Salt Lake City, Utah.

The Upper Colorado River Commission is an interstate administrative agency created by the Upper Colorado River Basin Compact of 1948. The Commission represents the States of Colorado, New Mexico, Utah, and Wyoming in matters pertaining to the development, utilization, and conservation of water resources of the Colorado River Basin.

Mr. Chairman, our Commission appreciates the opportunity to support appropriations to continue the construction of the *Navajo Indian Irrigation Project*.

The Navajo Indian Irrigation Project is in Rio Arriba and San Juan counties in northwestern New Mexico. Under it 110,630 acres will be irrigated. The project will provide a living for 6,550 Navajo families as farm operators, laborers and employees in service activities. A higher standard of living will be possible for more than 33,000 Navajo Indians. The project will provide an hydro-electric generating capacity of 23,000 kilowatts producing 102 million kilowatt-hours of energy annually. This electric energy will furnish a portion of the estimated irrigation pumping requirements.

This project is almost one-third completed. Construction of the first 41.8 miles of main canal, laterals and drains to serve 9,300 acres of the first block of lands, and furnishing and installing natural gas engine-driven pumps and generators to serve Block 1 lands are almost completed. During fiscal year 1977 work under various contracts will continue on these features including the gravity main canal, Block 2 laterals, and for furnishing and installing turbines for the Navajo Dam Powerplant. Contracts will be awarded for construction of the powerplant and switchyard, and for installing generators and transformers.

In addition to the $22,000,000 in the President's budget, another $1,000,000 could advantageously be utilized during fiscal year 1977 to accelerate the award of the contract for construction of the first section of the power transmission facilities. Acceleration of the award of this contract will permit these facilities and the powerplant to be completed at the same time; thus, resulting in substantial savings in costs of required pumping energy.

It is of vital importance to the improvement of the economic and social well being of the Navajo Indian Reservation that the Navajo Indian Irrigation Project be completed as rapidly as possible. This project with its potential to produce many specialty crops can also contribute substantially to the production of food and fiber to aid in avoiding impending food shortages in the world.

We recommend that the Congress appropriate the full $23,000,000. It is our understanding that this sum can be effectively and efficiently used by the Bureau of Reclamation in fiscal year 1977.

On behalf of the Upper Colorado River Commission, thank you for granting this opportunity to express our support for appropriations of funds for continuing the construction of this important Navajo Indian participating irrigation project under the Colorado River Storage Project Act of 1956 and the Navajo Indian Irrigation and San Juan-Chama Projects Act of 1962, as amended.

STATEMENT OF JERRY APODACA

SUMMARY

This statement is submitted in support of appropriations to the Bureau of Indian Affairs to continue construction of the Navajo Indian Irrigation Project which, in recognition of the obligation of the United States to the Navajo Tribe, was authorized in 1962. The project in the northwestern corner of New Mexico will furnish water for irrigation of 110,630 acres of land and will provide an adequate standard of living for 33,000 Navajos. The President's budget proposes $22,000,000 for fiscal year 1977 for continued construction of the Navajo Indian Irrigation Project by the Bureau of Reclamation. An additional $1 million could be effectively spent in FY '77 to accelerate the award of the contract for the construction of the first section of the power transmission facilities. Accelerating the award of the contract for the power transmission facilities will allow these facilities and the power plant to be completed at the same time. I ask that $23,000,000 be appropriated in FY '77 for the Navajo Indian Irrigation Project.

Initial delivery of water to the first 10,000 acre block of Navajo Indian Irrigation Project land is scheduled this year. The President's budget proposes the appropriation of $2,400,000 for FY '77 to the Bureau of Indian Affairs for on-farm development necessary to bring the second block of 10,000 acres of raw land into production in 1978. I am advised that an additional $500,000 could be effectively spent in FY '77 on this second block of 10,000 acres. This development will be accomplished through the Agricultural Account (5190) of the Bureau of Indian Affairs Division of Resources. I urge that $2,900,000 be appropriated in FY '77 for this program.

STATEMENT

The 1968 Treaty between the United States of America and the Navajo Tribe of Indians provides that any Navajo being the head of a family and desiring to commence farming shall have the privilege to select 160 acres in the Navajo Reservation to be held in the exclusive possession of the person selecting it and of his family so long as he or they may continue to cultivate it. The Treaty further provides that any person over 18 years of age not being the head of a family may in a like manner select and hold 80 acres within the reservation for purposes of cultivation. The Treaty further provides that the Navajo head of family is entitled to receive seeds and agricultural implements to help him get started in his farm enterprise. Even a casual examination of precipitation records shows that irrigation is essential if these Treaty provisions are to be given effect of much significance.

The law which authorized the Colorado River Storage Project in 1956, Public Law 84-485, explicitly recognized that assistance to the Navajo Tribe in form of an Indian irrigation project is the responsibility of the entire nation. The Navajo Indian Irrigation Project was authorized in 1962 by Public Law 87-483 to meet the obligation implied in the 1868 Treaty and explicitly recognized by the Colorado River Storage Project Act.

The desperate needs of the Navajo Tribe have been the subject of much concern to the people of the United States. Construction of the Navajo Indian Irrigation Project could do much to alleviate the grinding poverty suffered by the 130,000 people of the nation's largest Indian tribe.

The project would furnish water for the irrigation of 110,630 acres of land. Project construction will generate an estimated 8,750 man years of work at the project site. Navajo people are qualified and capable of handling approximately 30 percent, or 2,725 man years, of the construction jobs.

Employment opportunities associated with full development and operation of the irrigation facilities will have a great beneficial impact. The local annual payroll associated with the agricultural phases of the project is estimated at $41,400,000. Of this total, some $32,500,000 would accrue to Navajo people.

Studies show that jobs would be created for about 850 farm operators and 2500 farm laborers. An additional 70 employees would be needed to operate and maintain project facilities. Jobs associated with full development of the project--including related off-farm employment--are estimated to total 8,841 of which an estimated 6,626 would be filled by Navajo people. Directly and indirectly, the project would provide an adequate standard of living for about 33,000 Navajos. Also, there would be school benefits resulting from the resettlement of Navajos in the project area; these benefits alone have been estimated at about $1 million annually.

The studies of the Four Corners Regional Economic Development Commission have shown that accelerated completion of the Navajo Indian Irrigation Project would do more than any other measure to alleviate the problem of chronic economic distress that the Commission was created to solve.

Funds to initiate construction of the project were first appropriated for the 1963 fiscal year and the construction schedule called for the delivery of the first water on the lands in 1970. The most realistic goal now is initial delivery of water this year to 10,000 acres of land with an additional block of 10,000 acres being added in 1978 and an additional block of 10,000 acres being added each year thereafter until the project is completed. The President's budget for fiscal year 1977 proposes an appropriation of $22,000,000 to the Bureau of Indian Affairs to continue construction by the Bureau of Reclamation on the water conveyance and distribution facilities necessary to bring water to the project lands, and to continue construction of the 23,000 KW power plant at Navajo Dam to provide energy for project pumping. An additional $1 million could be effectively spent in FY '77 to accelerate the award of the contract for the construction of the first section of the power transmission facilities. Accelerating the award of the contract for the power transmission facilities will allow these facilities and the power plant to be completed at the same time. Arrangements have been made to bank all energy generated in excess of immediate needs with the Colorado River Storage Project. Approximately $1 million in energy generation will be lost if the transmission lines and substations required to interconnect with the Colorado River Storage Project are completed six months later than the power plant as now scheduled. I ask that $23,000,000 be appropriated in FY '77 for the Navajo Indian Irrigation Project.

The President's budget also includes $2,400,000 in FY '77 to prepare the land and provide the equipment to apply water on the second 10,000 acre block of project land.

For each block of the Navajo Indian Irrigation Project the items that must be supplied to bring the land into production are as follows:

1. Installation of the sprinkler irrigation system from the water delivery point being provided by the Bureau of Reclamation construction program. This system will be necessary to provide a means of distributing the available water to the crops being grown in the fields.

2. Clearing the land of unwanted vegetation and smoothing of the land surface in areas where it is too rough for effective operation of irrigation and farming equipment.

3. Relocation of gas and oil pipelines which will interfere with the farming operation. The responsibility for these relocations is dependent on the language contained in permits and leases held by the oil and gas companies. The majority, but not all, of relocations will be the company's responsibility.

4. Fencing of the farm area to separate it from the surrounding livestock range.

5. Procurement of seed, fertilizer, and supplies, etc., necessary to plant, care for and establish the first crop.

6. Purchase or lease of farming equipment necessary for land preparation, planting and establishment of the first crop.

7. Cost of labor to carry out the work involved in establishing the first crop.

8. Purchase or lease of transportation equipment necessary for on-farm operations.

I am advised that an additional $500,000 on the second block of 10,000 acres could be effectively spent in FY '77. This development will be accomplished through the Agricultural Account (5190) of the Bureau of Indian Affairs Division of Resources. I urge that $2,900,000 be appropriated in FY '77 for this program.

I appreciate this opportunity to present my views on appropriations to the Bureau of Indian Affairs for the Navajo Indian Irrigation Project.

STATEMENT OF LEONARD COTTER, CHIEF, WYANDOT TRIBE OF OKLAHOMA, AND PRESIDENT, SENECA INDIAN SCHOOL BOARD

Senator BELLMON. Our next witness is Mr. Leonard Cotter of the Wyandot Tribe of Oklahoma, and then we will hear from Mr. James H. Allen.

Mr. Cotter.

REQUEST FOR CONSTRUCTION FUNDING

Mr. COTTER. I am Leonard Cotter, chief of the Wyandot Tribe of Oklahoma and president of the Seneca Indian School Board.

I have testimony here of the funding of the school. Funding is requested in the amount of $8,299,830, to be added on for construction of new facilities at Seneca Indian School, Bureau of Indian Affairs, Department of the Interior.

Seneca Indian School was originally established in 1869, by Friends Missionaires. In 1876, 100 years ago, the Federal Government took over supervision, serving the Seneca, Wyandot, Peoria, Miami, Shawnee, Ottawa, and Quapaw Tribes. In 1920 the school was open to all tribes. Construction of the existing buildings range from 1880 to 1969. Since 1940 only two barns, a seven-classroom school building, two small mechanical buildings, and three carports have been constructed.

The school complex consists of 31 buildings, with a total of 131,932 square feet of space. All building facilities at Seneca, with the exception of a seven-classroom building, No. 284, are below BIA standards. Adequate potable water and ground space are available.

In February 1972, an A–E contract was let for the development of design and construction documents in two phases. Phase I of the design was completed October 1972. Phase II of design working drawings and specifications were completed in the spring of 1974. A meeting was held at Seneca in February 1975 to further discuss the proposed plans, and site positioning of the buildings with interested parents, students, advisory school board members, school personnel, other interested parties and area representatives.

No suggested changes were made by participating parties concerning the existing proposals. Prior meetings had been held in 1975, 1974, 1973, 1972, 1971, and 1970 to develop a considered plan for this elementary school. It is felt that the existing plans and specifications portray the expression of all interested Indians.

We feel that it is of the utmost urgency that construction funding for Seneca Indian School, either as a total project, or if imperative, by construction phases, be funded at the earliest possible date. If necessary, due to funding limitations, it is found that construction be in two phases, then it is recommended that the work effort be divided as follows:

Phase I: Home living—primary boys and girls, grades K through 3; kitchen-dining and student center; plant management shop—existing plant management shop is in the proposed construction area; streets, sidewalks; utilities; home living—boys and girls, grades 4 through 8.

Phase II: academic classrooms; vocational enrichment center; music complex; multipurpose building; administration.

Seneca Indian School is presently serving students in grades 1 through 8: age range from 6 years old to 16 years old, coming from eastern Oklahoma, Florida, New York, Minnesota, Texas, Illinois, Arkansas, Kansas and Mississippi.

Students are referred through social services of BIA Muskogee area. The students are victims of various circumstances: broken homes, welfare cases, truancy problems, court cases and where public schools in their community are unable to provide educational services for the Indian child. These children are "pushouts" in their environmental setting.

The American Indian child has a place to learn the basic education at Seneca. Children coming from eastern Oklahoma and other States to attend Seneca most likely would not be attending school today at home, and students not attending school generally will have juvenile problems.

Senator BELLMON. Mr. Cotter, you have made your case, that you need additional funding and the reason for it. Can we simply insert the rest of your statement in the record?

Mr. COTTER. I have documents with this.

Senator BELLMON. And the documents attached. They will be made a part of the record by reference. Will that be agreeable?

Mr. COTTER. That will be agreeable.

Senator BELLMON. Thank you very much. You have made a very good case for this fine school, and we will certainly give it every consideration.

Mr. COTTER. Thank you, sir.

[The statement follows:]

LEONARD COTTER
CHIEF, WYANDOT TRIBE OF OKLAHOMA
PRESIDENT, SENECA INDIAN SCHOOL BOARD

Funding is requested in the amount of $8,299,830, to be added on for construction of new facilities at Seneca Indian School, Bureau of Indian Affairs, Department of the Interior.

Seneca Indian School was originally established in 1869, by Friends Missionaires. In 1876 (100 years ago) the Federal Government took over supervision, serving the Seneca, Wyandot, Peoria, Miami, Shawnee, Ottawa, and Quapaw Tribes. In 1920 the school was open to all tribes.

Construction of the existing buildings range from 1880 to 1969. Since 1940 only two barns, 7-classroom school building, two small mechanical buildings, and three carports have been constructed.

The school complex consists of 31 buildings, with a total of 131,932 square feet of space. All building facilities at Seneca, with the exception of a seven classroom building, #284, are below BIA standards. Adequate potable water and ground space are available.

In February 1972, an A-E contract was let for the development of design and construction documents in two phases. Phase I of the design was completed October 1972. Phase II of design working drawings and specifications were completed in the spring of 1974.

A meeting was held at Seneca in February 1975 to further discuss the proposed plans, and site positioning of the buildings with interested parents, students, advisory school board members, school personnel, other interested parties and area representatives.

No suggested changes were made by participating parties concerning the existing proposals. Prior meetings had been held in 1975, 1974, 1973, 1972, 1971, and 1970 to develop a considered plan for this elementary school. It is felt that the existing plans and specifications portrays the expression of all interested Indians.

We feel that it is of the utmost urgency that construction funding for Seneca Indian School, either as a total project, or if imperative, by construction phases, be funded at the earliest possible date.

If necessary, due to funding limitations, it is found that construction be in two phases, then it is recommended that the work effort be divided as follows:

Phase I

Home living - primary boys and girls (grades K-3)
Kitchen-dining and student center
Plant Management shop (existing Plant Management shop is in the proposed construction area)
Streets - sidewalks
Utilities
Home living - boys and girls (grades 4-8)

Phase II

Academic classrooms
Vocational enrichment center
Music complex
Multi-purpose building
Administration

Seneca Indian School is presently serving students in grades one through eight: age range from 6 years old to 16 years old, coming from Eastern Oklahoma, Florida, New York, Minnesota, Texas, Illinois, Arkansas, Kansas and Mississippi. Students are referred through Social Services of BIA Muskogee Area. The students are victims of various circumstances; broken homes, welfare cases, truancy problems, court cases and where public schools in their community are unable to provide educational services for the Indian child. These children are "push outs" in their environmental setting. The American Indian child has a place to learn the basic education at Seneca. Children coming from Eastern Oklahoma and other states to attend Seneca, most likely would not be attending school today at home and students not attending school generally will have juvenile problems.

We must provide a standard of living for Indian pupils equal to that of the country as a whole. While this goal may not apply solely to buildings, it is important for Indian students attending boarding school to have facilities comparable or equal to that of other similar public schools.

We feel it is of utmost urgency that construction funding for Seneca Indian School, either as a total project, or if necessary by construction phases, be funded at the earliest possible date. Seneca's foremost purpose is to contribute to quality educational development of elementary level Indian students through effective services in a boarding school setting. With the new facilities, we can provide quality curriculum program and social services.

Since this project has been designed and documented with no relative change in needs from those expressed in the educational specifications completed in September 1971, a listing of current enrollment and educational program is not presented.

Gentlemen; you have before you a case history of one of the most neglected Indian Boarding Schools in the Muskogee Area Office. It seems that due to oversights on the part of the Bureau and a lack of positive action on the part of those people closest to the situation has resulted in a crisis situation at Seneca Indian School. Either, our Area people have not been doing their job, or they have not been able to influence the Bureau in Washington, D.C..

We must embark on this new construction project immediately or further immeasurable damage may be done to young innocents.

I hope you will find it in your heart and conscience to provide funding for this project.

*BREAKDOWN OF ESTIMATE

INSTALLATION CODE

G	1	1	-	2	4

BACKLOG NUMBER

8	C	0	0	1

	Building or structure	Sq. Ft.	Rate	Estimate
___	School	19,720	38.07	750,710
___	Dormitory K-3	19,390		
___	Dormitory 4-8	50,960	44.00	2,648,800
___	Kitch-Din bldg.	11,475	61.50	705,713
___	Multipurpose bldg.	22,000	52.50	1,155,000
___	Gym-Aud.			
3	3-BR Hse	1,400	21.50	90,000
1	2-BR Hse	1,200	25.00	25,000
___	1-BR Apt.			
___	Garage Car			
___	Garage Bus			
___	Stor, Fire, Main, Gen.	4,370	36.50	185,055
___	Demolition	104,000	3.00	312,000
___	Remodel			
			TOTAL	$5,872,278

Utilities & site improvement

Site improvement	$	384,665
Water system		
Sewerage system		481,800
Electrical system		328,500
Fuel dist. & storage		150,000
Steam distribution		
TOTAL		$1,344,965

Equipment	$	
Job supervision)		
Contingencies)		1,082,587
Engineering, plans and surveys Completed		
TOTAL		$1,082,587
TOTAL PROJECT		$8,299,830

Date 3/8/76

Area Facility Management Officer
Signature and Title

FORM 5-4601-C-1 (FEB 1976)

MIAMI CLINIC, OKLAHOMA

STATEMENT OF JAMES H. ALLEN, SENECA-CAYUGA TRIBE OF OKLAHOMA

Senator BELLMON. Our next witness is James H. Allen of the Seneca-Cayuga Tribe of Oklahoma. Then we will hear from Mr. Cecil Williams.

Mr. Allen.

Mr. ALLEN. Thank you, Mr. Chairman.

I am James Allen, chief of the Seneca-Cayuga Tribe of Oklahoma. I am also chairman of the Claremore Indian Hospital Advisory Board, and a member of the Seneca Indian School Advisory Board.

I am here on a threefold purpose, more or less; to support the statement of Chief Cotter, and also Mr. Glen Hanson in regard to staffing of the Claremore Indian Hospital.

In behalf of my tribe and the Intertribal Council of Northeast Oklahoma, we are requesting funding in the amount of $655,000 for a new clinic to be situated in Miami, Okla. The new health center was approved as a congressional add-on in the fiscal year 1976 budget, that will provide the full range of ambulatory health care to an estimated Indian population of 3,000 plus persons in a 20-mile radius of the Miami-Wyandotte, Okla., area. But it was not included in the President's fiscal year 1977 budget.

Last year we came before you and requested funding for this facility. Because you gentlemen saw the need and consented to remedy the situation, funding was added on in the amount of $360,000 to make it ready for operational status.

In the course of a year we have not, until the last few days, received official notification to proceed. In the interim the present administration has attempted to rescind the actions this subcommittee took a year ago. This has resulted in many delays and anxious moments for us.

In 1 year's time the requirements to adequately maintain and operate this facility has risen by almost $100,000. We can afford to wait no longer to begin delivering health care while the costs are continuing to escalate.

That is the main gist of my prepared statement, Mr. Chairman. And with that, I want to thank you for allowing me the time to come before you.

Senator BELLMON. Thank you very much, Mr. Allen.

To be sure that I understand clearly, the funding for the operation of this health clinic was approved by Congress, it was rescinded by the President, the Congress did not agree with the rescission, but there is no money in the 1977 budget for this purpose?

Mr. ALLEN. Yes, that is the information that we have.

Senator BELLMON. The amount you need is $655,000.

Mr. ALLEN. Yes.

Senator BELLMON. Very good. Thank you very much.

[The statement follows:]

STATEMENT OF JAMES ALLEN

Report to the Senate Subcommittee by James Allen, Chief of the Seneca-Cayuga tribe and member of school board at Seneca Indian School. Funds are requested in amount of $8 299.830 to add on for construction of new facilities at Seneca Indian School, Muskogee Area, Bureau of Indian Affairs, Department of Interior.

Enrollment at Seneca Indian School for 1975-76 school year is 187. Ages range from six years to sixteen years of age in grades one through eight. The 187 students were provided the educational program at Seneca because there were no programs available for them elsewhere. New facilities are needed to continue the education program which will enable them to participate to their capabilities in the present society. These children are "PUSH OUTS" in their environmental setting. (broken homes, court cases, welfare cases, behind in school age-grade wise, and other circumstances).

The conditions of a school have a great effect upon the entire atmosphere of the school. Students who are happy at school will do well academically and socially. Such facilities are lacking now at Seneca Indian School. Construction of existing buildings range from the year 1880 to 1969. Since 1940, only three barns, seven-classroom building, two small mechanical buildings and three carports have been constructed. We feel it is most important that construction funding for Seneca Indian School be approved.

Quality schools are the essence for Indian girls and boys. Since all building facilities at Seneca, with exception of the seven-room classroom are below the standards established in the President's Message March 6, 1968, that the first goal for Indians is "A STANDARD OF LIVING FOR THE INDIANS EQUAL TO THAT OF THE COUNTRY AS A WHOLE."

Replacement of the existing two dormitories merits a high priority because of the present conditions from years of wear and tear. The existing facilities or structures are functionally deficient. Steel casement windows are warped and in poor operative condition. The dormitories require high maintenance cost as well as high utilities costs. Building #203, Girls Dormitory, 131 bed capacity, was constructed in 1937. Boys Dormitory, 75 bed capacity was constructed of brick and tiles in 1937. Replacement of the existing buildings would make this school more compatible to modern day living conditions and would strengthen the self-image of the Indian child. Also, this could lead to improved student morale and a desire for full participation in the life around them, both within the school and in surrounding communities. This broadening participation would add to their individual development and preparation for a full share of economic opportunity and social justice as they develop into adults.

It is recognized that responsibilities for actions and reactions of young people stem from their educational experiences and background; therefore it is important to provide for the student adequate educational facilities, both in structure and design, in that these facilities will add to their individual desires for developing within the framework of the present day society. We recommend top priority for these facilities.

Dining Hall and Kitchen Building: The existing two-story building #205 is a frame structure with wood siding, constructed in 1927. In view of the fact this building is functionally obsolete and is considered a fire-hazard due to type of construction, it is very important that funds be made available to provide a safe and new kitchen-dining room.

Employee Housing: Due to isolation of the school and inadequate rental facilities in nearby communities, it is important that quarters be available for staff who are needed on campus at all times. Seneca Indian School is a self-contained home and school combination; therefore, for development and progress of students, it is necessary that certain members of the staff be required to live on campus. Present housing on campus does not serve as a modern model; therefore, proposals be developed in its fullest detail.

Need for Exploratory Crafts Enrichment Center would provde a unique service and meet the needs of the students: Learning the basic facts about the world of work, learning basic principles of homemaking, food preparation and home decoration; learning hobby skills and safety instruction. These needs will be met by the kind of program that can be carried on in this facility.

In 1876, the Federal Government took supervision serving the Seneca tribe, Wyandotte tribe, Peoria tribe, Miami tribe, Shawnee tribe, Ottawa tribe and Quapaw tribe. In 1920, the school was open to all tribes.

Many successful Indian citizens are now part of the mainstream who learned to live at Seneca Indian School. Many more successful citizens are coming from Seneca Indian School. Up-to-date facilities are needed for safety and quality living of this day and age. Present facilities are not functional and operative.

The academic program of Seneca Indian School is largely ungraded and each student is provided for in the program. The school has a special program for the Indian student who is intermittently in and out of public schools due to one case or another. The program specializes in a curriculum that gives the student an increased educational and social foundation which enables him to return to his home community and feel adequate to life's challenges and problems in a multi-cultural environment.

The academic curriculum is SPECIAL in that the staff fits the program to the child rather than trying to fit the child to the existing program of the school. Emphasis is placed on the special needs of each child. This is done through a modified ungraded program where students are grouped in appropriate levels in which they can function, according to their academic achievement, maturity and individual needs. Maximum educational advantages are offered while efforts are directed toward improving the health, happiness and well-being of each student. The purpose is to guide students to learn to think for themselves and to manage their own affairs; to increase their ability to work out their personal problems and to get along with others. Students are put into (3) groups: Primary I; Primary II; Intermediate I; Intermediate II; Intermediate III; Junior High Group I; II; and III.

GENTLEMEN: Seneca Indian School too long has been ignored. We are asking you to put new building facilities at Seneca Indian School as top priority in the construction program for a very worthy and needy school for the American Indian child.

GENTLEMEN: I want to thank you for the time given me to present our needs for the "PUSHED OUT" American Indian child. Your support and consideration to expedite funding for the construction program is most appreciated. Thank you.

STATEMENT OF SIDNEY WHITECROW

Funding is requested in the amount of $655,000 for the DHEW Health Service Administration, Indian Health Service appropriation. This appropriation will be used to annualize the positions staffing, operation, and maintenance of a new health clinic facility to be located in the Miami, Oklahoma area.

A new health center was approved as a congressional add-on in the FY76 budget (1) that will provide the full range of ambulatory health care to an estimated Indian population of 3,000 plus persons in a 20 mile radius of the Miami-Wyandotte Oklahoma area, but was not included in the Presidents FY77 budget. (2)

There are numerous problems that have prevented the eight tribes of Northeastern Oklahoma, in adequately meeting the health needs of their communities. The major problems can be classified under three major areas or categories which are:

1) inadequate and outmoded facility for conducting a modern, comprehensive health program.

2) inadequate staff to carry out an effective health program, and

3) inadequate funding for training, contract health services, and general operations to support a modern, comprehensive health program.

Presently, the Indian population of this area must travel about 70 miles to the IHS hospital at Claremore, Oklahoma, for adequate full-time health care. The existing health station at Wyandotte, (which is almost 100 years old) is only open two and one-half days per week with staff being provided from the Claremore facility It is estimated that during FY73 and FY74, only 42 percent of the expected demand for clinical medical ambulatory care was provided.

The eight tribes of Northeastern Oklahoma have developed, in concert with IHS Oklahoma City area office, an explicit and comprehensive evaluation of their health problems and needs. The result of this study indicates a new health center is required along with sufficient health personnel to meet their present and proposed workloads and to provide effective and high quality health care to the Indian communities.

Last year we came before you and requested funding for this health facility. Because you gentlemen saw the need and consented to remedy the situation, funding was added-on in the amount of $360,000 to make it ready for operational status.

In the course of a year, we have not, until only the last few days, received official notificaiton to proceed.

In the interim the present Administration (3) has attempted to rescind the actions this Sub-Committee took a year ago. This has resulted in many delays and anxious moments for us.

In one year's time the requirements to adequately maintain and operate this facility has risen by almost $100,000. We can afford to wait no longer to begin delivering health care while the costs are continuing to esclate. (4)

There are numerous problems of the past that have precluded viable solutions to Indian problems of our area. There has never before been such a total united effort to solve Indian problems in Northeast Oklahoma - we have come together to solve our problems in an orderly and systematic fashion, and with the help of our leadership in Congress, we feel we can attain this worthwhile goal. Health just happens to be our number one priority.

Every Indian Tribe in our area, (and there are eight) is vitally concerned with alleviating our pressing health care problems. Every Indian Tribe in our are has given the Seneca-Cayuga Tribe its full and unqualified support in seeking to obtain funds for operation of an adequate health clinic to serve our people.

So I am back to ask you again for something you have already given to our people. I feel that this Sub-Committee acted in a wise and responsible manner a year ago when you granted our request for better health care, but due to the mechanics of the present administration I must come back and ask for annualization of operational money for this badly needed health facility.

Thank you.

STATEMENT OF CECIL WILLIAMS, CHAIRMAN, PAPAGO TRIBAL COUNCIL, PAPAGO TRIBE OF ARIZONA

ACCOMPANIED BY:

ED KISTO, COUNCILMAN
TONEY FELIX, COUNCILMAN
WILLIAM STRICKLAND, GENERAL COUNSEL

INTRODUCTION OF ASSOCIATES

Senator BELLMON. Our next witness will be Cecil Williams of the Papago Tribe of Arizona.

Mr. Williams.

After Mr. Williams, we will hear Leslie Minthorn of Oregon.

Mr. WILLIAMS. Thank you, Mr. Chairman.

I have a delegation with me also.

Senator BELLMON. Will you introduce the other members that are with you.

Mr. WILLIAMS. Yes. To my far left is councilman Ed Kisto. Next to him is Toney Felix. And to my right is our counsel, Mr. Strickland.

Senator BELLMON. Would it be possible for you to write down the names and give them to the reporter?

Proceed if you will.

PAPAGO TRIBAL PRIORITIES

Mr. WILLIAMS. We have six priorities which the tribal council selected. Within those priorities we also have other priorities. Each of us will speak on those areas.

We will start off with Councilman Ed Kisto.

Mr. KISTO. Mr. Chairman, I represent the Papago Tribe, and I feel that at this time it has been—they need housing. I am going to talk about housing.

The priority is housing, and here I have made some copies, and I would appreciate it if you would look at it because I took some time to develop some of the things the way the Papagos have lived on the reservation.

I feel that the Papagos have been given help. They have been given some help like HIP, HUD, but they are doing it the way they feel it is fair. Papagos are losing their cultures and their traditions.

In order to help these people, I feel that maybe if we could compromise it from those photos. The urban homes that they have put up there, the urban homes are too expensive for people to pay for. And HIP's are exceptional, but those homes that are urban built are just way out of proportion. They are big and cost a lot to upkeep.

I feel if there should be any funding, I would think that we should make the plans for our—to compromise it the way the Papagos would like to live and bring back their culture. We are losing our culture and traditions, and we have many problems because we are so mixed up.

Senator BELLMON. Before you go on to another subject, you are objecting to the fact that these homes that BIA is building now are too costly for the Papagos to maintain?

Mr. KISTO. Yes, sir.

Senator BELLMON. Do you have a suggested type of home you would like to see the BIA help build?

Mr. KISTO. Yes, in my mind I have, sir. But I do not have anything because we do not have any plans at this time. But this is what I plan to come up with, a plan that we could use to compromise from the Urban. But this would start on the reservation the Papagos would like to have their homes built.

Mr. WILLIAMS. Mr. Chairman, some of that housing is HUD housing.

Senator BELLMON. I understand. Go ahead.

Mr. KISTO. There is another point I would like to make, sir. There are two types of people on our reservation. There are working people and people on welfare.

These people who are working people cannot get any loans from the outside to build their own homes. And I know that for a fact. You could not go into town and ask for a loan to build a decent $8,000, $7,000 home out of adobe the way the people would like to have it.

We are just up against it. They are buying trailers. People that are working, making $6,000, $7,000, $8,000 a year on their income cannot afford to build a decent house, so they go into Tucson and buy a trailer. And that does not really blend with the desert.

I would appreciate if something could be done about that so working people could borrow money to build a decent house. That is another point.

Senator BELLMON. Thank you very much.

Mr. WILLIAMS. The second priority which I will speak about is facilities. We have need of a shelter home for dependent children. We have not had any shelter type home, and things are getting desperate out there where we need those types of facilities.

The other things we need are also a custodial care center for the elderly. We also need a youth activity center, and also a need for construction of additional facilities for the Alcoholism Halfway House.

The third priority is development of tribal government. We have requested from Congress the amount of $100,000. We were only given $50,000, and we were supposed to get an additional $50,000 which we never received.We are asking for an additional $100,000.

The other things are, our tribal government is expanding rapidly, and we feel that if we could get a small amount of money for a small computer, that could help us keep our accountability and our operations up to date.

We also need a small amount of money, $120,000, for consulting services for training and to have top level experts in various fields, like economics, investment, and international law, labor relations.

We also made an addendum to our booklet here. We have close to 95 percent daylight out there. What we are asking for is an amount of money to do some research in solar energy. We feel that our area is the best area for solar energy because we have almost 95 percent, almost 100 percent, 365 days of daylight out there.

Our next speaker will be Councilman Toney Felix.

Senator BELLMON. Mr. Williams, we are having trouble keeping you within 5 minutes when you have four witnesses, so could you be as brief as possible.

Mr. FELIX. Mr. Chairman, I am speaking on behalf of the Education Department. Some of the educational needs are classroom facilities, classroom dormitories, new construction for schools, and under the schools we would like to get more permanent teacher positions.

Since I have limited time, I cannot go into any more detail, so I will go back into another category, which has to do with our police force on the reservation.

Our police force is too small. Our upgrading and increase in personnel is very inadequate. We need more funding in that field.

We also need facilities to be operative. We also need equipment, more equipment that we can do the upgrading of the police force.

We want others, a large number police force because the state in our area on the southern part of the reservation. Due to the drug related, we have limited police in that field and would like to get more moneys for that. We need a lot of training in that field. We need to upgrade our police force because we are losing them as fast as we are hiring them.

Senator BELLMON. How many people live on the Papago Reservation?

Mr. FELIX. The present count, about 12,000.

Senator BELLMON. How large a police force do you have?

Mr. FELIX. About nine permanent positions and four—two run full time by BIA. But none in narcotics. It is mostly in the Federal system that is patrolling the international boundary on the southern part of the reservation.

Mr. WILLIAMS. Mr. Ed Kisto will speak on the last item, agriculture and water development.

Mr. KISTO. About agriculture and water, there is a farm about 60 miles away that is developing, and we would like to have this developed. I see many reasons to develop this farm called Papago Farms.

The first thing we need is a road and the power. It has been worked at one time, and it has been neglected. Now we would like to bring it back up so that we can make some jobs for the Papago people and plant grass.

We are in drought, and we would like to bring the people back into employment. Instead of spending a lot of money on welfare, I think we ought to just put a lot of money into this farm to develop it.

There has been a lot of water pumped out from under us, and now Mexico—our reservation is right on the international line—and now Mexico is drawing out the water on the other side of the reservation. I feel we should develop this land.

Senator BELLMON. I see you have a section here on the land. Do you make an estimate of how many jobs this would provide?

Mr. STRICKLAND. Mr. Chairman, the jobs have not been calculated at this time. Our biggest problem is international problems that will occur because we have had the reservation, and as far as the State of Arizona, we are being drained of water on all sides.

Now they are starting development on this water basin, and this is a water basin fully contained within the reservation, 2,000 square miles of drainage. The overflow is going into Mexico, and Mexico has just started this year developing agriculture down there, and they

have two sections under cultivation in the last 6 months. We are worried that that water is going to be drained from under the reservation and pulled down the water table, and this will be disastrous for the Papago people.

It is gold out there, it is so dry, it is like the life blood of the Papago tribe. They lost their water at Chuichur at the north end, and on San Xavier because of an outside pump pumping from the State of Arizona, or municipalities, and at Hila Bend because of dams.

This is one water source that does not affect anybody because it is all within the reservation. But if we do not, Mexico will drag it out from down below and we will lose that water too. So it is a desperate situation.

Senator BELLMON. Thank you very much. Your statement will go in the record and the supporting documents will be adopted by reference.

Mr. WILLIAMS. Thank you, Mr. Chairman.

[The statement follows:]

On Thursday, March 11, 1976 the Papago General Council, governing body for the Papago Indian Reservations, met to determine funding priorities for 1976 and 1977. In nine hours of meeting they reviewed 50 separate items in 14 major categories.

This document is a result of that meeting.

The March 11 meeting followed two months of public meetings at the tribal and district level, to determine village priorities; as well as various meetings of Tribal, B.I.A. and I.H.S. staff, and a review of prior congressional requests.

The Council established six areas as the most urgent needs and directed preparation of this appeal for special fiscal 77 appropriations. Sections I & II of this document detail these highest priority needs. Section III outlines certain other needs of somewhat lesser urgency.

Urgency: The six priorities are not idlely selected. They are a careful balance between funds needed to complete existing projects, as in Education; funds for long range development, as in Agriculture and Tribal Government; and funds for critically immediate human needs, as in Safe Water, Housing, and Law Enforcement.

It is not chance that the majority of request are for construction funds. It is an axiom of Indian life that funds for operations are relatively easy to find in existing federal program, yet construction monies almost invariably require special appropriations. It is this orientation toward construction in long neglected areas which makes our request as large as it is.

As Chairman I recognize that these are substantial requests. Yet, I can not over-emphasize the urgency of the needs. Papago, with 12,000 people, is the second largest Tribe in the nation, and it has long been one of the poorest. All too many of our people suffer in dire poverty.

As a Tribe we are making very serious efforts to resolve our problems and to meet realistic development goals. Our work is not unproductive. In health Papago Tribal programs are renowned throughout the nation and are studied by both Indian and non-Indian for successful efforts to reduce infant and adult mortality. In economic development we are developing mines and we control our utitlities and much of our construction. These four activities alone employ 350 persons, many of whom were unemployed one to three years ago.

We have a long ways to go. Papago unemployment is 5 times and per capita income less than 1/5 the national averages. Housing for 80% of our people is a national disgrace. We are by no means self-sufficient and we need substantial federal help for several years to approach it.

These requests lay a reasonable framework for progress. Full funding would in 1 1/2 years:

-Eliminate 6 to 10% of the housing and 80% of the domestic water problem;

-Provide the most critically needed health facilities and all but one of the major education facilities;

-Provide a tribal government equipped to take full advantage of new self-determination laws;

-Introduce modern agriculture as a viable enterprise;

-Provide all of the foreseeable justice facilities and place law enforcement operations on a respectable level;

-Provide 200 to 500 jobs and remove 1,000 to 2,000 persons from welfare roles.

These are not insignificant accomplishments.

YELLOWHAWK CLINIC, OREGON

STATEMENT OF LESLIE MINTHORN, CONFEDERATED TRIBES OF THE UMATILLA INDIAN RESERVATION, OREGON

Senator BELLMON. Our next witness is Leslie Minthorn of the Confederated Tribes of the Umatilla Indian Reservation in Oregon.

Then we will hear from Danny Little Axe.

Mr. MINTHORN. Thank you, Mr. Chairman.

CONGRESSIONAL ADD-ONS

This testimony that I would provide this morning is related to the congressional add-ons for the Yellowhawk Clinic on our reservation. It is a brief statement, so with the Chair's permission, I would like to go ahead and read the prepared statement. Congress has taken to provide our Yellowhawk Clinic with staff through congressional add-ons to the Indian Health Services appropriation for fiscal year 1976, however, there appears that technicalities still block the eventual hiring of staff for our clinic. They are:

One, the add-on provided for $271,000 in fiscal year 1976 for clinic staff but the add-on language did not provide—according to Indian Health Service headquarters—a specific request for the 22 positions to raise the IHS position ceiling, to allow additional hiring for Umatilla. The Indian Health Service will be able to handle this situation internally by providing 20 positions for the remainder of this fiscal year, but consideration must be given by Congress to provide the necessary positions for fiscal year 1977.

Two, the add-ons provided in the fiscal year 1976 budget have not been annualized. We understand that they are not in the President's fiscal year 1977 budget as the President anticipated that his recession would be upheld.

We are therefore requesting that: one, Congress approve 22 staff positions for the Yellowhawk Clinic on the Umatilla Reservation; two, Congress request that the 22 positions and appropriate funding be annualized so they will be included in the fiscal year 1977 budget and base budgets thereafter.

Again, we emphasize our appreciation to both committees and Houses of Congress for their recognition of our need, and we know the intent of their action was that we would have by now received our staff and be in operation. It appears that we now need to ask for additional assistance to make our common goals a reality.

Testimony provided last year before the committees accompanies this statement for reference.

Thank you. I think it is pretty straight forward, but if there are any questions, I would be glad to answer them.

Senator BELLMON. Thank you very much. I believe you have covered all the essential information and we will certainly give your request every consideration. We appreciate your presence here.

The next witness will be Danny Little Axe of the Absentee Shawnee Tribe of Oklahoma.

Is Mr. Little Axe present?

STATEMENTS OF:

BLAINE CLOWN, SR. VICE-CHAIRMAN, CHEYENNE RIVER SIOUX TRIBE

SANDRA K. LEBEAU, CHAIRPERSON, HEALTH, EDUCATION, AND WELFARE COMMITTEE, CHEYENNE RIVER SIOUX TRIBE, SOUTH DAKOTA.

Senator BELLMON. We will go then to Wayne Ducheneaux, Sandra LeBeau, Blaine Clown, and Walter Woods of the Cheyenne River Sioux Tribe, South Dakota. Is this group here?

Would you state your names for the reporter?

Mr. CLOWN. My name is Blaine Clown, vice chairman of the Cheyenne River Sioux Tribe. This is Sandra LeBeau, chairperson, HEW Committee for the council.

Also, one of the 10 young women—she will give the talk.

Ms. LEBEAU. Sir, this morning we have an appointment to talk about one thing and this afternoon, another. One was education and one was health. With your permission, I would like to do both of them now rather than come back this afternoon.

Senator BELLMON. That is agreeable. Go right ahead.

Ms. LEBEAU. Thank you very much.

I would like to go into the education one first.

We are asking for some money for a teacher training program. We hope that under our new Public Law 93–638, we would be able to take this money and train people as teachers on the reservation and they would teach in our schools.

Right now, most of our schools are non-Indian and they move all the time, so there is no consistency in our education.

We hope by starting this teacher training program that we will have our own people there teaching and this would be a private project type thing, a demonstration pilot project.

The other thing is we have 60 schools throughout the reservation. These three we are talking about in Bridger and Cherokee are old and these communities are growing because some of the communities—because they are some of the communities that do have—Cherokee has over 100 students in their system now and we know Bridger will grow and we need construction money for these two areas.

Also, in order to get teachers to come to our reservation, because it is one of the most isolated reservations in the Western States—it wouldn't seem like that being located in South Dakota, but it is—we need housing to attract teachers. So we are asking for housing.

I might say that South Dakota—our reservation out there—is one of the most isolated. We are 2, 3, 4, and 5 hours from any place. I would like to invite you to come sometime and hold your hearings.

We have developed quite a bit of back-up material in this area. We have a hospital that was built when the Oahe waters backed up and our agency had to move from the river site to Eagle Butte. We had a tribal hospital down there. The Corps of Engineers built a replacement hospital. The hospital is inadequate. It is unsanitary. We can't get it licensed by anyone. We don't have emergency rooms.

And we are asking quite a bit of construction money to bring it up to staff standard.

Also, staffing is a problem because right now there is one person working for every three in the system, professional as well as non-professional positions. We need housing to bring those people in. We have people dying out there because there are no people to take care of them when they are critically ill. We have babies that die because they are checked every 2 hours and they die between the 2 hours. If someone has a heart attack and they put them in the room next to the nursery and the babies cry and disturb the people who have had a heart attack—those people die and we are asking for things like that.

Also, on our reservation, besides being isolated, we don't have water out there. We have the Oahe backup waters and what not. What we have done so far is built a pipeline. The tribe has done this. We have borrowed money and borrowed money from other sources and we built a twenty—we built backup water for our town, but we need from throughout the agency. We want money to build. We have four communities that don't have water at all.

In order to get housing, we have to have water. So the figure, the $2,700,000 figure would put water in three of those four communities and then we would have some decent housing. The total pipeline plan is one that we have developed. I did not bring it with us, but if you would like, I would have that information sent to you.

Senator BELLMON. We would appreciate the information. Are you not eligible for the Rural Water District Funding under the Home Administration?

Ms. LEBEAU. We have borrowed money from that for the first phase of it. We were told by Indian Health Service that the one part that was from the Daken area to the town of LaPlant, it is all tribal—we were told that if we could get that money, the pipeline could be built right away.

I was wondering, too, for my own clarification, we don't have a lot of travel money to come up here and we don't do that very often. When money does come down to the Aberdeen area—we have some reservations that cause trouble and they get all the money and they get all the money.

Cheyenne River comes from one of the most stable tribal governments in the country and we are proud of that. We don't get in the news media and that sort of thing. So, if we do get some appropriations, we would like it especially marked for Cheyenne River so we would receive it. Otherwise things could deteriorate to the point where people would get on the news media and we don't want that. We have a very stable government and we want to keep it that way.

Senator BELLMON. In other words, if you don't get your share of the money—if they don't give you your share of the money, it's an invitation for you to start some acts of violence so you get their share. I understand what you are saying.

Ms. LEBEAU. That has happened on other reservations. It is ridiculous.

Senator BELLMON. It is a good point. Thank you very much.

Ms. LEBEAU. I was wondering for our own information, like I said we had to come up here. It was my understanding there would be several Senators here.

Senator BELLMON. The information you have given us will be reviewed by the full committee, all the Senators on the committee. This is not unusual to find that there are not a great many Senators present at the hearings, but they do get the information and it is as good as if they were here because they get the same facts.

Ms. LEBEAU. We especially want to make the point that we need this, we really do.

PREPARED STATEMENT

Senator BELLMON. I think you have done that very well. Thank you very much. We will place Mr. Clown's statement in the record.

[The statement follows:]

STATEMENT OF BLAINE CLOWN, SR.

The Cheyenne River Sioux Tribe is requesting $2,847,500 for the Education Branch, Cheyenne River Agency, Bureau of Indian Affairs for a Teacher Training Program and new construction at three of our seven Bureau school for FY 1977.

The Cheyenne River Sioux Tribe wishes to thank your Committee for this opportunity to come before you. Your willingness to hear our comments shows us you share our concerns for the education of our children.

We look to our schools on the Cheyenne River Reservation to provide the highest quality education possible, for we must educate our children to fill important leadership roles in our Tribe and our country.

In accessing the current needs on our reservation we find we could provide a better quality of education if the following problems were addressed through adequate appropriations.

1) An innovative Indian teacher training program which will provide salaries and instructors for ten reservation residents over the next 5 years. We will identify 10 persons in our communities who are high school graduates and who are interested in training as elementary teachers. We will design a work and college course work program which will allow the 10 persons to get their Bachelors in Education through the Cheyenne River College Center while gaining experience in the classroom. We feel by recruiting and educating community persons in their own community, we will be able to retain them as teachers in the same communities. This will also provide adequate Indian role models in the community schools for the Indian students. This is totally lacking in our schools now. This would cost $100,000 for the first year, and will increase to $115,000 for the fifth and final year. The Cheyenne River Sioux Tribe would ask to contract this program under P.L. 93-638 after the appropriations are made available.

2) we have immediate construction needs of $2,748,500 in Bridger, Cherry Creek and Eagle Butte.

BRIDGER: $416,500 for a four classroom school with complete facilities, office area, kitchen, multipurpose room, toilet and locker facilities. Construction of 2 - 2 bedroom modern quarters for staff. Bridger is one of our reservation communities located 65 miles from the Agency and boarding school. New community HUD housing is being built there and we expect Bridger to grow as a community center. Our existing school facilities are too small, decrepit and inadequate. Increasing the facility will allow more children adequate education while remaining at home.

CHERRY CREEK: $1,413,000 for a ten classroom school with kitchen-multi-purpose area - toilet and locker rooms facilities. Construction of 7 new 1-2-3 bedroom quarters for staff. Cherry Creek is our largest community outside of the Agency with a population of 420. It is located 35 miles from the Agency. Roads are poor, and because of the isolation and road

conditions, especially in the winter, it is highly desirable to have an adequate school in this community. It is extremely difficult to conduct a modern educational program in the existing, scattered, sub-standard facility. Decent quarters and facilities will increase the chance of hiring a competent staff. A full educational program will increase student interest and help curb the drop-out problem. The multi-purpose room will accommodate our future high school athletic program in Cherry Creek.

EAGLE BUTTE: $324,000 for construction of four one-bedroom apartments with basements and four one-bedroom efficiency apartments. Replace two garages containing 5 stalls for a total of 100' x 50' unheated metal building. Housing in Eagle Butte is our biggest problem, and it is critical in the area of education. Without housing to offer teachers they cannot and and do not come here. The 8 new units will help us to recruit newly graduated teachers.

$595,000.00 for construction of a heated indoor swimming pool addition to the present school facility in Eagle Butte. This would include an olympic size pool locker rooms and bleachers for interscholastic and varsity swimming events.

There are no facilities on the entire reservation for varsity swimming. The school requires these facilities for a swimming program and for a complete physical education. This school currently has an enrollment of 1,111 and under its current physical education program cannot offer equal opportunities for girls. The addition of this swimming pool would help equalize this program. The Tribe has available five acres adjacent to the school that could be utilized for this facility.

STATEMENT OF HOWARD GOODBEAR, CHEYENNE, ARAPAHOE, OKLAHOMA.

Senator BELLMON. Our next witness will be Mr. Howard Goodbear, Cheyenne, Arapahoe, Okla. Mr. Goodbear.

Mr. GOODBEAR. I have with me Mr. Virgil Franklin, chairman of the Tribal Health Committee, Clinton Service Unit, also the counselman of the Arapahoe District. And to my right is Thurman Welbourne, our tribal manager.

I have a short statement, Senator Bellmon, that I would like to read at this time.

Mr. Chairman and members of the committee, first, on behalf of the Cheyenne and Arapahoe Tribes of Oklahoma, I wish to express our appreciation that we can come before your committee to testify and plea for our Indian people.

Our testimony is based on the need for a fully funded and staffed health center that will operate full time. This health center will provide good quality ambulatory clinical care and also provide a much needed community health services, with public health services, health education, environmental health, social services, mental health, and public health nutrition services, that will include individual counseling and also have group sessions utilizing these services through the Concho Health Center.

Historically, our tribal chiefs and headsmen had always requested health care from the Federal Government in treaty negotiations, to cope with the new diseases that came to them through the migrations of the settlers and army troops.

As determined by various statistical measuring devices, our total health care system is inadequate in meeting our special health care needs as guaranteed by the treaties of February 18, 1861 and October 28, 1867—Medicine Lodge Creek.

Presently, tribal members must travel long distances to obtain medical treatment and usually transportation is not readily available. Therefore, it is imperative that sufficient funds be allocated for a health center, to be known as the Concho Health Center, which will provide direct ambulatory and community health services to the total Indian population of the Concho service area, making the health center within a reasonable distance from home.

At present, there is a health station at El Reno—near Concho—that is open 2½ days a week, with staffing being provided by the Clinton Indian Hospital, some 60 miles away, that reduces medical coverage at the hospital.

Both the present staffing method and the facility are completely inadequate to provide good medical care. Also, we feel that it only provides limited first-aid type care necessities for the Indian client to make a trip to the Clinton Indian Hospital, which is already a hardship for him. This facility will be located near the Concho Indian Agency and the tribal headquarters at Concho, which also is located at the Concho Indian School.

This change is the request of the Tribal Health Committee, the Clinton Indian Hospital Advisory Board and the Cheyenne and Arapahoe Tribal Business Committee.

Population equals approximately 3,000; startup equals $396,022; contract health care recurring costs equal $914,707; total annual outpatient cost equals $269,488. Presently our land base is approximately 70,000 acres from once 7 million acres that through Federal acts and cessions, reduced our land holdings.

Now, Mr. Chairman, members of your committee, the Cheyenne and Arapaho Tribes of Oklahoma would like to express appreciation for the opportunity to present this testimony. May God bless you and your committee and may the health needs of the Indians of western Oklahoma be your concern.

Senator BELLMON. Thank you, Mr. Franklin.

I do not know that it needs to be said, but it might be well to make it clear in the record that the committee fully understands that the Federal Government in fulfilling treaty commitments has historically provided medical care to the American Indians.

At first this task fell primarily to Army doctors whose main concern was to prevent such diseases as smallpox. But this responsibility in 1949 was given to the Interior Department's Bureau of Indian Affairs, and finally in 1955 Congress created the Indian Health Service within the Department of Health, Education, and Welfare.

There is no need to pretend that we have ever fully met our treaty obligations to the American Indians, and it is one of the objectives of this committee to help do better, and we are moving in that direction as rapidly as we can.

As I understand the thrust of your testimony, you need $396,000 for startup of the Concho Health Center, and then you would need $914,000 on an annual basis to keep the center in operation. Is that what you are saying?

Mr. GOODBEAR. Correct.

Senator BELLMON. You would also need $269,000 for outpatient care?

Mr. GOODBEAR. Yes.

Senator BELLMON. One of the problems I see in Oklahoma is that our Indian population is fairly well mixed up with the total population, and there are medical facilities generally close by. For instance, Concho, as you mentioned is near El Reno, and El Reno has a good hospital. Yet the Indians in the area are expected to go to Clinton which is some 60 miles away.

Would you be agreeable to a system that made the facilities at the existing El Reno hospital available to you, or do you prefer having your own?

Mr. GOODBEAR. Whenever we go to the El Reno hospital they refer them right on to Clinton, they take them right on over there. They will not treat them. They do nothing with them.

Senator BELLMON. Do you know why? Why will they not treat Indian patients?

Mr. GOODBEAR. I guess they have no insurance.

Senator BELLMON. No insurance and no way to pay?

Mr. GOODBEAR. No, no way to pay.

Senator BELLMON. OK, Mr. Goodbear, thank you very much.

STATEMENT OF CARL JACK, DIRECTOR, HEALTH AFFAIRS DIVISION, ALASKA FEDERATION OF NATIVES, INC., PRESENTED BY YVONNE ZHAROFF, KODIAK AREA NATIVE ASSOCIATION,

ACCOMPANIED BY:

JAY LIVEY, YUKON-KUSKOKWIM HEALTH CORPORATION

LYMAN HOFFMAN, YUKON-KUSKOKWIM HEALTH CORPORATION

INTRODUCTION OF ASSOCIATES

Senator BELLMON. Our next witness will be Mr. Carl Jack of the Alaska Federation of Natives, and then we will hear from Mr. Glen Hanson.

Ms. ZHAROFF. Mr. Chairman, Mr. Jack could not be here for reasons of health. He had to return home.

My name is Yvonne Zharoff from the Kodiak Area Native Association, and I will read his testimony.

Ms. ZHAROFF. To my left is Lyman Hoffman from the Yukon-Koskokwim Health Corp., and to my left is Jay Livey, Yukon-Kuskokwim Health Corp.

This is Carl Jack, director, health affairs division, Alaska Federation of Natives, Inc.

The Alaska Federation of Natives, Inc. is herewith requesting congressional add-ons to be appropriated by this committee through the Indian Health Service the following programs and priorities:

I. Direct medical services to be provided by the following regional Native organizations: a. Norton Sound Health Corp.; b. Yukon-Kuskokwim Health Corp.; 1. Community health representative; 2. Community liaison; 3. Health education; 4. Dental health; 5. Health aide education; subtotal $627,507.

c. Mauneluk Association; 1. Eye care program; total direct medical services.

II. Native health program/technical assistance: a. Alaska Federation of Natives, Inc., health affairs division.

III. Alaska area native health service: a. Emergency medical service; b. Mental health program; total amount requested: $3,519,507.

A true picture of the health status of Alaska Natives can be drawn from various Alaska Area Native Health Service reports since 1955 to present subsequent to the assumption by U.S. Public Health Service for providing health care to the Native people.

Although progress has been made since 1955 in improving the health status of Alaska Natives, the overall health status is far below the national standards as reflected in the attached statistical and demographic data extracted from the 2(c) study of Public Law 92–203 and data extracted from the Alaska Area Native Health Service.

Generally it can be surmised by the translation of the attached data that the overall health status of Alaska Natives to be similar to that found in the general population 25 years ago, despite considerable improvement of the grim statistics of 1954 when PHS assumed jurisdiction over Indian health programs from the Bureau of Indian Affairs.

Indian Health Service is not currently providing the comprehensive medical care that, by law, they are charged to provide to the Alaska Natives.

Indian Health Service currently operates seven service unit hospitals, health centers, and village-built clinics for 108 of 210 villages. Out of the 7 service unit hospitals, 6 are accredited. Where no Indian Health Service facility is available, direct medical services are provided through contracts with community hospitals, private physicians and dentists, and Native-controlled health corporations under the contract medical care program.

The performance of Indian Health Service in general through PHS regulations that deal with priorities when funds, facilities, and personnel are limited, are indications of the current state of affairs.

Further, a review of the congressional hearing records on H.R. 2525, Indian Health Care Improvement Act, reflect a critical shortage of facilities, manpower, and medical services to American Indians and Alaska Natives paramount throughout the Nation.

The most important reason for the current state of affairs is that, because Indian Health Service has a very limited budget, it regularly tries to insure that services will be provided from other sources first. However, other health agencies are operating on the same theory for the same reasons, resulting in confusion over who has the ultimate responsibility to provide services.

For instance, in Kodiak health care is provided through contracts with hospitals and local physicians. They are private physicians with contracts to provide health care for Native people. But when funds are out, we cannot get help from State welfare agencies because they say we are Natives and Indian Health Service is supposed to provide our care.

On the other hand, Indian Health Service says, you go and get State welfare because you are State citizens. So the load of people are caught in between the two. Each one is saying that the other has responsibility and no one is left to assume it.

During the last 7 years, the direction and administrative policy that has been adopted by Indian Health Service is to decentralize the mandated services through contract mechanisms with the Native organizations and is, theoretically, leaving more and more decision-making to the Native organizations. This is in line with the expressed wishes of the regional Native organizations, and thus Indian Health Service is becoming more sensitive to the regional Native organizations' wishes concerning the priorities.

As stated above and through the efforts of the regional Native organizations, the Alaska Area Native Health Service is in the process of changing its role from being merely a provider of direct services and now claims to be a vehicle for implementing its trust responsibilities as outlined in the Snyder Act and has become more aggressive about securing such resources, although it may vary from one service unit to the other.

As stated in our supporting document, regional health entities have progressed since 1969 through a logical phase of development culminating in the ability to provide direct medical care. Although the regional health entities may be experiencing inflationary price increases the same as Indian Health Service, they are not constrained

with stringent rules of conduct as Alaska Area Native Health Service, which have enabled them to provide an expected level of direct care as mandated by the regional board of directors.

The health corporations, due to their organizational structure, the nature of the board representation from the villages and authorization vested to that board of directors are much more responsive to the needs of the villages.

The corporate officers are strictly accountable to the villages as well as the corporate staff to the directors. This procedure for conducting programs enhances local initiative and thereby provides for a much more responsive service to the people's needs rather than the needs of the government bureaucracy.

In Alaska, three such regional health corporations have reached a level of sophistication of management to provide direct health service, but are currently experiencing dire need for congressional add-on to provide direct medical service. These three are Norton Sound Health Corp., Yukon-Kuskokwim Health Corp., and Maniilaq Association, Inc.

We are providing in our supporting document an historical note of the development of the Native regional health organizations from their initial development within the last 6 years.

We therefore request as our priority programs for this committee to appropriate a sum total of $1,419,507 for the three Native organizations to be able to provide direct medical services as outlined above. The three regions are in every sense capable with sufficient funding to do full scale planning and to take on the operational function of providing direct medical services.

Senator BELLMON. I hate to interrupt, but you have gone over your 5 minutes. We have the statement you are reading from and it can be made part of the record.

Could you simply summarize for the record the main things you wish to emphasize, and let us include this whole thing in the record.

Ms. ZHAROFF. Yes, Sir.

Senator BELLMON. What is the point of the rest of your statement?

Ms. ZHAROFF. The point of technical assistance is that the 12 regional organizations wish to have a central place to get regional assistance. They have designated the Alaska Native Health Affairs Division to be this agency.

Senator BELLMON. What do you need from this committee?

Ms. ZHAROFF. We need a sum total of about $200,000 to retain this agency. The Alaska Federation of Natives has in the past been this agency, and they need the congressional add-on to retain this so that the other nine health corporations not currently providing direct services will be able to develop to the point where they will be able to do this.

Senator BELLMON. Very good.

Ms. ZHAROFF. The last part of the testimony is about Bethel Hospital. We would like to urge continued support for construction of the new hospital.

Last year there was $1.5 million that allowed the planning and purchase of foundation materials. Construction phase I requires $15 million. This is considered by IHS as the minimum amount needed. Each delay will mean cost increases of 15 percent or more each year due to inflation.

Senator BELLMON. I would like to say that this committee is concerned about the Bethel Hospital. We did provide funding last year, and I think I can assure you that you will get every consideration for 1977 as well. I would like to reassure you to that extent.

Ms. ZHAROFF. Thank you.

Senator BELLMON. Thank you very much.

[The statement follows:]

The Alaska Federation of Natives, Inc. is herewith requesting Congressional Add-Ons to be appropriated by this Committee through the Indian Health Service the following Programs and Priorities:

I. Direct medical services to be provided by the following Regional Native Organizations:

a. Norton Sound Health Corporation

b. Yukon-Kuskokwim Health Corporation

1. Community Health Representative
2. Community Liaison
3. Health Education
4. Dental Health
5. Health Aide Education

Sub Total

c. Mauneluk Association

1. Eye Care Program

Total Direct Medical Services

II. Native Health Program/Technical Assistance

a. Alaska Federation of Natives, Inc.' Health Affairs Division

III. Alaska Area Native Health Service

a. Emergency Medical Service

b. Mental Health Program

PROGRESS TO DATE

The first of these Health Corporations was organized in 1969; several others have just completed their initial year of operation. Variations occur in the state of their development and their program priorities because of differing Regional health needs. Basically, however, the Corporations have common organizational structures, functions, and objectives. The leadership, through the Board of Directors, is drawn primarily from representatives from villages in the Regions, and the staff for each Health Entity and Corporation is predominately Native.

The Corporations are moving through a logical and phased process of development. Initial operations have focused on planning activities. The staff from these different Regions have worked with the residents of the villages to identify unmet health needs, and to process programs for addressing the needs to the existing providers; i.e., the Indian Health Service, the State of Alaska, and other Health agencies. As the staff becomes more experienced, the organization becomes more firmly established, each Health Entity and Corporation has moved into the direct provisions of some services. This has included the development of programs provided by others, particularly in the area of health education, dental care, eye care, and manpower training, etc. Regional Health Corporations assumed direct responsibility for programs and resources formerly managed by other agencies, such as the Indian Health Service and the State of Alaska. For example, the Norton Sound Health

Corporation has negotiated with the Indian Health Service and received designation as the Norton Sound Service Unit. It is currently providing a full-range of preventive, restorative and ancillary health services within the Norton Sound Region. The Unit is administered and controlled by the Norton Sound Health Corporation. This is the first time such an award has been given any American Native group.

Effective cooperative arrangements have existed among the Corporations, particularly with the Health Affairs Division of AFN, Inc. to allow sharing of information through periodic meetings of the Association of Regional Health Directors, Statewide Seminars, etc. AFN, Inc. has served as a catalyst and a strong supporter for new Health Corporations, subsequently adopting the appropriate role of advisor and technical resource as the Corporations become established.

From 1970 to the present, the development of the Regional Native Health Entities and Corporations has shown a change in the role of Alaska Natives in the health care system. The Alaska Native has moved from the position of being passive consumers to active advisors, policy-makers, and providers. This advance has included the education of community leaders to serve as knowledgeable and productive board members, and also the development of a cadre of experienced and very capable professional Native leaders.

These developments are a significant part of the overall goal of Alaska Natives for self-determination. The opportunities for continued assertive and aggressive movement toward the achievement of this goal now appears particularly favorable at this time. The growth and development over the last several years of AFN, Inc. and the Regional Native Corporations created a tremendous development of knowledge, experience, and talents among Native people and their leaders. This demonstrated growth and development made them interested and better prepared to meet the requirements of Public Law 93-638 entitled "Indian Self Determination and Education Assistance Act." This Public Law enacted by Congress and signed by the President on January 4, 1974 established Congressional Policy of Indian Self Determination and a phasing out of Federal domination of health and education programs serving Alaska Natives.

The Alaska Federation of Natives, Inc. established a policy in February 1976 to decentralize prime contracts administered by Health Affairs Division to enable the Regions to contract directly with the funding agencies. The Health Affairs Division shall undertake its responsibilities to provide technical assistance to the Regional Health Entities and act as an advocate organization. The Health Affairs Division now has a new role, different responsibilities and long range plans for the years to come based on the requirements outlined in the Alaska Native Health Care Policy Statement presented to Congress last year and also herewith attached.

NEED STATEMENT

A true picture of the health status of Alaska Natives can be drawn from various Alaska Area Native Health Service reports since 1955 to present subsequent to the assumption by U. S. Public Health Service for providing health care to the Native people. Although progress has been made since 1955 in improving the health status of Alaska Natives, the overall health status is far below the national standards as reflected in the attached statistical and demographic data extracted from the 2 (c) study of P.L. 92-203 and data extracted from the Alaska Area Native Health Service.

Generally it can be surmised by the translation of the attached data that the overall health status of Alaska Natives to be similar to that found in the general population 25 years ago, despite considerable improvement of

the grim statistics of 1954 when PHS assumed jurisdiction over Indian Health programs from the Bureau of Indian Affairs.

Indian Health Service is not currently providing the comprehensive medical care that, by law, they are charged to provide to the Alaska Natives.

Indian Health Service currently operates seven (7) Service Unit Hospitals, Health Centers, and Village-built Clinics for 108 of 210 villages. Out of the 7 Service Unit Hospitals, six (6) are accredited. Where no Indian Health Service facility is available, direct medical services are provided through contracts with community hospitals, private physicians and dentists, and Native-controlled health corporations under the Contract Medical Care program.

The performance of Indian Health Service in general through PHS regulations that deal with priorities when funds, facilities, and personnel are limited, are indications of the current state of affairs.

Further, a review of the Congressional hearing records on H.R. 2525, "Indian Health Care Improvement Act," reflect a critical shortage of facilities, manpower, and medical services to American Indians and Alaska Natives paramount throughout the nation. The most important reason for the current state of affairs is that, because Indian Health Service has a very limited budget, it regularly tries to ensure that services will be provided from other sources first. However, other health agencies are operating on the same theory for the same reasons, resulting in confusion over who has the ultimate responsibility to provide services.

During the last seven years, the direction and administrative policy that has been adopted by Indian Health Service (AANHS) is to decentralize the mandated services through contract mechanisms with the Native organizations and is, theoretically, leaving more and more decision making to the Native organizations. This is in line with the expressed wishes of the regional Native organizations, and thus Indian Health Service is becoming more sensitive to the regional Native organizations' wishes concerning the priorities.

As stated above and through the efforts of the regional Native organizations, the Alaska Area Native Health Service is in the process of changing its role from being merely a provider of direct services and now claims to be a vehicle for implementing its trust responsibilities as outlined in the Snyder Act and has become more aggressive about securing such resources, although it may vary from one service unit to the other.

As stated in our supporting document, regional health entities have progressed since 1969 through a logical phase of development culminating in the ability to provide direct medical care. Although the regional health entities may be experiencing inflationary price increases the same as Indian Health Service, they are not constrained with stringent rules of conduct as Alaska Area Native Health Service, which have enabled them to provide an expected level of direct care as mandated by the Regional Board of Directors.

The health corporations, due to their organizational structure, the nature of the Board representation from the villages and authorization vested to that Board of Directors are much more responsive to the needs of the villages. The corporate officers are strictly accountable to the villages as well as the corporate staff to the Directors. This procedure for conducting programs enhances local initiative and thereby provides for a much more responsive service to the people's needs rather than the needs of the Government bureaucracy.

In Alaska, three such regional health corporations have reached a level of sophistication of management to provide direct health service, but are currently experiencing dire need for Congressional add-on to provide direct

medical service. These three are Norton Sound Health Corporation, Yukon-Kuskokwim Health Corporation, and Mauneluk Association, Inc.

We are providing in our supporting document an historical note of the development of the Native regional health organizations from their initial development within the last six years. We, therefore, request as our priority programs for this committee to appropriate a sum total of $1,419,507.00 for the three Native organizations to be able to provide direct medical services as outlined above. The three regions are in every sense capable with sufficient funding, to do full-scale planning and to take on the operational function of providing direct medical services.

TECHNICAL ASSISTANCE IN NATIVE HEALTH PLANNING

Pursuant to the policy established by AFN, Inc. to decentralize prime contracts by the Health Affairs Division to enable the regions to contract directly with the funding agencies, AFN, Inc. is gearing up to assume its new responsibilities of providing technical assistance to the regional, Native-controlled health entities in the areas of, but not limited to,: (1) health planning (based on solid statistical and demographic data; (2) financial management and internal controls; (3) internal administrative procedures; and (4) systems of procurement as well as providing a forum for the regions to establish statewide priorities in health and health-related issues.

Through this method, then, we will intensify the technical assistance we render to the Native regions to plan and develop organizations with each region to deal effectively with health issues, as well as to enable the regions to be accountable to the Government for expenditure of health funds.

On behalf of the Yukon-Kuskokwim Health Corporation, AFN, Inc. urges continued support for the construction of the new Bethel hospital. We support Indian Health Service construction Option I as the best way to complete this project.

Last years appropriation of $1.5 million allowed completion of planning and purchased foundation materials.

Construction phase I requires $15 million. This is considered by Indian Health Service as the minimum amount needed under Option I. Each delay will mean cost increases of 15% or more per year due to inflation. Such increases will cost several million dollars more in project costs. Beyond dollar costs, however, and more importantly, each delay means that improved health care is pushed further into the future as your commitment of a new hospital is delayed to our people.

The unique construction and transportation problems in bush Alaska make it necessary that the money be made available as soon as possible.

STATEMENT OF GLEN HANSON, COUNCIL MEMBER, CHEROKEE NATION OF OKLAHOMA, ADVISORY BOARD MEMBER OF CLAREMORE INDIAN HOSPITAL

Senator BELLMON. Our next witness is Mr. Glen Hanson of the Cherokee Claremore Indian Hospital in Oklahoma.

Mr. HANSON. Mr. Chairman, my name is Glen Hanson, council member of the Cherokee Nation of Oklahoma, advisory board member of the Claremore Indian Hospital, and alternate member of the area Indian Hospital Board.

Through the fine efforts of the entire Oklahoma congressional delegation we are now about to have completed, possibly by October 1976, a fine, wonderful hospital which will comprise over 100,000 square feet. When the Oklahoma congressional delegation went to work to get the funding for this hospital, it was the thought that there would be continuity for equipment and staffing of the personnel.

Senator BELLMON. Mr. Hanson, to keep the record straight, do not give all the credit to the Oklahoma congressional delegation. We cannot do it without the help of a lot of other people.

Mr. HANSON. And other Members of Congress. But I am deeply appreciative of the fine efforts of our Oklahoma congressional delegation.

The resource allocation done by the Indian Public Health reveals that there is a basic deficiency in the Oklahoma area office, especially in Claremore office: 71 percent deficiency in dental care, 75 percent deficiency in contract health care, and 75 percent deficiency in health nursing. That makes an average of overall health care of 61 percent.

This demonstrates that in this area we are underserving the quality of care for Indian people. This can cause a lot of bitterness and frustration among Indian people. They do not understand sometimes that we are not able to provide services for them, and it is frustrating.

The Claremore facility, the present structure, we are in ward-type service. We have a lot of people in the men's ward and women's ward. It was indicated in a survey, "Resource Allocation," that we were 25 nurses short in 1970. We have faced many critical situations. We have only one surgical team, and if they have to go to another area and leave someone in recovery we are in serious trouble.

The whole substance in fiscal year 1977, Dr. Johnson and others in the area office, John Davis, assured us that there would be 130 additional personnel for the hospital. This would require approximately for the rest of this fiscal year $1,284,000 plus $450,000 worth of support drugs.

I project that the way Congress is moving and trying to eliminate the health problems throughout the United States for Indian people, I would like to see our Claremore Hospital a model so that in the next decade, through preventive medicine and everything, we could reduce the cost and need for services.

Some of the counties in eastern Oklahoma, there are not enough doctors to adequately serve some of our people. There are certain counties where we have less than five doctors in the county where you have over 5,000 people per doctor. Therefore, they do not want any more additional red tape to fill out for payment of their professional services.

I feel the people I have seen in the Hasting Hospital and Claremore Hospital are dedicated people, and we could have a model program there with adequate staff that will do great things and meet the needs of our Indian people, and that this will reduce the problem because the things that happen to this generation will affect future generations.

I am concerned about our young people because we have a lot of problems among our younger Indian boys and girls, and our life expectancy for the Indian people is 63 years compared to non-Indians of 73. I think this has been a basic neglect on the part of the Government not to provide the money. I realize also you do have a fiscal responsibility, but I beg you, for the benefit of the future, that our Indian people—these needs would really make us good.

I speak for the Intertribal Council of the Five Civilized Tribes for the resolution they supported the needs of the Indian hospital, the Intertribal Council in Miami, Okla.; my council for the Cherokee Nation of Oklahoma endorsed a resolution sponsoring these needs.

We would also like to say, I will not take up any additional time because I know your time is limited, that we will need in the future $1 million worth of planning money for the W. W. Hasting Hospital at Tahlequah, and possibly two clinics down there. We see a lot of children down there of school age needing dental work, a lot of old—a lot of diabetic conditions, and due to the culture and everything, it is really frustrating. And if these people are going to come in, this bicentennial year, I think it would be the greatest thing the Congress could do, to help our Indian people. I am concerned not only in my area, but throughout the entire United States that we move in this direction.

Thank you very much for the opportunity to be here today.

Senator BELLMON. Thank you, Mr. Hanson. I understand that the Claremore Hospital may be completed roughly 3 months ahead of schedule, is that right?

Mr. HANSON. Yes, sir. The last report I had from Bob Tillers, construction inspector for Indian Health, it will be ready for occupancy in 1976. I have included in my letter a statement from doctors and others, area director of nursing, that they do not think it advisable to open it for full service because with the limited staff we have it would expose us to too much adverse criticism if we would lose one patient.

Senator BELLMON. Thank you very much.

NAVAJO HEALTH NEEDS

STATEMENT OF ANNIE D. WAUNEKA, THE NAVAJO NATION, WINDOW ROCK, ARIZ.

ACCOMPANIED BY:

ELWOOD J. SAGANEY
WILSON HOLONA
CHARLIE C. BILLY

Senator BELLMAN. Our next witness will be Dr. Annie Wauneka of the Navajo Nation, Window Rock, Ariz.

I want to begin by congratulating you on the Woman of the Year Award which you recently won. It is certainly a high honor, and you should be very pleased at the recognition.

66-307 O - 76 - pt. 5 -- 4

Dr. WAUNEKA. Thank you.

I would like to introduce these gentlemen that I am with. To my left is Wilson Holona. To my right is Mr. Charlie Billy, and Mr. Elwood Saganey.

Thank you, Mr. Chairman, for this privilege, and I will try and get this particular statement over with in 5 minutes.

We are representing here about 150,000 Navajos, and we wish to thank you for this opportunity to present our health care needs.

The Navajo Reservation, an area of 25,000 square miles, the size of the State of West Virginia, lies in northwest New Mexico, Arizona and Utah. The land is arid, roads are few, needs are great.

One of our great Navajo leaders once said, "Without good health, no group of people can make progress in life." The Navajo people have made progress in life due to the steady improvement of their health over the past 20 years. However, this would not have been possible without the generous appropriations of the Congress. The Navajo people are very thankful for the supplemental funds which have been added in the past.

I regret to come before you to point up deficiencies, however, which still exist on our reservation. I will submit these for the record.

Navajo tribal leaders and especially the members of the Navajo Area Indian Health Board, of which I am a member, are very concerned about the 143 of the 675 beds in the Navajo area Indian Health Service hospitals which have been closed. They are closed because of insufficient staff to provide necessary safe health care services.

The Navajo Area Indian Health Board has reviewed the total health needs of the Navajo people with the Indian Health Service in order to develop realistic budget increases for fiscal year 1977. While these increases may appear quite large to you, if you keep in mind the above Navajo-U.S. comparisons, you will agree that they are necessary.

I have mentioned to you that 143 beds are closed within our Navajo health care facilities. In order to open these much needed beds, two factors must be met. First and foremost, as stated, additional staff is necessary to open them. In order to do this and thereby provide the necessary patient care, 460 positions and funds are urgently needed. The cost for this additional staff is $6,210,000.

It has been stated in many years of testimony that housing is a critical factor in the recruitment and retention of professional and paraprofessional workers in our Indian Health Service facilities. In the majority of our communities, housing is nonexistent. 370 sets of quarters are needed to house the 460 staff. At an average cost of $40,000 per house, the cost is $14.8 million.

If we looked at total staff and housing needs for our Navajo Area Indian Health Service facilities, the numbers may seem astounding to you. But remember again, the large deficiencies in socioeconomic standards under which Navajos must live daily. The total need for staff is 1,618 in the following categories: 480 hospital staff positions, $6,480,000; 715 ambulatory care positions, $9,652,000; 423 field health positions, $5,710,000; 1,618 health care positions for a total of $21,842,000.

The total housing needs for these 1,618 staff personnel would be 1,300 sets of quarters. Considering the cost of each new house to be $40,000, the total cost would be $52 million.

Since 1955, the workload at Indian Health Service hospitals has increased tremendously. During the past 20 years inpatient workloads have increased 173.4 percent and outpatient workloads have increased 597.2 percent. Most of our Navajo hospital and clinic facilities are too small, old, and outdated. Therefore, we must state to you that our urgent need is for facility, planning, design and construction.

We wish to thank you for the $475,000 planning moneys appropriated for the emergency replacement of the Winslow Indian Hospital in Winslow, Ariz. This 43-year-old structure has been condemned for 3 years due to earthquake damage. It is still in use. The planning money has been spent and we are ready to begin actual construction. We must urge you to move with all possible haste to budget the necessary $12.5 million necessary to replace that facility.

The health station at Pinon was constructed in 1959. This station is the primary health care facility for greater than 10,000 Navajo people. The building is only 24 by 40 feet in size. Lack of space and equipment makes it impossible to deliver the necessary health care from this facility. Pinon lies in the area that has become known as the joint-use area between the Navajo and Hopi Tribes. As you know, the area has been in litigation many years. During this period, public works projects of all types were stopped. Therefore, we were not able to improve and enlarge this facility. Recently, the court appointed officer and the Federal court in Tucson, Ariz., recognized the absolute need to improve this clinic. Therefore, we urgently request that $250,000 be made available to carry out this much needed improvement.

Senator BELLMON. Doctor, before you go on, you have your statement here well written and laid out so we can get all the information. If you could, I would appreciate it if you could summarize it, just hit the high points, rather than take time to read it all and make it impossible for us to hear some other witnesses.

Can you summarize the rest of your statement. What are your principal areas of concern?

Dr. WAUNEKA. Our principal area of concern is Crownpoint, the old hospital. We need some planning money.

Senator BELLMON. You need planning money at Crownpoint?

Dr. WAUNEKA. $500,000. Also the Chinle Service Unit. This is an area far away from many other health facilities. We need $500,000 for the planning money.

Senator BELLMON. You want planning at Chinle and Crownpoint?

Dr. WAUNEKA. Yes. At Tsaile is a community of 3,000 people living there including 500 college students. We are requesting $2,185,000 to put in a health care facility.

Then of course, we are talking about the newborn problem here. We are asking for some funds to be made available for this intensive care for these premature newborn babies. This would be an addition to be made to the old public health facilities for which we are requesting $10,070,000.

We are asking also for planning money for this particular facility to be added on.

Of course, we are talking about Shiprock, and we are going along with Shiprock very nicely. It is a growing community. But as you know, the other day they had dedicated a Navajo Indian irrigation

project which is a big, huge project, and Navajos will be moving in. We need to expand on Shiprock hospital, as we stated here for the record.

Senator BELLMON. If you were to choose, which of these projects do you think are the most important to the Navajos for the next fiscal year, the next 12 months?

Dr. WAUNEKA. Do you mean putting priorities?

Senator BELLMON. Yes. I do not want to put you on the spot, but you have listed——

Dr. WAUNEKA. Well, Shiprock is already on its way. I would say Shiprock because of the movement in all of these communities.

Senator BELLMON. We will do our best to give all your requests every consideration.

Dr. WAUNEKA. Then of course, we have a gentleman very much concerned with the Chilchinbeto area. Could you allow him to say something?

Senator BELLMON. Yes, go ahead.

Mr. BILLY. I am here on behalf of the Chilchinbeto community people. We have a lot of health problems, so we decided we would do something about it, and we built a little clinic there.

Now in order to staff it we are asking for $100,000, to be made available to staff six staff positions and two vehicles so that our people can be cared for.

This is the main concern we have, and my people got together and sent me up here.

Senator BELLMON. It is not $10,000, it is $100,000?

Mr. BILLY. Yes, it is $100,000. I have a prepared statement. We will submit it for the record.

Senator BELLMON. Thank you. We will make your full statement a part of the record.

Dr. WAUNEKA. Thank you, Mr. Chairman.

Of course, we have sanitation facilities, and you can see here that we need more improvements on sanitation facilities. We are asking for $6 million.

Senator BELLMON. Yes, I see that. That is for 1,000 Navajo homes.

Dr. WAUNEKA. Yes. This is very, very important.

Then of course—this is something new—the last paragraph. The Navajo Tribe is trying very hard to establish an organization that will be capable of operating and maintaining the water and sewer projects that have been provided and will be provided to serve the Navajo people. This will be operated by the Navajo Tribe, and we are asking $2.4 million from the Navajo tribal fund to run this operation during fiscal year 1977.

This is not nearly enough, but all that could possibly be afforded. Help is desperately needed to establish this new organization and to assure the proper maintenance and utilization of the facilities we have all worked so hard to obtain. $1.5 million and 10 positions are urgently requested for equipment and technical assistance to help us in this effort.

Of course, our needs are great, although progress has been made.

In closing, I would like to thank the Congress for this consistent progress in health that we, the Navajo people, have experienced over the last 20 years. The community health representative program begun

by you in 1969 has brought health care into our Navajo homes. For this program, and many more, our sincere thanks.

We cannot, however, allow our progress to stop. We must see the day in our lifetime when statistics for Navajo socioeconomic and disease factors are on an equal par with the rest of the United States. I have faith that you can and will assist us in our long walk toward a truly health life.

Thank you.

Senator BELLMON. Thank you, Dr. Wauneka. You made a very fine presentation. We will give your recommendations all possible consideration.

Mr. SAGANEY. Mr. Chairman, I would like to submit some pictures for the record. These are pictures of the actual facilities that we are in need of.

Senator BELLMON. Very good. They will be received and made a part of the record by reference.

Mr. SAGANEY. I would like to leave this pamphlet. It is part of the entire presentation, but it has a Navajo seal on the front and back.

Senator BELLMON. Fine. Thank you very much.

[The statement follows:]

SUMMARY OF REPORT

Presented by Annie D. Wauneka & Elwood J. Saganey on April 8 & 12 in support of the Indian Health Service Budget.

One of our great Navajo leaders once said. "Without good health, no group of people can make progress in life." The Navajo people have made progress in life due to the steady improvement of their health over the past 20 years. This progress would not have been possible without the generous budget appropriations of the Congress.

Even with the increase in resources, the statistics continue to point out that the health of the Navajo people is still far below what is should be. For instance, the Navajo Infant Death Rate is 24.7 per 1,000 live births compared to the U. S. Infant Death Rate 17.1 per 1,000 live births.

Hospital staffing is so deficient that a total of 143 beds cannot be used in Navajo Area Indian Health Service facilities alone. Outpatient/Field Health staffing deficiencies are responsible for delayed patient treatment, low-level preventive services, and no opportunity to expand services to meet growing needs.

Tuba City Hospital is our newest facility dedicated in 1975. The others are very old, and are too small for the existing workloads. Some have so many deficiencies that they can no longer be accredited.

The following is a priority listing of our urgent and pressing needs:

			Totals
1.	Staffing and Housing		
	a. Funds and 460 positions to open 143 closed beds	$ 6,210,000.	
	b. Staffing for Chilchinbeto Clinic	100,000.	
	c. Funds for 370 Sets of quarters	14,800,000.	
		$ 21,110,000.	$ 21,110,000.
2.	Facility Planning, Design, and Construction		
	a. Replace PHS Indian Hospital, Winslow, Arizona	$ 12,500,000.	
	b. Enlarge PHS Indian Health Station, Pinon, Az	250,000.	
	c. Plan replacement for PHS Indian Hospital, Crownpoint, NM	500,000.	
	d. Plan PHS Indian Hospital, Chinle, Arizona	500,000.	
	e. Tsaile Health Clinic (Plan, design, & construct)	2,185,000.	
	f. Intensive Care Unit, Gallup Indian Medical Center	10,070,000.	
	g. Shiprock Indian Health Service Hospital (construct)	28,352,000.	
		$54,457,000.	$ 54,357,000.
3.	Sanitation Facilities Construction		
	a. Improvement Sanitation Facilities to 1,000 Navajo homes	$ 6,000,000.	
	b. Funds and 10 positions to support the Navajo Tribal Water and Sanitation Department	1,500,000.	
		$7,500,000.	$ 7,500,000.
	GRAND TOTAL		$ 72,967,000.

ADDITIONAL HEALTH NEEDS OF THE NAVAJO TRIBE
STATEMENT PREPARED FOR THE SUBCOMMITTEE ON INTERIOR AND RELATED AGENCIES, APRIL 8 & 12, 1976.

Distinguished Members of Congress:

On behalf of the 150,000 Navajo people, we wish to thank you for this opportunity to present our health care needs. The Navajo Reservation, an area of 25,000 sq. miles, the size of the State of West Virginia, lies in northwest New Mexico, Arizona, & Utah. The land is arid, ds are few, needs are great.

One of our great Navajo leaders once said, "Without good health, no group of people can make progress in life." The Navajo people have made progress in life due to the steady improvement of their health over the past 20 years. However, this would not have been possible without the generous appropriations of the Congress. The Navajo people are very thankful for the supplemental funds which have been added in the past.

I regret to come before you to point up deficiencies, however, which still exist on our reservation. I must do so, though, as long as the Navajo statistics show unfavorable comparisons with those of the rest of the United States. Here are a few for your consideration:

	Navajo	United States	Indian/Alaska Native
TB Incidence Rate (per 1,000)	88.6	14.3	79.8
Infant Death Rate (per 1,000 live births)	24.7	17.1	18.7
Homes with Electricity (percent)	39.0	99.0	
Homes with Water Facilities (percent)	30.0	90.0	
Annual Per Capita Income (dollars)	753.	3,700.	
Unemployment (percent)	35-65.0	10.0	
Median Age (years)	18.6	28.0	
Life Expectancy (years)	63.2	71.3	65.1
Average Educational Level (grade)	5.0	12.4	
People 18 yrs & older w/high school education (%)	27.0	61.2	
People with College Education (percent)	1.0	25.2	

Navajo Tribal leaders and especially the members of the Navajo Area Indian Health Board, of which I am a member, are very concerned about the 143 of the 675 beds in the Navajo Area Indian Health Service hospitals which have been closed. They are closed because of insufficient staff to provide necessary safe health care services.

The Navajo Area Indian Health Board has reviewed the total health needs of the Navajo] ple with the Indian Health Service in order to develop realistic budget increases for FY 1977. While these increases may appear quite large to you, if you keep in mind the above Navajo-U.S. comparisons, you will agree that they are necessary.

I have mentioned to you that 143 beds are closed within our Navajo health care facilities. In order to open these much needed beds, two factors must be met. First and foremost, as stated, Additional Staff is necessary to open them. In order to do this and thereby provide the necessary patient care, 460 positions and funds are urgently needed. The cost for these additional staff is $6,210,000.

It has been stated in many years of testimony that Housing is a critical factor in the recruitment and retention of professional and para-professional workers in our Indian Health Service facilities. In the majority of our communities, housing is nonexistent. 370 sets of quarters are needed to house the 460 staff. At an average cost of $40,000 per house, the cost is $14,800,000.

If we looked at total staff and housing needs for our Navajo Area Indian Health Service facilities, the numbers may seem astounding to you. But remember again, the large deficiencies in socio-economic standards under which Navajos must live. The total need for staff is 1,618 in the following categories:

480 hospital staff positions	$6,480,000.
715 ambulatory care positions	9,652,000.
423 field health positions	5,710,000.
1,618 health care positions for a total of	$21,842,000.

The total housing needs for these 1,618 staff personnel would be 1,300 sets of quarters. Considering the cost of each new house to be $40,000, the total cost would be $52 million.

Since 1955, the workload at Indian Health Service hospitals has increased tremendously. During the past twenty years, inpatient workloads have increased 173.4% and outpatient workloads h increased 597.2%. Most of our Navajo hospital and clinic facilities are too small, old, and outdated. Therefore, we must state to you that our urgent need is for Facility, Planning, Design, and Construction.

We wish to thank you for the $475,000 planning monies appropriated for the emergency replacement of the Winslow Indian Hospital in Winslow, Arizona. This 43-year-old struccure has been condemned for three years due to earthquake damage. It is still in use! The planning money

has been spent and we are ready to begin actual construction. We must urge you to move with all possible haste to budget the necessary $12.5 million necessary to replace that facility.

The health station at Pinon was constructed in 1959. This station is the primary health care facility for greater than 10,000 Navajo people. The building is only 24 x 40 feet in size. Lack of space and equipment makes it impossible to delivery the necessary health care from this f--ility.

Pinon lies in the area that has become known as the Joint-Use Area between the Navajo and Hopi Tribes. As you know, the area has been in litigation many years. During this period, public works projects of all types were stopped. Therefore, we were not able to improve and enlarge this facility. Recently, the court appointed officer and the Federal Court in Tucson, Arizona, recognized the absolute need to improve this clinic. Therefore, we urgently request that $250,000 be made available to carry out this much-needed improvement. (5)

The 37-year-old Indian Hospital at Crownpoint, New Mexico, has so many structural deficiencies that it can no longer be accredited. It is difficult to keep clean and to control hospital infection. Ventilation, space, and fire safety are real problems. For these reasons then, we ask that you make available $500,000 planning money for this facility.

The Chinle Service Unit, an area serving 30,000 Navajo people has no inpatient facility. During FY 1975 3,240 Chinle residents required hospitalization at facilities as far away as 270 miles. Also during FY 1975, the Chinle Health Center provided outpatient services to 76,621 patients. The placement of a hospital at Chinle would reduce the patient loads at Fort Defiance, Gallup, and Phoenix Indian hospitals. These facilities are already pressed beyond safe limits in the health care services that they can provide. At a time when everyone is concerned about adequacy, appropriateness, effectiveness, and efficiency of health services, the Chinle Service Unit residents must travel 100-200 miles to adequate inpatient health care facilities. Therefore, we must prevail upon you to appropriate $500,000 for the planning of a PHS Indian Hospital at Chinle, Arizona.

Tsaile is a community of 3,300 people including 500 college students at the Navajo Community College. There are no health care facilities available to these people for more than 40 miles over poor roads. A clinic is desperately needed to serve the health care needs of the community. The cost of building a clinic facility in Tsaile would be $2,185,000. We urge you to move with all possible haste to appropriate the necessary monies to plan, design, and con-s- -ct this much needed facility.

During calendar year 1974, more than 2.5% of all Navajo newborn infants died. Because of aforementioned socio-economic factors, Navajo women have a large number of premature babies. These premature infants and babies of diabetic mothers must frequently be flown to facilities in Albuquerque and Phoenix (at great expense) to receive needed care. Many die enroute. Many die before the transportation is even available. There is no intensive care unit for these tiny newborns.

There is, in addition, no available adult intensive care unit for the entire eastern side of the reservation, an area of 12,600 square miles. Scores of adult lives are lost each year because of this deficiency. Therefore, another urgent need is for an Intensive Care Unit to be built at the already existing IHS facility in Gallup, New Mexico. We are urgently requesting, as has been many times requested, a $10,070,000 allocation to plan, design, and construct a wing to this facility. This wing would serve the needs of newborns and adults requiring intensive care services. $500,000 would be needed for planning.

Three years ago, money was allocated for planning a new facility in Shiprock, New Mexico. That planning is now complete. Shiprock is a growing community. The population is increasing daily. In 1970, the population was 25,000; today it is 32,000. In 1990, we are projecting a population of 46,000. The cost to build this much-needed facility is currently estimated at $28,352,000. The Navajo people of Chilchinbeto, a community 23 miles southeast of Kayenta, Arizona, built with their own resources, a small clinic. On January 27, 1976, this clinic officially opened and was transferred to the Indian Health Service. The need for this clinic is documented. Currently, borrowed staff (1 physician, 1 nurse, 2 nursing assistants) from the Kayenta Health Center are keeping the clinic open. As these staff are needed to run the already busy Kayenta Clinic (41,580 outpatient visits per year) funding in the amount of $100,000 for six staff positions and two vehicles is needed to provide comprehensive health care services to the pe- -e of Chilchinbeto.

Sanitation Facilities Construction is an urgent need on the Navajo Reservation. As you are aware, the national health concern is heart disease and cancer. While these diseases are also problems for us, our primary causes of death and illness relate to environmentally related diseases and accidents. It has long been recognized that adequate sanitation facilities and housing materially lessen the incidence of these diseases.

Of the more than 26,000 families living on the Navajo Reservation, fewer than 8,000 have running water in their homes, not to mention such conveniences as kitchen sinks, indoor toilets, lavatories, bathtubs, or for that matter, hot water heaters so that the mother of the family can have a hot bath or bathe the children. These same homes do not have electricity. The majority are in need of improvement or replacement. In many cases, several ' nilies live in the same small house or hogan.

We have been receiving some assistance from the Department of Housing & Urban Development, Public and Low Rent, and other Federal housing programs. However, within the Navajo Nation, the problem is low family income. With an average per capita income of $753 per year, many of the families cannot qualify for these programs.

The Bureau of Indian Affairs Housing Improvement Program (HIP) has provided stop gap measures to Navajo families for improvement of Navajo homes. Coordination between the Bureau of Indian Affairs and Indian Health Service via the HIP program has provided both adequate housing and sanitation facilities planning to several thousand families.

We are informed, though, that the HIP Program which has been only minimally funded during the past several years, is being further reduced. We are also informed that the Indian Health Service budget for Indian sanitation facilities has been reduced to the point that no monies are available to serve existing Navajo homes.

This is disheartening news to us. How can we make further progress toward meeting the needs of the remaining two-thirds of our people if these two most essential programs are to be so drastically reduced. We, therefore, urgently request that funds be made available to provide an additional 1,000 new or improved Bureau of Indian Affairs Home Improvement Program homes during the next year. We also request that $6,000,000 be added to the Indian Health Service budget to provide running water and sanitation facilities for these homes.

The Navajo Tribe is trying very hard to establish an organization that will be capable of operating and maintaining the water and sewer projects that have been provided, and will hopefully be provided, to serve the Navajo people. In October of 1975, the Tribal Council created a new division, the Navajo Tribal Water and Sanitation Division, for this purpose. We have budgeted 2.4 million dollars from the Navajo Tribal fund to run this operation during Fiscal Year 1977. This is not nearly enough, but all that could possibly be afforded. Help is desperately needed to establish this new organization and to assure proper maintenance and ı lization of the facilities we have all worked so hard to obtain. 1.5 million dollars and lu positions are urgently requested for equipment and technical assistance to help us in this effort.

Our needs are many. Progress has been made.

In closing, I would like to thank the Congress for this consistent progress in health that we, the Navajo people, have experienced over the last twenty years. The Community Health Representative Program begun by you in 1969 has brought health care into our Navajo homes. For this program, and many more, our sincere thanks.

We cannot, however, allow our progress to stop. We must see the day in our lifetime when statistics for Navajo socio-economic and disease factors are on an equal par with the rest of the United States. I have faith that you can and will assist us in our Long Walk toward a truly healthy life.

Thank you.

Annie D. Wauneka
Councilwoman, Klagetoh District
Navajo Tribal Council
Member, Navajo Area Indian Health Board

Elwood J. Saganey
Councilman, Kayenta District
Navajo Tribal Council
Chairman, Navajo Area Indian Health Board

STATEMENT OF HERBERT ZIMILES, BANK STREET COLLEGE OF EDUCATION, NEW YORK

ACCOMPANIED BY:

WINONA SAMPLE
ROBERT BENNETT
DR. EDNA SHAPIRO
DORIS WALLACE

Senator Bellmon. Our next witnesses are Mr. Herbert Zimiles, Winona Sample, Robert Bennett, Dr. Edna Shapiro, and Doris Wallace, Bank Street College of Education in New York.

Would you all take your places at the table. Who is the spokesman for the group?

Dr. Zimiles. I am, sir. I am Dr. Herbert Zimiles.

Mr. Chairman, we have already submitted a summary report for the congressional committee.

To my left is Robert Bennett, who is a member of the advisory board of our project. Mr. Bennett is director of the law center, University of New Mexico, and former Commissioner of the Bureau of Indian Affairs.

To my right are two psychologists from our staff, Doris Wallace and Dr. Edna Shapiro.

The project I am speaking about is a study commissioned by the Bureau of Indian Affairs in response to a congressional directorate. We were asked to assess the needs of young Native American children and their families. The study was begun a year ago, and will issue its final report and recommendations next month.

Our study has three major objectives: to assess the educational needs broadly conceived of Native American children, prenatal to age 8 and their families; to describe and evaluate the types of programs currently available to these children and their families; and on the basis of the assessment of needs and programs available, to make specific recommendations for programs which offer the best possibilities for meeting the developmental and educational needs which have been identified.

It was specified that our needs assessment be conducted from six geographic areas, administered by BIA area offices, Aberdeen, Albuquerque, Juneau, Navajo, Phoenix and Eastern. Our staff, made up of Anglo-American Native observers and interviewers visited 19 Indian reservations and six Eskimo communities where we had interviewed approximately 900 people, 63 percent of which were Native Americans.

The most consistent finding of our survey is the near universal belief among Indian and Alaskan Native people that education is a key to a better life. Education was almost invariably assigned a great value. Project Head Start in particular is viewed with enthusiasm. It is regarded as one of the most successful projects to be introduced to the Indian community.

People in every community we visited welcomed the prospect of more extended education for their young children. They value the

knowledge and skills the people acquire, the greater communicativeness and gains in self confidence they observe, the degree to which early programs such as Head Start are sensitive to the child's language and responsive to his own life experience and background. They are pleased with the health care and other supplementary services provided by Head Start, the opportunities it offers mothers to learn about child care and obtain a working program, and the degree to which they can participate in policy making.

The people we spoke with in reservations in Eskimo communities felt disconnected from the elementary and high schools their children were attending. They have little voice in school affairs, and regard the affairs as foreign turf. In this sense the relationship of community members to their schools epitomizes the frustration that Native Americans have experienced in their effort to achieve self-determination. They are profoundly resentful of being kept dependent on the policies and whims of an alien bureaucratic structure.

In light of these findings, we recommend a comprehensive educational program should be instituted for children and their families from birth to at least the third grade.

We are here to seek support for such programs. A comprehensive education is one which deals with all of the developmental needs of the child and not merely academic training. It provides not only an educational program, but is a vehicle for medical and nutritional care, social and psychological services, and it offers educational and other services to parents as well as children.

Our recommendations build on already existing programs. The three major parts that they call for: one, the establishment of parent/child development programs which serve children from the first weeks of life until they begin elementary school; two, a fundamental revamping of how children are taught in kindergarten and the first three grades of school; and three, the formation of a network of training and resource facilities that would enable more Native Americans become teachers and principals and maintain quality control of educational programs.

It is further recommended that this new comprehensive educational program be contracted to tribal and Alaska Native organizations. Implementation of this comprehensive educational program from birth to age 8 is expected to have the following salutary effects.

One, the intellectual blow to young children will be softened by the ability to interact at an early age. It will enable these children from bilingual and Native language backgrounds from rural settings to expand their fund of knowledge and develop the language and conceptual skills needed to function efficiently in schools.

Two, children will attend schools in an emotionally supportive and culturally relative environment, thereby strengthening their sense of ethnic identity, their sense of theirselves as individuals and provide therefore a deeper and more sustained commitment to learning.

Three, parents will have continuous opportunity to enhance their child care and child bearing practices and will have access to alternative and supplemental methods of child care as needed.

Four, close links will be formed between home and school, family and educators so that parents become active agents in planning and guiding their childrens' education.

Five, by providing systematic medical care and social and psychological services from birth through age eight, it will make possible the early identification and treatment of physical and psychological disorders. By teaching parents to attend to health or nutritional matters it will support the prevention of infectious disease and physical disabilities.

Six, by contracting these programs to tribal and Alaska Native organizations, providing for parent education and parent employment, and arranging for continuous availability of training, we are setting in motion a series of events which will offer support for complete self-determination in the field of education.

Senator BELLMON. Dr. Zimiles, you apparently have a lengthy statement which you have not submitted for the record. Could you submit it for the record and hit the highlights.

In particular, we would like to know what you want this committee to do in the way of funding.

Dr. ZIMILES. I will submit this for the record, but we have a more comprehensive statement that has already been submitted.

Senator BELLMON. What you have is excerpts from this longer statement?

Dr. ZIMILES. Yes, it is covered in the longer statement.

Senator BELLMON. Would you get specific; what it is you would like this committee to do?

Dr. ZIMILES. We are asking for appropriation to recommending.

Senator BELLMON. That is $13 million, $13.8 million?

Dr. ZIMILES. Yes, for the first year. What we have done is indicate the cost of mounting this program for the cost of the first 10 years. Those figures are given on the second page of the summary report. The first year it is estimated it will cost in excess of $13 million.

Senator BELLMON. That would cover all the tribes in the country?

Dr. ZIMILES. It will cover the beginning of programs which ultimately will provide services for all of the tribes and Alaskan Communities services by the BIA. We believe the programs we are recommending are equally appropriate for Indian people not served by the Bureau.

Senator BELLMON. This is in addition to the moneys the BIA is currently getting for educational purposes?

Dr. ZIMILES. Correct.

Senator BELLMON. Very good. Do you have other information—

Dr. ZIMILES. No.

Senator BELLMON. Thank you very much. We appreciate your presence here.

STANDING ROCK SIOUX SCHOOL FACILITIES

STATEMENT OF CLAYTON BROWNOTTER, VICE CHAIRMAN, STANDING ROCK SIOUX TRIBE

ACCOMPANIED BY:

EVELYN GABE

ROBERT McLAUGHLIN

Senator BELLMON. The next witnesses will be Clayton Brownotter, Evelyn Gabe, and Robert McLaughlin from Standing Rock Sioux Tribal Council, N. Dak.

Mr. BROWNOTTER. My name is Clayton Brownotter. I am a Standing Rock enrollee, full blood. I am vice chairman of the Standing Rock Sioux Tribe.

To my right is Robert McLaughlin, the director of planning of the Standing Rock Sioux Tribe.

We appreciate the opportunity today to testify, Senator, before your committee. My testimony will be very brief as we have submitted for the record documentations and photos which are in support of our request.

STANDING ROCK SIOUX SCHOOL FACILITIES

Simply, our request is for add-on construction funds for the desperately needed elementary school in Bullhead and Little Eagle, S. Dak., plus $100,000 in design funds.

Our present schools do not meet minimum safety codes as we have expressed in our letter to Senator Byrd.

There is a serious need for facilities now, as not only are the schools hazardous as you can see by the photos which we have given you today, but our Reservation statistics show that 50 percent of our population of 5,000 resident Indians are 16 years of age and younger. This is so important, especially when one-half of the population is comprised of younger elements. Developing the minds of our youths is extremely important in our competitive society today.

We appreciate your consideration for this urgent request.

Senator BELLMON. Very good, Mr. Brownotter. I congratulate you for your brevity and for getting right to the point.

Does Mr. McLaughlin have any comments to make?

Mr. MCLAUGHLIN. No, sir.

Senator BELLMON. You have handed me these photographs. These are pictures of the school facilities?

Mr. MCLAUGHLIN. Yes, in Bullhead and Little Eagle, S. Dak.

Senator BELLMON. They certainly point up some very obvious deficiencies in the facilities and equipment that are available.

Thank you very much, gentlemen. Let me return these photographs——

Mr. MCLAUGHLIN. They are for the committee.

Senator BELLMON. Our next witness will be John Lufkins of the Michigan Indian Health Board.

In his absence, I wonder if Danny Little Axe has come into the hearing room?

SUBCOMMITTEE RECESS

Neither Mr. Lufkins nor Mr. Little Axe are present, and the subcommittee will stand in recess until 1 p.m. this afternoon.

[Whereupon, at 11:45 a.m., the subcommittee was recessed to reconvene at 1 p.m. the same day.]

(Afternoon Session, 1 O'Clock, Monday, April 12, 1976)

NONGOVERNMENTAL WITNESSES

OPENING REMARKS OF SENATOR YOUNG

Senator Young [presiding]. The subcommittee will come to order. The hearing will resume.

As noted this morning, we have a crowded 3-day schedule of witnesses and several important bills are coming up on the Senate floor this afternoon. It will be difficult to hear all of the witnesses under these circumstances and everyone is asked to honor the 5-minute time limit on their presentations.

Your full prepared statement will be printed in the record and fully considered by the committee. It is not necessary for you to read your statement, just highlight it and emphasize the main points. This is often more effective than reading a long statement—this morning's session I am told went very well because of the cooperation of the witnesses. I hope we can keep that going this afternoon.

When your name is called, please present copies of your statement to the staff and take your seat at the witness table.

California Rural Indian Health Needs

STATEMENT OF JOSEPH R. BENITEZ, CALIFORNIA RURAL INDIAN HEALTH BOARD, INC.

Senator Young. The first witness this afternoon will be Mr. Joseph R. Benitez, California Rural Indian Health Board, Inc. Did I pronounce the name right?

Mr. Benitez. Not quite.

Senator Young. Do you have a long statement that you want in the record?

Mr. Benitez. Yes. We have presented your committee with the records and statement that we make today. I have just given those to her at this time.

Mr. Chairman, to my immediate right is Mr. Nick Lucio who is treasurer for the Northern Valley Indian health project in northern California. He is also a board member.

And to my immediate left is Mr. Dennis Magee who is project director for the San Diego, Calif. Indian health project and a member of the Indian health board.

My name is Joseph Benitez and I am chairman for the California Rural Indian Health Project.

We are mainly here today to lend our appreciation for your continued support to the California rural Indian health board program. Down through the years that support has been highlighted by the amount of appropriations extended to the CRIHB board for its operations.

We have 16 projects in California operated totally by an all-Indian health board. It is administered by an all-Indian admnistrator. The things we want to discuss today——

Senator YOUNG. First, let me ask the question, how many tribes does this involve?

Mr. BENITEZ. It involves 37.

We work mainly in rural areas from the southern tip of California up to the northern portion of California. The projects are strategically placed throughout California and each year we receive a certain amount of appropriations for operation, operational moneys.

Last year our total budget for the 1975 period was $2,500,000. We would like to request at this time that a $4.526 million be added on into the Indian Health Service budget to come down into the California Rural Indian Health Board.

The basic reason for it is the fact that we have for a long period of time been a demonstration project and we have reached a plateau where we cannot expand any further our programs that we have which are medical and dental. They cannot expand any further because the appropriations we get from Indian Health Service and whatever amounts we can generate from outside resources.

If we were going on the resource allocation criteria that Indian Health Service is set up and considered for a program area like any other one, we would have to have a minimum of $19 million to operate a program in California.

We have for quite a few years been looked over, basically because of the different situation that we have in California, the disparity, non-federal recognized people versus federally recognized people in California. Then, of course, the problem of the State of California stating that they would like to take care of the Indians in California, but to this date have done a very limited amount in that area.

I would like to call on Mr. Magee who is another project director and he can make a short statement on the program we have in California.

Mr. MAGEE. I would like to comment on the credibility of the program as developed over the last few years in developing not only the program and staffing part of the medical programs, but also of the clinical development. It is a pretty unique situation. We are not on a reservation and we have no construction money to build clinics with.

We are putting them up by going out, raising funds through church groups, special fundraising functions, utilizing resources. As an example, in San Diego we used the U.S. Naval Seabees for helping in the construction of heavy equipment work. Different programs that are willing to help Indians and are responsive to the requests coming in and donating corporate funds, anywhere we can get people organized and we know that they have funds—we go out and get them. In San Diego, we just completed a $300,000, 5,000 square foot outpatient medical and dental clinic which was totally raised from the community of San Diego. What we need are additional appropriations so that it can be properly staffed as a primary care clinic.

In the northern part of the State, they built a 150,000 medical outpatient dental clinic, all totally from resources that were available. We are starting to put these things up all over. In the northern

part of California, they put up a modular unit. In Riverside, southern part, there is also a clinic built from a grant. Any place that we can get money and funds to put these clinics up, we are doing it. But we need the staffing so that we can develop comprehensive, primary care to serve the people on the reservation. It's very unique and it lends credibility to our program. It shows we are really trying hard and want to develop a successful comprehensive health delivery system to our Indians.

I think we are very proud of the fact that we are gaining development experience and we would appreciate any appropriation we get from the committee. Thank you.

Senator YOUNG. Thank you.

Mr. BENITEZ. I would like to have Mr. Lucio say a few words, Mr. Chairman.

Mr. LUCIO. I would like to thank each one of you and any legislation that effects our program and, as individuals, we can understand the mechanics of how these programs are filtered down to our level.

I know there are a lot of problem areas that exist, but we appreciate your support in all legislation, improving our implementation of the program we have in our area. So I do thank you for it.

Senator YOUNG. Thank you. You make a good case. You present your case very well. You don't need a written statement.

Mr. BENITEZ. It is kind of a guideline, Mr. Chairman. We picked out highlights of what we have to give you.

Senator YOUNG. You did very well. I am sure the committee will give it careful consideration. It is unfortunate that all of them can't be here, but there are about 2,000 witnesses altogether to be heard and all of the committees are split up quite badly right now in order to hear everyone.

Mr. BENITEZ. We thank you for your time and we appreciate the committee's consideration to the California program. Thank you again, Mr. Chairman.

[The statement follows:]

STATEMENT OF THE
CALIFORNIA RURAL INDIAN HEALTH BOARD, INC.

Mr. Chairman and members of the committee:

Our purpose here today is threefold: first, to express our appreciations; secondly, to update and restate the total health needs of the California rural Indian population; and thirdly, to testify in favor of a special add-on appropriation in the amount of $4,528,470 to the Indian Health Service budget allocation, to be used in California for rural Indians of California.

Seated with me today is Nick Lucio, a CRIHB member and Treasurer of a local health project board; Dennis Magee, a CRIHB member and Director of a local health project.

First, we would like to express our appreciation to this committee for the continued support afforded rural California Indians in their efforts to provide health care services to Indian people. We are happy to report that as a result of these efforts, some 40,000 rural California Indians are now being served with supportive outreach, dental and limited medical services. The sixteen (16) health projects making up the California Rural Indian Health Board (CRIHB), located throughout the state of California, are governed by an all Indian health consumer board, who have met the challenge of Indian self-determination by effectively developing and administering a health care delivery system.

Included within this system are dental clinics, medical out reach clinics, preventive health care systems complimented by community health aide out reach programs and other innovative approaches unique to the health project areas that attempt to maximize utilization of resources, including outside resources. An example of the success of the program is the value of services rendered through our dental clinics in comparison to the applicable cost of operation. Last year, some $627,000 of dental services were rendered at a cost of some $362,000, which represents a ratio of 1.73:1. Since the sixteen (16) health projects operate as independent entities, program efforts and priorities are established by the projects governing bodies. This decentralized effort has proven to be the strength of the overall California Rural Indian Health Program. More detail regarding the activities of the past year are related in more depth in the accompanying supporting documents

Secondly, we wish to update and restate the Indian health needs in rural California. Previous testimonies we have rendered to this committee have related a total need of some $6.354 million, however, a recent reassessment was performed which culminated in a total need of $19,261,612. This reassessment was performed through the utilization of resource allocation criteria (RAC) principles as developed by Indian Health Service. The development of this criteria is not yet complete, however, both methodology and application is presented in detail in the accompanying documents. The new assessment is not yet complete, as it reflects only the health services and not the associated costs such as administrative and facilities cost; and is subject to further refinement of the criteria by Indian Health Service.

The validity of such an assessment can best be substantiated by a comparison to per capita health delivery by Indian Health Service. For the Fiscal Year 1976, the Indian Health Service appropriation was $269.5 million with a reported service

population of 507,000, which results in a per capita of $531.5582. With the service population of 40,000 and the IHS per capita for 1976, the total for California would be $21,262,328; very comparable to the aforementioned reassessment of $19,261,612. The need in California then becomes evident when compared to the present level of CRIHB funding of $2.56 million. When based on the reassessment, the net unmet need becomes $16,701,612.

Now we come to the request for this year. We request a special add on appropriation in the amount of $4,528,470 to the Indian Health Service budget. This appropriation request is based on the reassessment of needs and will enable the California Rural Indian Health Program to approach service levels comparable to other IHS areas. In summary the request is as follows:

Ambulatory Care	3,184,470
Environmental Health Study	80,000
Field Health Care (Outreach)	540,000
Health Education	160,000
Field Medical Services	320,000
In-Service Training	200,000
Supplemental Staffing (Expansion/Absorption)	450,000
Bio-Communication System	300,000
Facility Feasibility Study	60,000
In-Patient Access (transport)	80,000
Maternal &Child Health Supple.	250,000
Special Vision/Hearing Program	80,000
Otitis-media Survey	48,000
Mal-practice Ins. Supplement	16,000
Home Health Care Service	320,000
Total	6,088,470
Less: Current Budget Level	2,560,000
Appropriation Add On Request	4,528,470

Further detail on this request is provided in accompanying documents. Noticeably omitted is In-Patient Care. This item, though conceptually established, bears further study as to mode service delivery.

We are keenly aware of the Administration's general opposition to budget increases, however, we are also acutely aware of the day to day confrontation with our unmet needs, and request that this committee sincerely accept our testimony as a statement of need that outweighs the opposition. However, realizing this potential opposition, we footnote our request with some additional considerations.

The mal-practice crisis in California is adding to the already problem plagued rural health care. Primary medical care is becoming less available and it is becoming a commonplace that the surgical and obstetrics care is hundred miles away. The mal-practice knows no boundaries, only severity, and both dental and medical care is affected.

A method for this committee to consider is in the following recommendation:

> The staffing ceiling of the Indian Health Service include sixteen (16) dental and twelve (12) physician (Commissioned Corps) positions for the California Rural Indian Health Program.

This method would be totally in-line with the health priorities as declared by PL 93-641-National Health Planning and Resources Development Act (1974).

A further consideration of this Committee relates directly to the current developments of the Indian Health Care Improvement Act (S522, HR 7852, HR 2525). This testimony could be responded to by a declaration by this Committee that an equitable amount in all the respective titles of the proposed Act be earmarked for the Indians of California. The needs of California Indians never seemed to be adressed, and we urge this Committee to address the needs of this statement in future deliberations.

Presently, the Indians of rural California do not have the Indian Health Service to look to for needed health services, they must look to the California Rural Indian Health Program. Over the last year, the high cost of mal-practice has driven the health providers out of rural California into administrative position or severely reduced practices. The burden on California Rural Indian Health Board is becoming acute, and your sincere assistance and consideration is needed. Your alternatives to meeting the needs of California Indians are many, we have presented a few that have worked.

Mr. Chairman, we are now prepared to answer questions regarding the statement.

California Urban Indian Health Programs

STATEMENTS OF:

EDWARD OLIVAS, BOARD CHAIRMAN, CALIFORNIA URBAN INDIAN HEALTH COUNCIL

LEONARD SMITH, EXECUTIVE DIRECTOR, CALIFORNIA URBAN INDIAN HEALTH COMMITTEE

Senator YOUNG. The next witness, Edward Olivas and Leonard Smith of the California Urban Indian Health Committee.

Mr. Smith: Mr. Chairman, I thank you for allowing us to testify today.

I am executive director of the California Urban Indian Health Council. To my left is Mr. Edward Olivas who is board chairman of the California Urban Indian Health Council.

We are here to request line item funding of $1,140,000. Up to this point we have been funded at a level of $428,000. Let me give you a little background of the California Urban Indian Health Council.

It is the consortium of nine urban indian clinics throughout the State of California and the large metropolitan areas. The clinics run a gamut from basic referral programs to full comprehensive primary care centers.

At this point, we estimate the population of California to be the largest in the Nation—Indian population to be largest in the Nation. Somewhere in the neighborhood of 185,000 to 200,000 Indians in California. Of those Indians the California Urban Indian Health Council uses its service population at 65 percent and that nine California urban Indian clinics serve a good percentage of those urban Indians or the largest percentage of those urban Indians.

California at this present moment is being funded at $420,000 which is a minimal amount of money to run nine urban clinics. We feel that, although the Federal Government has been very helpful in assisting us in developing the programs, that at this point in development we need at least $1,142,000 to continue operations.

Our programs now, as I said, run the gamut of all types of health care. The money that we get from the Federal Government, the $428,000 is used as catalyst funds. That is, it is used as money to develop more money. We use it primarily for title 18 and 19 reimbursements in order to hire physicians.

As you know, the National Health Service Corps no longer services urban areas. We can't get physicians from the National Health Service Corps as well as the inability for direct services to come from Congress, the approval for direct services to come from Congress. Therefore, we have to use the money for direct services which is administrative overhead cost, transportation and things of that nature. We can't use the money to hire physicians, we have to use it only as catalyst money.

We would like to ask that Congress and the Senate this year allow us to use the funding for direct services. That is, to hire physicians, nurses, nurse practitioners, physician assistants and so on. We need the continuation of Federal funding because of the great migration of Indians into California from other States. In the last census we

found that the State of California nearly tripled from 1960 to 1970 as far as the Indian population of California.

At this point, I would like to have Ed Olivas say a few words about California.

Mr. OLIVAS. Mr. Chairman, thank you for allowing us to come here today and testify before you. I am Ed Olivas and I am chairman of the committee in California. California, the Urban Indian Health Council in California is made up of nine projects located from one end of the State to the other. We have banded together to perhaps improve our communications with the native Americans of California and to create a common bond to emphasize the needs of the Indian population in California.

We are unique in that we have attracted large numbers of native Americans from all States in the United States and we are naturally trying to cope with the kind of health problems that are coming to us. The existing services in the communities are not adequate. They are overtaxed already by other poor minorities in California. Therefore, the Indian, when he comes to California, he is at a disadvantage to create and form a new relationship with the existing services.

The other minorities are much larger in numbers than the Indians are. Therefore, they cannot compete on an equal footing with the other minorities in the cities. Therefore, we find that our nine projects are being overtaxed and the demands on our projects are increasing every year.

Therefore, we come to you to perhaps help us. One of the great needs that we have is to be able to give direct services with money that we get from Indian Health Service. This is not true at the present time.

Senator YOUNG. I can see where the Indian migrating from North Dakota to California away from his own reservation does have a very special problem.

Thank you very much for your testimony.

Mr. SMITH. There is one thing that I would like to say. One of the problems we face in California is that you may ask the question what is the difference between a Chicano or a black or an Asian that comes into Los Angeles and an American Indian. The difference is that the Indian who comes into Los Angeles is not aware of the existing resources, number one. He immediately seeks out an Indian clinic and our Indian clinics deal not only with the alipathic treatment that is available, but we also deal with traditional methods of healing.

From there we can treat him on a primary care basis and we have also contracted a public health service hospital in Los Angeles for long0term care. We have his care almost completely covered and all we need now is continuation money to keep this program going.

Senator YOUNG. I thank you very much. You know, it looks like you are doing a good job.

[The statement follows:]

Mr. Chairman, I have prepared the following testimony on behalf of the California Urban Indian Health Council. My name is Leonard Smith and I am the Executive Director. In addition, Mr. Edward Olivas, Chairman of the Board is present to assist in the testimony. We are requesting a total line item funding of $1,140,000.00.

I am here today to discuss the crisis that faces the health delivery system for urban Native Americans residing in California. Let us all understand the true fact that the federal government has a responsibility for the health care of the first Americans whether or not they are indigenous natives of California or migrants from other states who reside in this state.

Let me begin by giving you a background of the California Urban Indian Health Council. The California Urban Indian Health Council is a consortium of nine Native American health projects throughout the state of California. These projects are in various stages of development from comprehensive health delivery agencies, to outreach and referral centers which tie in closely with existing urban health delivery services.

We estimate (according to Indian centers, BIA and U.S. census figures) the Native American population in California to be approximately 200,000. Of these, at least 65% live in large metropolitan areas where there are no facilities other than our nine (9) California Urban Indian Health Clinics that realistically attempt to meet the needs of these Native Americans. You may ask, "What is the difference between a Native American who resides in a large city and his poor counterpart, the Chicano, Black or Asian." He is a proud individual psychically tied to traditional healing practices and other cultural values. When these traditional healing methods are coupled with modern allopathic treatment he readily accepts this. Unfortunately, except for the clinics administered under the California Urban Indian Health Council organization, this type of service is not available to the Native American. Currently, we are in the process of having each of our clinics treat our Native patients both traditionally and allopathically. However, since there are only the California Urban Indian Health Council clinics to deal with the cultural alienation of the newly arrived Native American, as well as the Indian family who still maintains close ties with his or her heritage, the cognitive dissonance which occurs at the County Hospital or outpatient facility causes our people to suffer and die rather than endure the humility and patronization of existing resources. Other ethnic groups enjoy the funding mechanisms that allow their cultural treatment centers to survive; we ask only for an equitable treatment of our own culture; as our clinics are attempting to do with a minimal amount of funds appropriated through private foundations, donations, and a very small administrative grant from the federal government.

You are aware that most Native American subsist on the economic fringes of American society; thus the need for these services become more compelling with time. We are employing every conceivable method to generate revenue to continue services, e.g., sliding scales, 3rd party billing, for those few Native American families that can afford some form of payment. This, in some small measure, alleviates the high cost of operating our clinics, but obviously is not the long range answer.

Our clinics depend on these erratic methods of funding to operate outpatient clinics that meet the ever growing needs of our people. We use this money to develop mechanisms to bring in revenue for operating expenses. Unfortunately, the Medi-Cal and Medicaid reimbursements, while helpful, only absorb a small amount of the costs involved. Simply stated, the Native America: usually works either part-time or in a low income job, such as domestic, common laborer, etc.; and while he has a subsistence income, it is typically just enough to prevent his qualifying for Title XVIII and XIX benefits, while he is unable to afford the high cost of private sector medical care. The amount of Native Americans who have other third party insurance coverage is so small that to mention it would be ludicrous. Our clinics up to this point have been utilizing every possible avenue of alternate funding, e.g., Regional Medical Programs, 314E, State Maternal & Child Health, and DHEW. Except for the small amount from DHEW, these resources have since dried up and we are without catalyst resources.

In January 1975, four California Urban Indian Health Council clinics- San Francisco, San Diego, and the two Los Angeles clinics- treated more than 1,400 patients by the clinic physicians. In addition, at least an equal number of patients were either referred to other health agencies or contacted by outreach workers. This is a very clear example of the amount of work that is being done by our projects.

We need the continuation of federal funding because there are no services available explicitly for urban Native Americans. The migration of Native Americans to urban centers is a relatively recent phenomenon. Much of the increase in California's Indian population has occurred in the last ten years due to the influx of Native Americans relocated from reservations in other states to urban centers in California. Official census records show that the population of Native Americans in the state of California nearly tripled in 1960 to 1970.

The intent of the relocation programs has been to facilitate the adjustment of relocatees. Unfortunately, this has not been the case. Nearly two thirds of the early relocatees found the move too difficult and returned to the reservations. Presently the return rate has reversed itself; two thirds now stay in urban areas with very serious adjustment problems. One study (Hurst, 1969) shows that only 60% have jobs. Training programs are inadequate, placement opportunities are scarce, and economic assistance is short lived. The result is the familiar Native American syndrome: poverty and dispair. The most glaring of the adjustment problems for urban Native Americans is the area of health needs.

Most of the relocated Native Americans are accustomed to full health are through the programs set up on reservations by the Public Health Service. And while some may criticize these programs, the fact remains that care is available under the provision of the Indian Health Service.

In the city, the Native American is considered to be on the same status as other urban residents. Unfortunately, he is unfamiliar with the system; he has no insurance, and he is hesitant to seek care from providers or agencies whom he does not understand and who do not understand him. He is almost never aware of the third party reimbursement system.

What we at the California Urban Indian Health Council do is to assist him to take advantage of existing services and develop centers there which meet his needs. Our projects offer education, referral, transportation and, by placing him in the third-party reimbursement system, generate funds for our own health delivery service systems. Hopefully, looking in a long perspective, we plan to become independent. For example, most of our projects offers the following:

1. Health counseling
2. Nutritional program for mothers
3. Ob-Gyn services
4. Preventive, primary and emergency care
5. Family planning
6. Social services
7. Dental care
8. Immunizations
9. Pediatrics
10. Optical referral
11. Labortory work
12. Alcoholism and drug abuse counseling
13. Training programs
14. Outreach services

Unfortunately, the present appropriations do not allow enough funds for the attainment of our goal to bring adequate health delivery services to all urban Indians in California. We need the catalyst funds that would allow our programs to develop self-sufficient revenue generating programs. We need additional funds for the administrative overhead costs, the implementation of outreach programs, transportation, development of new access to care programs, expansion of referral services, new training programs and social services.

Let me state at this point that we are asking for separate additional appropriations from those earmarked for land base reservation Indians. We in no way would support the use of land base appropriations for urban programs.

The current funding level of the California Urban Indian Health Council is $428,000 annually to support totally nine urban health clinics and the central administrative office.

The breakdown is as follows:

1.	Central Office	$ 68,000.00
2.	Indian Lodge of Los Angeles, Inc.	40,000.00
3.	American Indian Free Clinic, Inc. Compton, California	40,000.00
4.	Indian Free Clinic, Inc. Huntington Park, California	40,000.00
5.	American Indian Health Clinic, Inc., San Diego	40,000.00
6.	Santa Barbara Urban Indian Health Project, Inc.	40,000.00
7.	Fresno Urban Indian Health Project, Inc.	40,000.00
8.	Native American Health Center, Inc., San Francisco, California	40,000.00
9.	Sacramento Urban Indian Health Clinic, Inc.	40,000.00
10.	San Jose Urban Indian Health Council, Inc.	40,000.00
	Total	$428,000.00

We are requesting a base funding level of $1,140,000.00 as a line item from the Indian Health Service Budget.

The breakdown is as follows:

1.	Central Office	$ 120,000.00
2.	Indian Lodge	100,000.00
3.	Compton	150,000.00
4.	Huntington Park	150,000.00
5.	San Diego	100,000.00
6.	Santa Barbara	100,000.00
7.	Fresno	85,000.00
8.	San Francisco	150,000.00
9.	Sacramento	100,000.00
10.	San Jose	85,000.00
	TOTAL FUNDING REQUEST	$1,140,000.00

We are basing this request on four factors developed in the resource allocation model for urban projects by the Indian Health Service. The four factors are:

1. Population of service area. (Based on U.S. Census 1970, Indian center headcount, BIA enrollment figures, and patient encounters).
2. Research previously accomplished identifying target population, community resources, actual health needs, and gaps in existing resources.
3. Planning and development of short and long term plans, evaluation plans, a data retrieval system, a fiscal and personnel management system, and board and staff training.
4. Delivery of services through direct patient care, both medical and dental, outreach and referral, preventive services and the coordination of community resources.

In order to substantiate our request I have submitted amendments showing the service population and patient loads.

The Native Americans plead with you to consider our application for a line item in the Indian Health Service Budget of $1,140,000.00 to keep our clinics functional and to maintain the minimal level of health care to the first Americans.

Thank you,

Leonard Smith

Leonard Smith
Chumash Tribe of California Indians
Executive Director
California Urban Indian Health Council

STATEMENTS OF:

LEO LaCLAIR, EXECUTIVE DIRECTOR, SMALL TRIBES ORGANIZATION OF WESTERN WASHINGTON

DONALD J. BREAD

JOSEPH CLOQUET, STOWW, WASH.

Senator YOUNG. The next witness is Leo LaClair, Gary Peterson and Joseph Cloquet. Do you all have statements?

Mr. LACLAIR. Mr. Chairman, I am going to speak on one issue and Mr. Donald J. Bread will speak on Public Law 493. My name is Leo LaClair. I am executive director of Small Tribes Organization of Western Washington.

My additional witness is John Marshall. He will speak in about 20 seconds.

We are appearing here today on behalf of six member tribes of STOWW. STOWW is made up of 23 tribes. The six tribes are seeking congressional appropriations in the amount of $420,580. The funds will be used to complete implementation of the Federal court decision on USV Washington which treated fishing rights of numerous Indian tribes in western Washington. STOWW is submitting a special request on behalf of six member tribes and presently they are waiting for the court's formal determination of their fishing rights. We expect a decision by June of this year.

These funds we are requesting will allow each tribe to organize an interim fisheries control program for 1 year. The Bureau of Indian Affairs are not budgeting money for these tribes and, therefore, we at STOWW are here requesting a line item appropriation for the STOWW interim enforcement program.

You will hear other testimony today from the Northwestern Fishing Commission requesting some other funding.

I will propose that it is not an overlap or duplication of the other types. We do have the support of the Northwestern Fish Commission. We do have the support of the board of directors which is made up of 23 tribes of STOWW. We also have the support of the Pueblo Indian Council in our request.

With that brief overview, I would like to have Mr. John Marshall explain a clarification on our proposal.

Mr. MARSHALL. I would like to stress the importance of this enforcement program being funded as we are now ready to begin the program through congressional add-on moneys, fiscal year 1976.

If money is not appropriated now to begin where this other funding leaves off, everything we have gained in training our enforcement people in getting our program started will be lost. Undoubtedly, we will be for a period of time without funding and the people we have trained and hired would naturally seek employment in other areas.

We believe, also, that it is an important thing for the Senators to be aware that the six tribes place a high priority on enhancement and some now are involved in enhancement programs that they have used their own tribal moneys to develop. In fact, one tribe, looking towards the future, has through cooperation with the Washington State

has developed a program with funding to the Northwest Regional Commission to train six native Americans in the area in the Washington State hatcheries so they will be ready to take over the programs in our own Indian hatcheries at the end of the 2 years of training.

Mr. LaClair. STOWW was successful last year in securing congressional funding to implement the old decision and we hope the Senators will not let us down this year, but will continue that implementation of the United States versus Washington case so we can strengthen our responsibility in this historic case.

With that, I think we should now turn to Mr. Bread.

Senator Young. When does your money run out?

Mr. LaClair. The end of October.

Senator Young. Fortunately, this appropriation bill will be passed by Congress before then.

SELF-DETERMINATION GRANTS

Mr. Bread. Thank you. As Mr. LaClair stated, my name is Donald J. Bread and I am tribal business manager for the Suquamish Indian Tribe at the Port Madison Indian Reservation in the State of Washington. I am here on behalf of that tribe and on behalf of an organization that represents 23 different tribes in the State of Washington, the Small Tribes Organization of Western Washington.

Our concern is with Public Law 93–638, the Indian Self-Determination and Education Act. One aspect of the implementation of that act concerns the appropriations that each tribe will receive under this self-determination grant. That which will be used is a formula based on the population figures of the federal revenue sharing funds—population figures are coming from.

STOWW does not feel that the formula being used by OMB for distribution of self-determination grants are adequate. We do not believe that the amount of moneys that will be available to Indian tribes based on the formula presently being proposed by OMB is adequate.

We, therefore, request that this committee consider the needs of the tribes rather than the head count. Based on what OMB has come up with, we will receive considerably less money than we did receive under the BIA TGTP program which is currently underway and will end this June. The formula OMB is now using to issue self-determination grants is less than that. So STOWW, my tribe and all the tribes that STOWW represents, are against the formula that OMB has come up with and we do not believe that it is the way or is the procedure that Public Law 93–638 intended that self-determination.

Senator Young. You want to keep the present procedure?

Mr. Bread. The present procedure is based on a head count on the reservation rather than a service population. For instance, on our reservation we might have 150 people living within the boundary of the reservation where the service population would be 500. According to OMB, there would only be—I think the formula is $50 per head, up to $2,000 on the reservation, not counting our service population.

We would suggest something of a base figure in the amount of $50,000 per tribe and then go on a per capita formula.

Senator Young. Thank you.

SMALL TRIBES HEALTH CARE

Mr. CLOQUET. Mr. Chairman, my name is Joe Cloquet and I am health administrator for Small Tribes Organization of Western Washington. I have been with them since the 1st of August, 6 years this next August.

I have been working very hard to obtain health care for 12 of the smaller tribes of the organization that for the last 126 years have received benefits of no kind whatsoever when it comes to their health needs.

I have been told, and I have heard and I know that the Snyder Act of 1923 provides for health care for the Indian people of the Nation. I would like to see the committee look into this and see if we can't come up with something for these people who were so desperately in need of all phases of health care.

Dental conditions are terrible. Little ladies can't do knitting, they can't read. There are so many needs that could be taken care of.

Two years ago we were appropriated $100,000 as a result of my presenting a proposal to you here and the House of Representatives. The $100,000 was for the purpose of a study to be made on how best to meet the health needs of this tribal group. We worked very diligently putting our study over and coming up with results.

The results of the study back up completely the statements that I made before this committee and the House committee on different occasions. We are happy to have taken on this project and we have developed an excellent rapport with Indian Health Service, working with them as you people directed. We did survey 20 percent of our tribal group and the results of the study, as I say, are terrible.

I would like to read a quote from Sister Lucy Brasille. She is an RN, a B.S. and a nurse practitioner who made all 60 of our mobile van visits in this comprehensive health study. She administered every physical examination with us and she observed that, "Health maintenance is an unheard of luxury in the population study, the health problems, multiple and varied in nature, are poorly cared for and grossly neglected."

She further states, and I quote, "I can only hope that when these needs and solutions are articulated, that those listening will be a people possessed of consciences sensitive to deprived people and who will show some measure of courage in acting to help provide the resources requested."

We have a great deal of backup from physicians, opticians, dentists, pharmacists that have been willing to negotiate with us on the same way that they negotiate with the State welfare agencies and employment insurance programs which means that we can provide services at about 70 percent of the ordinary charged for services rendered.

These professional people are very happy and have so stated to be able to do something as far as they can go in being of assistance to us. I respectfully request that members of the committee give this very serious and, hopefully, favorable consideration.

We were happy to have taken on the project of this survey as Congress requested and I am sure that when you read the results of this survey that you will understand that we are trying to do our job the best that we possibly can.

I believe that's all that I would have. I have submitted copies of the proposal and the health study report to the clerk. She has them for distribution to the members of this committee.

With that, I want to take this opportunity to thank you for allowing me to speak before you.

Senator YOUNG. Let me ask you a question. On page 1, you mention that the amount of money requested is $898,539 or $922,162 for health care. It is a little bit confusing. Which amount is it?

Mr. CLOQUET. I am very happy that you have asked the question. In our proposal we have projected two different types of programs. One would be insurance by way of commercial carrier and one would be contract services similar to that of which Indian Health Service works with. In the proposal, though we would recommend Plan A, working with private insurance carriers, I am a little doubtful as to whether or not that can be done with Federal regulations that have to be considered.

However, in the meantime our people need health care, they need it badly and we would hope that perhaps through your deliberation we will come up with a good, strong comprehensive health care to provide for the needs of these people.

Senator YOUNG. Are there enough physicians and dentists to take care of Indian needs?

Mr. CLOQUET. We have people that want to and are willing to work with us for considerably less money, as I have previously stated, than the average individual pay for professional service charges.

We have documents and letters of support within the proposals, copies of the letters that the doctors themselves have stated.

Senator YOUNG. Does that conclude your testimony? Thank you very much.

[The information follows:]

STATEMENT OF DONALD J. BREAD

My name is Donald J. Bread, Tribal Business Manager for the Suquamish Indian Tribe of the Port Madison Indian Reservation which is a federally organized tribe located in Kitsap County, Washington. I am here today to testify on behalf of The Suquamish Indian Tribe and the Small Tribes of Western Washington, and welcome this opportunity to present the position of that organization before the Senate Appropriations Subcommittee of Interior & Related Agencies, on implementation of funding under Public Law 93-638, "The Indian Self-Determination and Education Assistance Act of 1975, to be administered by the Bureau of Indian Affairs.

One of the most important features of the Act is its statement of findings and declaration of policy which gives clear Congressional endorsement to Indian participation in the direction of Federal services for Indian people. The small tribes of Western Washington, like tribes throughout the country applaud the intent and intent of the Bill as encouraging tribal self-determination in the fullest sense of the term. The Federal policy of self-determination for Indians was first promulgated in a presidential address to Congress in 1970 and mandated by the Congress in P.L. 93-638. The language of the Act recognized, first, the goal of a more meaningful tribal control of Federal services for Indian people and, second the continuing trust responsibility of the Federal Government to the Indian people.

The Office of Management & Budget has conceived a "Revenue Sharing" formula for implementing the Act. This formula replaces the Tribal Government Development Program which is destined to end as of June 30, 1976. It should be emphasized that this

formula is not contained in either the Act or in the Regulations for the Act. The formula was unilaterally promulgated by OMB. There was no input required by OMB either from Indian tribes and organizations or from the Bureau of Indian Affairs. Clearly, this lack of participation contravenes by declaration the policy of P.L. 93-638 which gave Congressional endorsement to Indian participation in the direction of Federal services for the tribes.

The Tribal Government Development Program has provided funding to tribes on a basis of need -- a justification which allowed even the small tribes to acquire funding for programs to which they gave top priority. The formula for the self-determination grant, on the other hand, uses the same population figures used by the Treasury Department to distribute federal revenue sharing funds. Under this formula all but one recognized tribe of STOWW will suffer cuts in their already limited budget, ranging from a loss of $3,050.00 for the Port Gamble Klallam Tribe to one of $29,900.00 for the Muckleshoot Tribe. The Suquamish Tribe of which I am Tribal Business Manager, for example, will suffer a cut of $6,050.00 in FY-1977, reduced from $14,700 in FY-1976 under TGDP to an estimated $8,650.00 in FY-1977 under the self-determination grant formula.

The clear intent of the Congress to encourage tribal self-determination is being defeated by administrative policy making. Nothing in the Act provides that funding under the self-determination grants be based on Head Count. The intent of the Congress in enacting the Bill clearly would seem to have anticipated funding based on tribal need -- to help the tribes get on their feet and to assist them in carrying out their self-determination objectives. Instead, OMB has submitted a funding formula based on

a limited on-reservation Head Count -- not comprising the entire enrollment or service population of a tribe.

As I have already stated, the Revenue Sharing Formula negates a clear expressed intent of Congress in enacting the Bill Indian people, particularly the small tribes have already limited resources with which to maintain essential operation of their program for their members. The Federal Revenue Sharing Formula of the self-determination grants increases the uncertainty among the tribes as to whether or not they will be able to continue providing initial programs for their members.

The Senate Appropriations Subcommittee for Interior and Related Agencies have an opportunity to implement Public Law 93-638 according to the clear intent of the Congress in enacting the Bill by supporting a funding formula based upon tribal needs rather than the revenue sharing schedule submitted by the Office of Management & Budget.

Respectfully submitted,

Donald J. Bread

Business Manager
Suquamish Indian Tribe

STATEMENT OF LEO J. LaCLAIR

Mr. Chairman and Members of the Committee:

I am appearing here on behalf of six member tribes of the Small Tribes Organization of Western Washington. These tribes are seeking through STOWW, Congressional appropriations in the amount of $122,508. The funds will be used to complete implementation of the Federal court decision in U.S. vs. Washington, which recognized the treaty fishing rights of numerous Indian tribes in Western Washington.

Last year STOWW sought from Congress $308,215.98 to implement U.S. vs. Washington. In his decision, Judge George Boldt established a number of conditions which plaintiff tribes must meet in order to become self-regulating under the decision. These conditions involve the following:

(1) Existence of competent and responsible leadership;

(2) tribal governments competent to promulgate and enforce tribal fishing regulations;

(3) competent and trained Indian personnel to enforce tribal fishing regulations; and,

(4) well qualified experts in fishery science and management whose services are available to the tribes.

Congress appropriated $308,215.98 to STOWW to allow treaty member tribes to meet the above conditions.

STOWW is submitting a special request on behalf of six member tribes: Duwamish, Jamestown Clallam, Samish, Snohomish, Snoqualmie, and Steilacoom. They are awaiting the court's formal determination of their fishing rights, which is expected by June, 1976. Since the weight of evidence clearly indicates that the tribes will receive a favorable ruling, we are asking $122,508. These funds will allow each tribe to organize an interim fisheries patrol program for one year.

The Bureau of Indian Affairs is not budgeting money for these tribes. As a consequence, the BIA will not have the financial resources that are necessary to allow the six tribes and it to preserve and protect their newly adjudicated fishing rights in U.S. vs. Washington. Therefore, STOWW requests a line item appropriation for the STOWW interim enforcement program.

STOWW's interim fisheries enforcement plan provides each of the tribes with a patrolman, travel expenses, equipment (boats, radios, binoculars) and maintenance, and program supplies. These patrolmen will be hired from member tribes. They will receive their training through the on-going STOWW Law Enforcement Training Program, and on-the-job-training can be undertaken in cooperation with other tribes, who already employ experienced fisheries patrolmen.

STOWW's Interim Fisheries Enforcement Budget allows $18,000 per tribe. This amount funds a patrolman ($11,934), his travel expenses ($615), equipment and maintenance ($4,034), and program supplies ($1,416). The above amount is still well below the average per tribe in the BIA Special Request for FY 77 which budgets $90,000 each for ten.

Funding of this proposal will avert the problem that occured the last time the Court ruled on the treaty status of several tribes who were not a party to the original case. When the Court ruled in their favor, there were no funds available to begin implementing the decision. Thus, the tribes (e.g. Lower Elwha Clallam and Suquamish) had to suffer through the fishing season and wait until the next year to receive funds from the Bureau of Indian Affairs. STOWW's proposal for $122,508 anticipates this dilemma, and is intended to keep the Federal Government's responsibility toward Indians in pace with the Court's rulings.

STOWW's program is an interim plan based upon a minimum amount of funding that still provides adequate protection services to the tribes during their first year of independent fishing. Such a low figure is only possible due to the availability of additional services provided by STOWW such as training, accounting and monitoring.

Thank you, gentlemen, for your kind attention. Let me assure you again that this proposal is not an overlap or duplication of any of the other segments of the funding package before you today, and that it will enable the Indian tribes involved to fulfill the requirements laid upon them by the Federal Court ruling in this case.

INTERIM FISHERIES ENFORCEMENT PROGRAM
FOR
TRIBES WITH NEWLY ADJUDICATED INDIAN FISHING RIGHTS

INTRODUCTION

The Small Tribes Organization of Western Washington (STOWW) is an inter-tribal organization composed of twenty-three small tribes with a combined population of over 12,000 people. In March, 1975, STOWW submitted a proposal on behalf of member tribes for Congressional add-on funds to implement programs which would provide for the self-regulation of Indian fishing rights. Congress appropriated monies for those programs.

We are once again requesting fishing rights funds; however, this year we are submitting a special request on behalf of six member tribes: *Samish, Snohomish, Snoqualmie, Steilacoom, Duwamish,* and *Jamestown Clallam.* They are awaiting the Court's formal determination of their fishing rights. A ruling by Judge Boldt is expected by June, 1976. Since the weight of the evidence clearly indicates that the tribes will receive a favorable ruling, we are asking Congress for $122,508 which will allow each tribe to organize an interim fisheries patrol program for one year. After that time, the Bureau of Indian Affairs would have the responsibility of providing Rights Protection and Law Enforcement funds to these tribes. The BIA is not budgeting money for these tribes, and as a consequence, the Bureau will not have the financial resources that are necessary to insure that each tribe can adequately begin to preserve and protect their Court determined right to fish.

Funding of this proposal will avert the problem that occurred the last time the Court ruled on the treaty status of several tribes who were not a party to the original case. When the Court ruled in their favor, there were no funds available to begin implementing the decision. Thus, the tribes (e.g., *Lower Elwha Clallam* and *Suquamish*) had to suffer through the fishing season and wait until the next year to receive funds from the Bureau of Indian Affairs. STOWW's proposal for $122,508 anticipates this dilemma, and is intended to keep the Federal Government's responsibility toward Indians in pace with the Court's rulings.

INTERIM FISHERIES ENFORCEMENT PLAN

It became apparent this last fishing season that non-Indians were openly disregarding the Federal Court's instructions on fishing times and areas. Massive numbers of violators were

found fishing on "Indian only" nights, as documented in photographs and patrolmen's logs. While the State of Washington must launch a more serious effort to deter violations, a need still exists for more Indian patrolmen to take on the responsibility of protecting their tribes' rights.

It is not only a need, but a requirement for the self-regulation of treaty fishing rights. Therefore, STOWW's interim fisheries enforcement plan provides each of the tribes with a patrolman, travel expenses, equipment (boat, radios, binoculars) and maintenance, and program supplies. These patrolmen will be hired from member tribes. They will receive their training through the ongoing STOWW Law Enforcement Training Program, and on-the-job training can be undertaken in cooperation with other member tribes who already employ experienced fisheries patrolmen.

The specific tasks of the patrolmen include:

1. Patrol and enforce tribal fishing regulations.

2. Assist with biologists in tabulating the estimated run of salmon in tribal fishing areas.

3. Coordinate fisheries enforcement activities with state, federal, and county agencies.

4. Attend local fishery, council, and law enforcement meetings, as required.

Since obviously there are more violators than patrolmen, one method of discouraging infractions would be to increase the efficiency of enforcement operations by a greater cooperation between Indian, state, federal, and county law agencies. The third task of the patrolmen, as mentioned above, addresses this issue. For the upcoming fishing season, the patrolmen will make every effort to maintain daily and on-the-spot communications with other law enforcement officers in their area. The CB radio and telephone expense money is budgeted in this proposal for that specific purpose. Closer teamwork by all enforcement parties will help prevent the outbreak of violence, such as fist fights and gunfire.

CONDITIONAL FISHING RIGHTS

On August 14, 1975, Judge Boldt issued an order granting conditional fishing rights to three of the six tribes cited in this proposal -- *Samish*, *Snohomish*, and *Steilacoom*. Each tribe met all of Judge Boldt's requirements, qualifying them for conditional fishing rights. They were allowed to fish under state regulations without a license, and they also fished at the invitation of Indian tribes who had established treaty rights in U.S. v. Washington. This fact, plus the compelling evidence that all the tribes have maintained organizations and councils since they signed their original treaties, points towards a favorable Court ruling. However, in the unlikely event that the decision favors only certain parties, and not all of the six tribes, then the funds designated for those unsuccessful tribes will be evenly distributed among those with adjudicated treaty rights.

The STOWW Interim Fisheries Enforcement Budget allows $18,000 per tribe. This amount funds a patrolman ($11,934), his travel expenses ($615), equipment and maintenance ($4,035), and program supplies ($1,416). If only three tribes are recognized by Boldt as possessing treaty rights, the per tribe allowance would become $36,000; this is still well below the average per tribe in the BIA Special Request for FY 77 which budgets over $90,000 each for ten tribes in Enforcement services.

STOWW's program is an interim plan based upon a minimum amount of funding that still provides adequate protection services to the tribes during their first year of independent fishing. Such a low figure is only possible due to the availability of additional services provided by STOWW such as training, accounting, and monitoring.

STOWW INTERIM FISHERIES ENFORCEMENT BUDGET

PERSONNEL		
Six (6) full-time Patrol Officers @ $850 x 12 mo.	$ 61,200.00	
Fringe benefits 17%	10,404.00	
Total Personnel		$ 71,604.00
TRAVEL		
Mileage - 3,000 mi. per year @ 15¢ per mi. x 6 officers	$ 2,700.00	
Per diem - 5 days per year @ $33 per day x 6 officers	990.00	
Total Travel		$ 3,690.00
EQUIPMENT		
Six (6) patrol boats @ $3,000	$ 18,000.00	
CB radios	2,000.00	
Binoculars	306.00	
Miscellaneous	300.00	
Total Equipment		$ 20,606.00
EQUIPMENT MAINTENANCE		$ 3,600.00
PROGRAM SUPPLIES		
Boat gas and oil	$ 6,000.00	
Office supplies	600.00	
Telephone	1,200.00	
Uniforms	700.00	
Total Program Supplies		$ 8,500.00
TOTAL DIRECT COSTS		$108,000.00
ADMINISTRATIVE COST (16.6% of Total Allowable Direct Costs)		14,508.00
GRAND TOTAL		$122,508.00

SMALL TRIBES ORGANIZATION of WESTERN WASHINGTON

P. O. Box 578/Sumner, Washington 98390/(206) 593-2894

RESOLUTION NO. 76-005
OF THE
SMALL TRIBES ORGANIZATION OF
WESTERN WASHINGTON

WHEREAS, STOWW endorses and supports the efforts of the six non-recognized intervenor tribes to obtain treaty fishing rights under the Stevens treaties in United States v. Washington;

WHEREAS, the six non-recognized intervenor tribes are members of STOWW;

WHEREAS, congressional funding will be needed to allow the six non-recognized intervenor tribes to exercise effectively their treaty fishing rights and to implement United States v. Washington once such treaty fishing rights are recognized by Judge Boldt;

WHEREAS, the six non-recognized intervenor tribes are seeking to obtain through STOWW congressional appropriations to enable them to exercise effectively their treaty fishing rights and to implement United States v. Washington;

THEREFORE BE IT RESOLVED, that the Board of Directors of the Small Tribes Organization of Western Washington fully endorses and supports STOWW's Interim Fisheries Enforcement Program for tribes with Newly Adjudicated Indian Fishing Rights submitted to Congress for the six non-recognized intervenor tribes in United States v. Washington.

C E R T I F I C A T I O N

The foregoing resolution was duly enacted at the regular meeting of the Board of Directors of the Small Tribes Organization of Western Washington this 20 day of March, 1976 by a vote of 18 for and 0 against.

Gary Peterson, Chairman

Lucile La Due, Secretary

Dan Gleason, Treasurer

Ron Charles, 2nd. Vice- Chairman

Richard Belmont
Richard Belmont
1st. Vice-Chairman

LETTER FROM DELFIN J. LAVATO

ALL INDIAN PUEBLO COUNCIL, INC.
Office of the Chairman
P.O. Box 6507 Albuquerque, New Mexico 87107

April 7, 1976

Mr. Leo LaClair
Executive Director
Small Tribes Organization
of Western Washington
Post Office Box 578
Sumner, Washington 98390

Dear Mr. LaClair:

The purpose of this letter is to voice our support for STOWW's interim fisheries enforcement proposal.

It is the position of the All Indian Pueblo Council that the proposal, which requests Congressional add-on funds to implement programs designed to provide tribal self-regulation of Indian fishing rights, offers viable methods for the affected tribes to exercise their newly adjudicated treaty fishing rights.

It is our hope that your proposal will receive favorable consideration when it comes before the House and Senate Subcommittees on the Department of Interior and related agencies.

Sincerely yours,

Delfin J. Lovato
Chairman

NORTHWEST INDIAN FISH COMMISSION

Mr. Leo LaClair
Executive Director
Small Tribes Organization
of Western Washington (STOWW)
P.O. Box 578
Sumner, Washington 98390

Mr. LaClair:

The purpose of this letter is to voice our support for STOWW's Interior Fisheries Enforcement proposal.

It is the position of the Northwest Indian Fish Commission that the proposal, which requests congressional add-on funds to implement programs designed to provide tribal self regulation of Indian fishing rights, offers viable methods for the affected tribes to exercise their newly adjudicated treaty fishing rights.

It is our hope that your proposal will receive favorable consideration when it comes before the House and Senate Sub-Committees on the Department of Interior and related agencies.

Sincerely,

William Smith
Executive Director

LETTER FROM MORRIS THOMPSON

This is to clarify expenditure of funds to contract with the Small Tribes Organization of Western Washington with add-on funds resulting from a request from Senators Magnuson and Jackson that a joint budget be prepared for the purposes of developing a management research plan for funding implementation of the Boldt decision. This plan was developed on March 26, 1975.

STOAM participated in the development of the plan since some of their membership tribes have court adjudicated treaty fishing rights. These tribes are:

1) Nucklechoot	5) Stillaguamish	9) Suquamish
2) Sauk-Suiattle	6) Upper Skagit	10) Port Gamble
3) Skokomish	7) Nisqually	11) Lower Elwha
4) Squaxin Island	8) Nooksack	

At the time four member tribes of STOAM were awaiting determination by the court of their treaty fishing rights. 1) Duwamish, 2) Snohomish, 3) Steilacoom, 4) Samish.

In their presentation which was forwarded to Congress STOAM listed the entire membership of tribes in the organization. Although STOAM listed all member tribes, the purpose of the meeting and subsequent add-on request was for budgetary purposes to implement the Boldt decision. That decision is limited to those tribes which the court determined has treaty fishing rights affected by the decision. Accordingly, only those STOAM membership tribes that had treaty fishing rights were rightfully represented by the STOAM delegation.

Subsequent to the joint budgetary meeting, Judge Boldt issued an order August 14, 1975 granting conditional fishing rights to certain plaintiff-interventor tribes. These tribes included three tribes of STOAM membership. The Snohomish, Samish and Steilacoom tribes. - It was further found that the Duwamish, one of the STOAM member ship tribes did not have treaty rights.

The special conditional rights were: (1) the tribes could fish under state regulations at times and places open to all citizens without purchasing a state license or being subject to the state limited entry law: (2) the tribes could fish at the invitation of and under the regulations of any Indian tribe already having established treaty rights in United States v. Washington.

Judge Boldt established two conditions necessary for the affected tribes to participate in the conditional fishing rights: (a) compile a list of tribal members eligible to fish and (b) provide identification cards for each member.

He also established two additional requirements:

"(a) File with the Court and serve on all parties a written statement setting out the terms and conditions under which any of the above-named tribes will be fishing under the regulations and control of an inviting tribe, and

(b) File and serve on all parties a declaration from the tribe that while fishing under the regulations of an inviting tribe each tribal member shall submit to the full regulatory power and authority of the inviting

tribe including the power of the inviting tribe to enforce all tribal regulations on a member of one of the above-named tribes who is fishing under the inviting tribe's regulations."

The order is to remain in effect until such time as the court shall rule on the treaty status of the tribes.

STOWW membership tribes now fishing under the court order of August 14, 1975 are: Samish under invitation of the Suquamish. (STOWW member). Snohomish under invitation of the Swinomish tribe. (not a STOWW member). Steilacoom under the invitation of the Puyallup tribe. (not a STOWW member).

Of the three STOWW membership tribes exercising the conditional fishing rights only one, the Samish, is under the sponsorship of a STOWW member tribe.

The Stillaguamish tribe, although not federally recognized, has been determined by the court to have a treaty fishing rights. Since the fishing rights arises from a treaty the Bureau of Indian Affairs will undertake to protect the treaty right.

Since it was the intent of Congress to appropriate funds to implement the court decision, a contract may be entered into with the STOWW organization to provide services, as outlined in their original presentation with the joint management-research plan to those tribes that have a treaty secured fishing right in United States v. Washington.

In review of Judge Boldt's subsequent order that conditional rights were to be extended to the Samish, Snohomish, and Steilacoom tribes, and the intent of Congress to implement the decision in United States v. Washington, provision should be made to extend services through the appropriate sponsoring tribes for services to meet the requirements of the conditional orders.

In regard to the item of legal fees as presented in the planning packet, the BIA is unable to fund legal fees to this time. However, consultative services necessary for the tribes to meet the conditions as set forth in the United States v. Washington decision may be funded. The contract should reflect this philosophy.

LETTER FROM JOSEPH E. CLOQUET

Mr. Chairman and Members of the Committee:

This is my third appearance before your Committee on behalf of the Small Tribes Organization of Western Washington. 'STOWW', as we call ourselves, is an inter-tribal organization of twenty-three member tribes who have banded together into a non-profit corporate body for the betterment of the health, education and welfare of the Indian population of over 15,000 members. The amount of money requested is $898,539 or $922,162 for Health Care of the members not eligible for Indian Health Service.

My concern has been health care for our landless and non-federally recognized tribes, a segment of our Indian population that differ from their brothers only in that, though physically and culturally Indian, they find themselves in the eyes of the government, neither Indian nor non-Indian: they simply

do not exist. But, as you can see for yourselves, we do exist! I am a member of one of these tribes. There are over 1,600 of us. For the most part, as are the other twelve tribes, we are still residing on our aboriginal grounds that have been taken from us. We are ethnically, physically, culturally, and identifiably Indian. Its hard to believe that our voices have not been heard in the nation's capitol until two years ago, when Congress appropriated funds for a health survey.

In 1973 I appeared before the House Appropriations Committee with a Health Maintenance Proposal, that in due time was passed by the Committee in the amount of $100,000 for dental care. The Senate was not included in the proposal, so the matter went to the Conference Committee. Somewhere between my presentation on behalf of the Small Tribes Organization of Western Washington, and the final appropriation of the money, it was channeled to the Small Tribes of Western Washington, not the Small Tribes Organization of Western Washington, missing completely the target group.

We were happy of course, for our recognized tribes of STOWW and for other Washington tribes that are benefiting from the appropriation, and Indian Health is pleased with the additional money, but the target group, the landless and unrecognized tribes were still without a scrap of health service.

In 1974 I again appeared before the Committee with my proposal. This time we received an appropriation of $100,000 for a study on how to best meet the health needs of the target group. This study has been completed. The final report was submitted on March 31, 1976, and is included as supportive data in our proposal.

Using accepted random sampling techniques, our study reached nearly 20% of the target group through the use of our Mobile Health Vans in our six month survey. Our research staff administered complete, comprehensive, physical examinations to 810 Indian people, the results of which are clearly documented in the study report which I submit to you as an addendum to our proposal.

The proposal itself provides two options for health care service to the thirteen participating tribes, who themselves had a very large degree of input into the proposal.

The first option and proposal is the implementation of a health insurance program via commercial insurance carriers, the total cost at $898,539 per year.

The second option calls for a contract delivery service much like the one Indian Health Service currently operates by at a total cost of $922,162 per year.

Since government funding for insurance coverage is a relatively new concept, we are submitting both plans so as not to jeopardize or delay delivery of services to our people.

As I stated before, this is my third appearance before this distinguished Committee; you have requested a study and we have complied. The need is still there and the need is urgent! There is no measure of the degree of human miseries and suffering, or of how many needless deaths that have occurred since 1973.

During the study, the recipients of the free medical examinations were elated, hoping this to be the first step in health care that might finally come their way. In our study many undiagnosed and uncontrolled diabetics

were discovered. This is a life threatening situation! A projection of our population suggests that 150 people may unknowingly be suffering from the affliction.

Breast cancer was discovered in a little lady from my own tribe, she is not an isolated case. There is a high incidence of gynecological problems in the female population and rigorous screening for the remainder of the women is essential.

Sister Lucy Brazil, R.N., B.S.N. and Nurse Practitioner, who made all sixty of the van visits and administered every physical examination with us, observed that: "Health maintenance is an unheard of luxury in the population studied, the health problems, multiple and varied in nature, are poorly cared for and grossly neglected." She further states, and I quote, "I can only hope that when these needs and solutions are articulated, that those listening will be a people possessed of consciences sensitive to deprived people and who will show some measure of courage in acting to help provide the resources requested.", unquote. I believe that I am now appearing before the people Sister Lucy refers to.

The summary submitted to Indian Health details in medical terms the results of the survey -- but the fact remains -- our people are dying, our people are dying while we try to figure out how to help them! But you, the members of this Committee and the Congress of the United States, are really the only people who can really help.

Therefore, I respectfully submit to you, Mr. Chairman, and Members of the Committee, the following, in depth proposal: That the Small Tribes Organization of Western Washington be line item funded by the Congress of the United States for the amounts specified in our Health Maintenance Proposal, either Plan A, if it can be promptly implemented, for $898,539, using insurance companies as a tool to provide comprehensive health care, or Plan B, the use of a contract health delivery service at $922,162.

Detailed proposals, health survey reports, and letters of endorsement from the Governor of the State of Washington, the Lieutenant Governor, the Governor's Special Assistant for Indian Affairs, the Attorney General, County Commissioners, the Secretary of State, Congressmen, Legislators, and other influential people are enclosed, and I have submitted a comprehensive proposal and budget to the Clerk of this Committee for distribution to the members.

Thank you again for the opportunity of speaking before you. My sincere hope is that I have conveyed to you the needs of our thirteen tribes, and that you will find merit in our proposal, and allow us to bring real, substantial and life saving services to the members of the tribes I am proud to represent.

My expert witnesses, the Honorable Leo LaClair, Executive Director of STOWW; Gary Peterson, Chairman of the Board of Directors of STOWW; Joan Marshall, Chairperson of the Steilacoom Tribe of Indians, and Mike Reichert, Coordinator of the Health Survey, will be glad to answer any questions you may have.

Again, my thanks.

STATEMENT OF MS. VIRGINIA BROWN, BOARD OF DIRECTORS, SCHOOL BOARD, SALEM, OREG.

ACCOMPANIED BY:

LUCY CONVINGTON, COLVILLE TRIBE
MICHAEL GOMEZ, ASSOCIATED STUDENT BODY PRESIDENT

Senator YOUNG. The next witness is Virginia Brown, board of directors, Salem, Oreg.

I know Senator Haskell would like to have been here but he is being held up right now.

Ms. BROWN. Thank you very much. To my left I have Lucy Convington from the Colville Tribe and Michael Gomez, associated student body president and my name is Virginia Brown.

I am the chairperson of the Chemawa School Board. I am here because we in the Northwest face a serious education crisis. If funds are not made available by Congress for the replacement of the Chemawa Indian School, the only residential school that we have in the Northwest is in serious danger of being closed.

I am here in a desperate effort to prevent such a tragic mistake from happening. The parents and students whom I represent are pleading to be heard by this committee. We are confident that when you hear the story of Chemawa and the justification for its reconstruction, you could not help but be fully in support of our efforts.

Our request is for $20,738,150 to the Bureau of Indian Affairs for a replacement residential school and for $2,383,150 to the Indian Health Service for a replacement health facility.

There are four major points that need to be kept in mind: One, Chemawa was built for the Northwest Indian students but had for many years been open only to Navajos and Alaskans to the detriment of the Northwest Indians.

Two, while other schools in the Bureau were being constructed and rebuilt, Chemawa was allowed to deteriorate to its present deplorable condition.

Three, public schools are failing to meet the needs of Indian children. There is still a crying need for residential facilities such as Chemawa for Northwest Indian students and that need has not diminished.

Four, sending Indian students out of the Northwest where parents have no input into the school system has never been and can never be the answer.

We have many representatives with us from the Northwest tribes, but because of lack of time we have not introduced them, but there are at least 20 tribal representatives here in support.

I would like to introduce Calvin Peters.

Mr. PETERS. Thank you. My name is Calvin Peters, president, Affiliated Tribes Northwest Indians representing 37 tribes from the States of Idaho, Oregon, Washington and Montana. I am here on their behalf to urgently request construction funds for our new school, for the new Chemawa school and health facilities. At this time there is not only complete agreement on the need for such a school, but complete accord that the replacement facility should be located on the present campus in Salem, Oreg.

Over the past 10 years, an average of 529 Northwest students per year have utilized off reservation residential schools. The 1973 needs assessment shows that there were 750 drop-outs from the public schools during a 2 year period. Recent studies reveal that drop-outs are increasing at an alarming rate.

In fact, the director of Indian Education for the State of Washington substantiated this at the March 30, 1976 meeting of the affiliated tribes when he said, "In spite of the efforts of the public schools to improve Indian education through various compensatory education programs, the drop-out rate from the public schools continues to rise."

This clearly points to the critical need for residential facilities such as Chemawa for our students an alternative educational opportunity that meets our unique cultural, social, educational and tribal management needs.

Congress in its wisdom in 1972 and 1973 appropriated $650,000 for the planning of a new school and health facility on the present Chemawa campus. That planning has been completed and construction can become a reality upon the appropriation of funds.

The present facilities have deteriorated beyond repair. In fact, a building evaluation study conducted by an independent architectural and engineering firm concluded that:

"In view of the extensive noncompliance with the life safety code coupled with the structural inadequacy of the subject buildings and the potential expenditure of millions of dollars, we cannot recommend a program for correction, and we see no reasonable alternative to closing these buildings to student occupancy."

Plans are therefore underway for the meeting of basic housing and other facilities needs of our students on an interim, emergency basis.

The closing of Chemawa and consequent forcing of students to attend other schools, particularly public schools, without question will be counterproductive in that the drop-out rate may be further aggravated and the psychological damage to these young people can be deep and long lasting.

On January 4, 1975 Congress passed Public Law 93–638 declaring its Indian policy in the following words:

"The Congress hereby recognizes its obligation of the United States to respond to the strong expression of the Indian people for self-determination by assuring maximum Indian participation in the direction of educational as well as other Federal services to Indian communities so as to render such services more responsive to the needs and desires of those communities."

The Indian people, students and tribes in the Northwest have expressed themselves in strong and unequivocal terms. We hope that the policy set forth by this Congress will not be empty and meaningless words.

We are requesting $20,738,150 for a replacement residential school and $2,383,150 for a replacement health facility. The Indian people appreciate Congress' support for Chemawa over the past 96 years and for this opportunity to present this request.

I would like to introduce Mike Gomez, president of the student body at Chemawa.

Mr. GOMEZ. I won't repeat myself. What I am here for is for the students' view on the feeling about Chemawa. We feel that we need Chemawa because some of us here can't go to school, public schools because there is a lot of prejudice in the schools. There is a lot of competition between the other students there. We feel that we don't have a chance. Here at the boarding school we can learn to be our own, take care of ourselves and be our own boss.

We have to define our rules like any other school does, but at least we can learn the things we have to before we go into the outer world. If Chemawa is closed down and we have to go to public schools, a lot of the students have told me they won't go to public schools because they feel that if they go they will just drop out anyway, so they don't feel any use in going.

If they go to another boarding school, they would have to cross two to four States to get there and they feel that would be taking them further away from home.

I think what boarding schools and what we are trying to do—what they told me—they are trying to keep the students at home, but I know some students don't want to stay home because they don't have families. They have a lot of problems.

Sometimes it is just a mess at home. They feel that they can do better at the boarding school than they can at the public school and things like that.

If Chemawa is closed down, there is no sense in going to school, they feel. I think—actually there is a lot of opportunities there that they don't expect in a boarding school. Like myself, I go on these trips to try to save our schools and the children there write letters to Congressmen and Senators from different States to ask them to help save our schools. That is the only thing we really want, just to get a new school so we can go to school and so that our brothers and sisters can go to school and earn a good education and not just stay home and be dropouts.

There are a lot of leaders there besides myself and others and there are more leaders to come. I know that and I think you know that. Basically, that is all we ask for, just to give us a chance and get us a new school so that we can go on the way we are because Chemawa has a lot of tradition and there are a lot of leaders that came from there.

Senator YOUNG. I note that you want to go to your own school. You don't want to be bused to another school.

Mr. GOMEZ. No, I don't.

Mr. PETERS. May I say this, Mr. Chairman? I skipped over this, but I feel it is important.

The director of Indian education for the State of Washington sustantiated this at a March 30, 1976 meeting of the affiliated tribes when he said, "In spite of the efforts of public schools to improve Indian education through various compensatory education programs, the drop-out rate in public schools continues to rise."

I think that is the underlying factor of our request for the Chemawa School.

Senator YOUNG. Thank you. This is the school that Senator Hatfield is fighting hard for. He has a lot of opposition, but I think he will win.

Ms. COVINGTON. My name is Lucy Covington. I am first vice president of the Affiliated Tribes of Northwest Indians. I am also on the Colville Business Council of the Colville Confederated Tribes.

Chemawa has been used by my tribe for many years. At the time that the Navajos came in and had to have school facilities, they crowded our students out of that school. Our children had to be scattered all over the country. During that phase we had many people that did not get a high school education at that time. I also—the Bureau of Indian Affairs—the Alaskans. Right after that phase, they brought the Alaskans in. The Bureau felt that they needed the education so they filled the schools and crowded the Northwest students out of that school again.

You can see there is a long phase in there where our students did not use that school. I am a great advocate for an Indian school because I went to a public school until I was a ninth grader. Then I came to Haskell where I really feel that my education was fulfilled because I was with Indian students. The teachers took special interest in what you were.

They talked to you, they taught you how to dress, how to talk to other people, how to integrate and be mannerly and all of these things. This still exists in Chemawa because about 1970 there was school problems existing between Alaskan students and some of the Colville students, so I was chairman of HEW at that time.

We made a—we came to the school to have an onsite visit. We saw how deplorable the school had become compared to what it had been.

Because the Bureau of Indian Affairs did not take that interest to see that that upkeep of that school was continued, it was in a delapidated condition. Instead of trying to renovate or get new buildings for it, they just let it drop.

Our students would like boarding schools because of the reasons I mentioned here. Being an Indian, since I attended such a school and I know the very reasons these students feel that way.

Unfortunately, I never had any children, but I have nieces and nephews that have gone to that school. They are the future leaders of the Indian people. As late as just recently, we had the area education director of community centers—I'll let that get by.

I asked him why he let this school get to where it was now. He said because they never took interest. He said you go ahead and blame me. I said I am blaming you because 7 years ago we requested that you change a superintendent, you do this and make these changes—6 years ago. Nothing has changed. Things haven't gotten any better.

He said, well, we never interfere with the superintendents' administration. It is not the Indian peoples' fault that the school has not—that there has not been a new facility in that area.

I strongly support—if Mr. Hatfield is behind this school, I hope that, Senator Young, that you will also give him support because this facility is really needed.

Even when there were Alaskans there, we had as many as 40 students coming to that school. We have only one school that is a boarding school on our reservation and it is a small school. It only has up to the eighth grade.

I am sorry. I probably have taken a lot more time than you have allowed on this. Thank you very much.

Senator YOUNG. Thank you very much. We are running a little behind time. Have you all testified now?

Mr. PETERS. I would like to say that Chemawa is the only boarding school that the Northwest Indians have. Currently it is serving 52 tribes and I feel that if students attending public schools are offered an alternative educational facility that Indian tribes need the same opportunity.

Thank you.

Senator YOUNG. Thank you very much.

[The statement follows:]

66-307 O - 76 - pt. 5 -- 7

STATEMENT OF VIRGINIA BROWN

My name is Virginia Brown. I am the Chairperson of the Chemawa School Board. I am here because we in the Northwest face a serious education crisis! If funds are not made available by Congress for the replacement of the Chemawa Indian School, the only residential school that we have in the Northwest is in serious danger of being closed. I am here in a desperate effort to prevent such a tragic mistake from happening. The parents and students whom I represent are pleading to be heard by this Committee. We are confident that when you hear the story of Chemawa and the justification for its reconstruction, you could not help but be fully in support of our efforts. Our request is for $20,738,150 to the Bureau of Indian Affairs for a replacement residential school and for $2,383,150 to the Indian Health Service for a replacement health facility.

There are four major points that need to be kept in mind:

1. Chemawa was built for the Northwest Indian students but had for many years been open only to Navajos and Alaskans to the detriment of the Northwest Indians.

2. While other schools in the Bureau were being constructed and rebuilt, Chemawa was allowed to deteriorate to its present deplorable condition.

3. Public schools are failing to meet the needs of Indian children. There is still a crying need for residential facilities such as Chemawa for Northwest Indian students and that need has not diminished.

4. Sending Indian students out of the Northwest where parents have no input into the school system has never been and can never be the answer.

Chemawa is the oldest, continuously operated Indian boarding school in the Bureau of Indian Affairs. It was established in 1880 at Forest Grove, Oregon, Indians themselves contributing their labor. It moved to its present location at Salem in 1883 and served the Northwest Indian tribes as their school until 1948 when the Bureau arbitrarily began replacing Northwest Indian students with Navajos. The last of the Northwest students left Chemawa in 1957. The Navajo Special Program continued until 1961 when 312 Alaskan students were admitted. It continued as a Navajo-Alaskan school until 1969 when 13 Northwest students were again admitted. It was not until 1973 that Northwest students again became a majority of the school population.

For over fifteen years, therefore, until 1973, Northwest Indian students were forced to attend boarding schools in Oklahoma and other distant points where tribal leaders and parents could have no involvement in their education.

The present academic buildings and dormitories were constructed from 1899 to 1930. They no longer meet minimum standards of life and safety. The Bureau was directed by the Subcommittee of the House on Appropriations in 1968 not to make major alterations because it was believed at that time Chemawa would be reconstructed.

The history of the non-reconstruction of Chemawa is appalling. In 1963, the Bureau developed a phased construction program to replace all of the buildings. However, construction never took place because such places as

Alaska, the Dakotas, Navajo, and Southwest were placed in a higher priority. During this time, the Northwest youngsters were still being educated outside of the Portland area.

It was not until 1972 that Congress appropriated $750,000 for the planning of the new school. The following year, an additional $100,000 was appropriated for planning of the health facility. The planning has been completed and the Bureau and Indian Health Service are ready to start construction, if funds were available.

There is no question about the need for a residential school serving Northwest Indians. In 1973, an educational needs assessment was conducted by the Portland Area Office for the Northwest, which confirmed earlier reports of a high dropout rate among Indian students from the public schools. It showed there were over 750 dropouts during the two-year period surveyed and underscored the pressing need for a special educational institution especially designed to deal with their problems.

Recent reports indicate that the 1973 needs assessment is still valid today; the dropout rate is still just as high--in some school districts as high as 90%.

The letters of application to Chemawa reflect feelings among these students of being subjected to prejudice by public school staff, students, and community. They have intense feelings of alienation and chronic discouragement because of their school and community experiences. Many Chemawa students come from disorganized homes, and have had unfavorable contacts with school, police, and/or juvenile authorities. Indeed, 63% of Chemawa students come from homes disrupted by death, divorce, or one parent situations. Increasingly, Chemawa is sought by Courts and child welfare agencies as an alternative to the placement of students in white foster homes and juvenile facilities.

Despite these problems, the records clearly show that the average Chemawa student is at or above normal intelligence, pointing to the fact that while suffering severe emotional and social adjustment problems they have great potential.

However, the school also serves students without these problems but who desire to be with other Indians and who feel there are greater opportunities there to learn about their heritage and history.

The active participation of the Northwest Indians in the development, operation, and success of the new Chemawa would be assured for it would be our school representing our heritage. It would be in keeping with Congress' expressed policy of Indian self-determination. This would not be possible if our youth are again forced to attend schools in Oklahoma, Utah, Arizona, Kansas and other far-away places.

An independent architectural firm recently reported that it would not be economically feasible to rehabilitate the present buildings to meet life and safety standards; that an alternative solution should be developed.

We are requesting funding in the amount of $23,121,000 for total replacement including the residential schools and health facility. I would like to point out that because of rising construction costs it would be economically advantageous for Congress to authorize and appropriate the total amount for immediate construction rather than spreading construction over several years.

There is a need for a new Chemawa to rectify the many years of neglect. Chemawa represents the one last hope for many of our Indian youth who are the dropouts and pushouts from the local public schools. At Chemawa, students will respond to the educational challenge in an environment that encourages the development of their full potential. This may be their last chance.

I wish to thank the Committee for its long-time concern about Indian education generally and for this opportunity to relate to you the crisis we face in regard to Chemawa.

STATEMENT OF CALVIN PETERS

I am Calvin Peters, President of the Affiliated Tribes of the Northwest Indians representing 37 Tribes in the states of Idaho, Oregon, Washington, and Montana.

I am here on their behalf to urgently request construction funds for a new Chemawa school and health facility.

WHEREAS, the Northwest Tribes in the past held varying views on the location of the new Chemawa, there was no question about their support for residential facilities to serve the unique needs of Northwest Indian students.

As this time, there is not only complete agreement on the need for such a school but complete accord that the replacement facilities should be located on the present campus.

Over the past ten years, an average of 529 Northwest students per year have utilized off reservation residential schools. The 1973 needs assessment shows that there were 750 drop-outs from the public schools during a two year period. Recent studies reveal that drop-outs are increasing at an alarming rate.

In fact, the Director of Indian Education for the State of Washington substantiated this at the March 30, 1976 meeting of the Affiliated Tribes when he said, "In spite of the efforts of the public schools to improve Indian education through various compensatory education programs, the drop-out rate from the public schools continues to rise."

This clearly points to the critical need for residential facilities such as Chemawa for our students an alternative educational opportunity that meets our unique cultural, social, educational and tribal management needs.

Congress in its wisdom in 1972 and 1973 appropriated $850,000 for the planning of a new school and health facility on the present Chemawa campus.

That planning has been completed and construction can become a reality upon the appropriation of funds.

The present facilities have deteriorated beyond repair. In fact, a building evaluation study conducted by an independent architectural and engineering firm concluded that:

"In view of the extensive non-compliance with the life safety code coupled with the structural inadequacy of the subject buildings and the potential expenditure of millions of dollars, we cannot recommend a program for correction, and we see no reasonable aternative to closing these buildings to student occupancy." Plans are therefore underway for the meeting of basic housing and other facilities needs of our students on an interim, emergency basis.

The closing of Chemawa and consequent forcing of students to attend other schools, particularly public schools, without question will be counter-productive in that the drop-out rate may be further aggravated and the psychological damage to these young people can be deep and long lasting.

On January 4, 1975 Congress passed PL 93-638 declaring its Indian policy in the following words:

"The Congress hereby recognizes its obligation of the United States to respond to the strong expression of the Indian people for self-determination by assuring maximum Indian participation in the direction of educational as well as other Federal services to Indian communities

so as to render such services more responsive to the needs and desires of those communities."

The Indian people, students and tribes in the Northwest have expressed themselves in strong and unequivocal terms.

We hope that the policy set forth by this Congress will not be empty and meaningless words.

We are requesting $20,738,150 for a replacement residential school and $2,383,150 for a replacement health facility.

The Indian people appreciate Congress' support for Chemawa over the past 96 years and for this opportunity to present this request.

STATEMENT OF MIKE GOMEZ

My name is Michael Gomez. I am the Student Body President of the Associated Students of Chemawa Indian High School which serves the unique educational needs of students from Oregon, Washington, Idaho and Montana.

Chemawa Indian School is located six miles north of Salem, Oregon and serves 37 tribes from the area.

I am here on behalf of the students of Chemawa to ask you to approve the funding for construction of a new Chemawa Indian School and health facility.

We students know how Chemawa is run down and old, but it is the only place we have left to go to school to get an education. We feel it is a great opportunity for those students who cannot make it in public schools and for those who can at Chemawa. We learn how to take care of ourselves. It has regular academic classes, and one of the required classes is called Personal Finance which teaches you about renting or buying homes, buying food, clothes, cars, etc.

There are elective classes like auto shop and carpentry which help teach you how to repair your own car and to help you build useful things like desks and cabinets. We have a new class this year which is called the Alcohol/Drug

Awareness class which is taught by one of the counselors from our Alcoholism and Drug Program. This class teaches students what alcohol and drugs can do to them if they abuse it. I know a class like this is rarely found in a public school.

We feel that we have a lot of opportunities there to learn about different things, but now they say they are going to close our school and tear it down. We have to try to save our school from being torn down and closing, instead of learning the things we have to in order to survive in this world.

We have written letters to our Senators and Congressmen asking them to help us get a new school so that we can have other students go to Chemawa and have the same or better opportunity than we have had. I know that if Chemawa closed down many Indian youth would stay out of school because some of us would not be able to keep up in a public school. If we were forced to go to a different boarding school we would have to cross two - four states to get there, thus getting us further away from our homes. Also, a lot of students who go to Chemawa have no homes and it is probably the only home they have. At Chemawa they can get not only education, but food, clothing, medical care and to be cared for and loved.

If a boarding school was built on a reservation, we feel that tribes would dominate the school. But at the location it is at now all the tribes have just as much right as the other tribes.

With all this information that we have helped get for you, we hope that you consider our request for a new Chemawa. I also hope that you as important people and as citizens of the United States understand our plea for the fight to an education, because you know and I know that youth, no matter what color or creed, are the future leaders of this world.

STATEMENT OF DONNA STARR, MUCKLESHOOT INDIAN TRIBE, WASHINGTON

Senator YOUNG. The next witness is Donna Starr, Muckleshoot Indian Tribe, Washington.

Ms. STARR. Thank you, Mr. Chairman.

I won't take up any more of your time than I have to. I am not here to—let me introduce you to Bernice White who is a tribal council member of our Muckleshoot Tribe.

I am here only to express the great need we have in our health area in the Pacific Northwest. Right now many of our adult people in the Muckleshoot Tribe are going without glasses, without dental care and also without elective surgeries that could be done. Elective surgeries are things that could be done, but there is no money for them so they have to wait until it is a dire emergency and then Indian Health Service will pay for it.

But if they could have it done earlier when they want to, they can't have it done because there is no money. We need more money in the northwest Portland area for orthodontic care, also for our younger children who are growing up and will be the leaders of our tribe in the near future.

Also, the adults in our area are not—some of them are not getting the health care that they need. In administrative positions of our tribe here, they are having a difficult time, because there are hearing problems and they cannot have their ear surgery because there is not enough in the northwest Portland area.

Also, I would like to support the Chemawa Indian School presentation that you just heard.

Also, I would like to support the bill S. 522.

Thank you.

Senator YOUNG. Thank you. It is not so much a shortage of doctors and dentists as it is the money—the money is a problem?

Ms. STARR. The money is the problem, yes, because we have contract services in the Portland area.

Senator YOUNG. Do you have a full statement you want to put in the record?

Ms. STARR. Yes, I do.

Ms. WHITE. I was asked at the last moment to speak on the Chemawa Indian School. I am a past student from the Chemawa Indian School. When it was first started, the Indians themselves bought the land for that school. They started the school. Then they bought more land and that was the beginning of the Chemawa Indian School. It was built by the Indians themselves trying to seek an education for their people and it developed from there. My father was one of the first students in the Chemawa Indian School, so I am in total support of what they' are seeking today.

Senator YOUNG. Thank you very much.

[The statement follows:]

STATEMENT OF THE MUCKLESHOOT INDIAN TRIBE
MUCKLESHOOT INDIAN RESERVATION, WASHINGTON
BY THE TRIBAL SECRETARY
THE HONORABLE DONNA STARR

Mr. Chairman and Members of the Committee:

This is my first appearance before your committee on behalf of the Muckleshoot Indian Tribe of Washington State. I welcome the opportunity to appear before your subcommittee today to discuss Indian Health Services. I would like to point out, at the outset, that while there is a great need to increase health services for Indian people, it is not our intention to approach Congress for a line item budget appropriation, but rather to address Indian Health simultaneously on several fronts.

Indians, as individuals and as groups, have the questionable distinction of being the most impoverished people in the United States. The Muckleshoot Tribe, has an average annual family income of about $5,000. Nationwide, the average annual income of Indian families is estimated by the U.S. Department of Labor to be about $3,600. It is further estimated by the Office of Native American Programs that eighty per cent (80%) of all reservation Indians are classified as "poor", as are seventy-five per cent (75%) of all non-reservation Indians.

It is conclusive to say, poverty is by far the single most relevant factor, associated with the complex health problems of Indian people. Health standards among Indians are low, lagging 20 to 25 years behind that of the general population. Life expectancy and infant survival rates are both significantly lower than national averages. Tuberculosis is 8 times as high, while the suicide rate is twice that of the general population. Many infectious diseases that have all but disappeared among other Americans, continue to afflict Indian people.

Singularly, any of these problems is extreme and difficult to correct. Perhaps more important, however, is the fact that without immediate recognition and proper attention, these problems will form an insurmountable barrier for resolving.

We believe the time has come for this situation to be remedied. Washington State Indian treaties spell out the governments trust responsibility to provide health care services to Federally recognized tribes. Never the less, services at the best, can only be regarded as trifling.

Our foremost concern focuses on the dilemma of budgetary limitations. We believe this inequity can only be rectified by your consideration and mindfulness of the problems I have mentioned at large.

Second, the limitations I refer to are directly related to the criteria for which Indian Health Service establishes eligibility standards for serving Indian people. While it may be desirable to set forth guidelines for IHS to follow in deciding whom is eligible, such guidelines should not eliminate any Indian who is an enrolled member of a Federally recognized tribe, nor should it eliminate services to Indian adults. In many instances, those adults need health services to retain jobs, to receive training and to function in the management roll of tribal government and economics. Normally, adults in the Indian communities do not have the resources to provide necessary health care for themselves. Increased funding for Indian Health Services to provide care for all Indians, regardless of age, is essential. The need is crucial and immediate action should be taken. Guidelines should not serve as an end by a means, but, as a means to an end.

It is our contention that the present eligibility formula should be modified to include not only persons who live on reservations and off for less than one year, as priority, but all enrolled members, regardless of residential locality.

Third, we believe an increase in services should be made available in orthodontics, audiology, optometry and within the broad field of elective services for adults as well as children. If we expect our Indian people to be successful in meaningful employment and educational endeavors, we need to provide supportive health care for their needs. A major emphasis in the Pacific Northwest is to encourage our youth to be well educated in health maintenance and academically successful.

We would like to stress our support for the Indian Health care bill, S. 522, which would provide extended services for Indians. Another important issue is the required construction monies for the new facilities for Chemawa Indian School at Salem, Oregon. The amount requested for Bureau of Indian Affairs construction is $20,738,150., and Indian Health Services facilities in the amount of $2,383,150.

The Chemawa Indian School serves a necessary function for the Northwest Indian students. The new facilities are required immediately and there can be no further delays.

As I stated before, I am not approaching you for a line item budget appropriation, but with hope, you will take under active consideration and judgement, the testimony I have presented to you today.

In closing, let me thank you again for the opportunity of speaking before you. My sincere hope is that I have conveyed to you the health needs of our Indian people, in the State of Washington.

Thank you.

STATEMENT OF DELFIN LOVATO, ALL INDIAN PUEBLO COUNCIL, INC., NEW MEXICO

Senator YOUNG. The next witness is Delfin Lovato, All Indian Pueblo Council, Inc. New Mexico.

Mr. LOVATO. Mr. Chairman, I just identified the four other people besides myself and I have asked them to limit their statements to 30 seconds.

Senator YOUNG. We will place all the statements in the record.

Mr. LOVATO. I would like to introduce the members of my delegation at the front. Starting from the front right, I have Governor Joe Garcia from Nambe Pueblo, Governor Seferino Lente from Toleto Pueblo, the governor of Acoma Pueblo, Meile Garcia and Mr. Joe Ansara, lieutenant governor of the San Felipe Pueblo.

We have come before you to present testimony on behalf of the 19 pueblo reservations. The purpose of our testimony here, Mr. Chairman, I would like to briefly start out by informing this committee that the Pueblo Tribes, 19 of them are scattered along these stretch of approximately 350 miles in the Rio Grande Valley in the State of New Mexico.

We represent approximately 45,000 Pueblo Indians. Mr. Chairman, we have a peculiar problem that we would like to present to the committee hoping that it will receive the type of consideration that it has not received in the past.

The 19 pueblos are receiving their Bureau services through three agencies, unlike many tribes who have their own BIA agency. I would think, Mr. Chairman, that you are familiar with the three levels of the Bureau, BIA bureaucracy. You have the central office here in Washington, the various area offices and the agency offices that are on or adjacent to the Indian reservations they service.

Our problem is this—with the exception of Zuni Pueblo, the other 18 New Mexico pueblos are required to share two agencies. That means 10 pueblos in the south represent approximately 20,000—must share one agency. The other 8 pueblos in the north share the other agency. In terms of funding, personnel and program, we are at a close disadvantage. Since most BIA programs are funded on an agency-to-agency basis, obviously every dollar that those two agencies get must be split, cut into 10 pieces or into 8 respectively. We feel this is a gross injustice.

We have asked the House committee to seriously consider and review this particular problem for my people. We are asking you, Mr. Chairman, and members of the committee to seriously review. We are asking that our funding level of the three Pueblo agencies be increased by $3 million, $2 million and $1 million respectively.

Most of the funding of Bureau programs and the various other programs and that various other programs have come about are done on a formula basis using the existing funding base as a key element. Since our funding base has always been grossly underfunded, we continue to suffer. We cannot gain. Some tribes who have their own agency can afford to have, perhaps, one construction or irrigation construction project per year. Whereas the 18 tribes sharing the 2 agencies have to wait 8 to 10 years for such projects.

We feel this is grossly inadequate in terms of personnel and programs, in terms of taking advantage of Public Law 93–638. We are handicapped, Mr. Chairman, because they are required to share the services of all the technicians. For instance, the 10 pueblos who are receiving services from the southern pueblos agency have one education specialist to work with. No one tribe can contract that position or that program without adversely effecting the services going to the other 9 pueblos. The same is true for the 8 pueblos in the north.

I would like to get on, Mr. Chairman, to two or three other priorities that the Pueblo people have. Education has always been a key, No. 1 priority for my people like all the other tribes in this country.

We have at present two facilities that we are asking to be funded and constructed, the Jemez School in the Jemez Pueblo burned out in November 1973. It is a day school. It is an elementary school. Since that time the children have been receiving their schooling in makeshift buildings, portable buildings that have been brought in. They are grossly inadequate. They are grossly overcrowded and they are not doing the job. We understand the administration in this year's budget has placed the Jemez School as the No. 1 priority and it is scheduled for construction this year. We ask the committee to fully endorse and support that.

In addition to that the Santa Nigra Pueblo has been trying for the last 15 years also to get a new school. Their facility is grossly inadequate, to say the least. Each time they reach the No. 1 priority, the Office of Management and Budget cuts them down. We feel that both facilities should be funded this coming fiscal year.

I have also as part of my statement, Mr. Chairman, in exhibit A outlined the other priorities in terms of school construction for the Pueblo people.

I might also add that we have three off-reservation schools in the State of New Mexico. One is the junior college and one is a vocational training school, one is a high school located in Albuquerque, N. Mex. The All Pueblo Council has expressed an intent to contract that facility, to run and control the facility and the operation because we feel we can do a better job.

But with the pending projection of the $1.1 million dollars shortage in school operation funds, we may have second thoughts. We feel that because of inflation, maintenance and other problems, we will have to look elsewhere for the $1.1 million, unless this Congress can make sure we get the additional money needed.

In the area of scholarships, Mr. Chairman, education has been—higher education has been a key element in the little success that my people have had over the past few years. We have approximately 600 Pueblo students that are in various universities and colleges in our State at the present time. We are funding these people with a very low budget. Our higher education program, which we also contract on and administer ourselves is a mere $800,000 including administration. Yet, with this amount we have been able to put all of these students into colleges. The demand is increasing. The State has increased its tuition rates at the institutions from 8 to 19 percent. That will grossly effect and adversely effecting the number of people who can go on to get their higher education.

We also feel, Mr. Chairman, that the priorities that the Pueblos have in terms of aid to tribal governments, all the other Bureau programs which we feel are essential and vital to the future development of our people are grossly underfunded.

As usual, we come before you to again ask that the budget be increased for the Bureau operation overall. We feel in the area of Indian health that we have two facilities which up to a year ago were on the planning boards, were completed, spent several hundred thousand dollars. Those plans laid idle until the Congress and the Senate took the leadership to entertain a plan whereby these facilities could be built on a phased construction basis.

Because of that plan, the two facilities, the Sante Fe Indian Hospital and the Laguna-Acoma Indian Hospital are being prepared to be built—bid out. We hope this committee will continue to support our efforts on those facilities.

In addition, the contract medical care, the services which the Indian facilities, the Indian Health are contracted out to private doctors because they don't have the space and they don't have the personnel. That budget has been extremely low and a recent Federal district court decision in the State of New Mexico which basically states that contract medical care will be provided to all Indians residing within the urban areas within the State will have that much more of a limiting effect on our already short funds.

I have one last point I would like to bring out with regard to the Indian Health Service and that has to do with the water and sewer facilities of the 19 Pueblos. Most of those facilities were planned back in the 1930's and 1940's. They were planned to meet a need at that time. They are grossly inadequate at the present time with the increased housing going around in many reservations.

I have here—I would like to turn the mike over this time to the governor of Acoma who has a very critical problem in that regard.

Mr. GARCIA. Thank you, Mr. Chairman. My name is Meile Garcia and I am governor of the Pueblo of Acoma. I would like to go through the statement that I have prepared here in the hopes that it would have some effect on the committee here in order to correct some of the problems and seriously think of some of the needs of the Pueblo Indians in the State of New Mexico.

It is a great honor and a privilege to appear before you. I came here with great expectation, hoping that some of the problems that confront us back home will be solved as a result of this hearing.

I do not ask for my tribe only, but for all the Indian people facing the same problems. I feel somewhat discouraged to think that we are at the threshold of our 200th Bicentennial, although for us Indians that 200 years is a mere yesterday.

Since we have been around way before 1776 and that we, as first Americans, are still having to beg for the right of enjoying pure water, good housing, good jobs, better education and other things in everyday life which our non-Indian brothers take for granted.

I will name a few of the critical needs and problems we face in our pueblo. One, water supply, quality and quantity is so poor that in some areas if the water is left in a jar overnight, by the next day the smell is so bad that it smells as if it came up from the sewer line.

Mr. Chairman, here I would like to go in a little further in stating that I am very sorry that I did not bring the water. I was in the hopes that I would to make you aware of the fact of just exactly what I am really talking about.

We have had new homes being built under HUD with all the modern facilities, but now the people who occupy these homes are requesting funds from the tribe to build outhouses because the water supply is so limited, there is not enough to use the modern bathrooms that came in the new homes.

I have repeatedly requested assistance and I have received a letter from Dr. Emory Johnson in which he states the water is on a regular project priority list. This, of course, has been the story for the last 20 years.

There is no money available. On one of my trips to Washington, I contacted Dr. Johnson's Office on Water and Sewage Systems for two of the villages in my area. Enzack, for one, has had to go without sufficient amount of water in the last 15 years. The present water well puts out about a gallon of water a minute. That is not enough to supply the homes in that area. This is one of the critical areas that I have been trying to request assistance.

I have had no reply from Dr. Johnson's office, but I do have people, three invalids in that particular area, two of them in wheelchairs, one blind. It has been requested through the Public Health Service, through my office to see if I could supply the homes of these individuals with inside facilities, bathrooms, running water.

How can I accomplish this if I cannot get any help from the Public Health Service Department in order to come up with enough money to drill for a better well that will put out good water for that area.

Dr. Johnson informed me that there is a modern sewage plant in operation at Grants, N. Mex., only 13 miles west of our pueblo. This is another critical area that I have confronted. My congressional delegation, as well as Dr. Johnson, in this regard because the sewerage plant in Grants——

Senator YOUNG. We are going to have to do something about that.

There are a lot of witnesses scheduled yet and we wouldn't get through until midnight if we all took this time. You had one witness scheduled for 5 minutes.

Mr. GARCIA. Mr. Chairman, I will try to touch bases on some of the other stuff. I realize there are other people who will demand their time, but this particular area that I have gone into is very bad. And this is why I hope that I will bring back the water samples for the committee to study in the future. But that sewerage plant in Grants has a great effect on the water supply, not only in domestic, but irrigation purposes in my area.

The last thing that I would like to get into, I had requested some funds in order to come up with an interchange at San Fidel, off of I–40. The Federal and State highway department have told me there is no money available for that kind of interchange that I am requesting. Although, to the tribe this would really help our economy as well as provide access to the new hospital under consideration for construction in June or July.

Thank you, Mr. Chairman.

Mr. ANSARA. Mr. Chairman, I will try not to prolong.

Senator YOUNG. Your whole statement will be placed in the record.

Mr. ANSARA. Yes. Thank you, Mr. Chairman, for this opportunity. My name is Joseph Ansara, lieutenant governor of San Felipe Pueblo.

I am here once again seeking support for construction of the San Felipe education facility which has long been—as you heard from our chairman of the All Indian Pueblo Council—in planning. Since 1972, the plan and design for that particular facility has been completed. It has—it was given the highest priority from the area for construction and it looked like funding was coming in fiscal year 1975. However, to this day it has been deleted from the priority listing. Or, at least, we are back trying to regain the high priority that had been established at one time.

And I am asking, once again, that you give us your strong support in acquiring funds to construct this much needed facility.

With that, I will pass the mike on.

Senator YOUNG. Thank you.

Mr. GARCIA. Thank you, Mr. Chairman. I am Joe Garcia, governor of Nambe Pueblo. I would like to reiterate the statement made by our chairman, Mr. Lovato and seek your assistance in any way that you can help us in funding both the Northern Pueblos Agency, the Southern Pueblos Agency and the Zuni Agency.

And I will close with that statement. Thank you so kindly.

Senator YOUNG. Thank you.

Mr. LENTE. Mr. Chairman, I wish to thank the committee on behalf of the 19 pueblos for giving us the opportunity to plead our case before you. Thank you very much.

Senator YOUNG. Thank you very much. I only wish we had more time. Your prepared statement will be included in the record, Chairman Lavato, and the attached exhibits will be adopted by reference and held in the committee files.

[The statement follows:]

Mr. Chairman, members of the Senate Subcommittee Appropriations for the Interior, and related agencies, may I first introduce myself and members of our delegation. My name is Delfin Lovato, I am Chairman of the All Indian Pueblo Council. Accompanying me is Mr. Frank Tenorio, Secretary/Treasurer of the All Indian Pueblo Council; the Governor of Picuris Pueblo, Mr. Joe Quanchello; the Governor of Tesuque Pueblo, Mr. Joe Duran; Governor Merle Garcia of Acoma Pueblo; Governor Seferino Lente of Isleta Pueblo; Governor Jerry Quintana of Cochiti Pueblo; and Governor Joe Garcia of Nambe Pueblo. We are thankful for the opportunity to come before this important Committee to present testimony on behalf of the Nineteen (19) New Mexico Pueblo reservations.

My statement will present as briefly as possible, the serious concerns and needs of the Nineteen Pueblos as they pertain to the Bureau of Indian Affairs (Interior), Indian education (HEW), and the Indian Health Service (HEW). The other members of our delegation will make brief statements regarding specific needs.

The Nineteen (19) New Mexico Pueblos are: Taos, Picuris, San Juan, Santa Clara, San Ildefonso, Pojoaque, Nambe, Tesuque, Cochiti, Santo Domingo, San Felipe, Jemez, Zia, Santa Ana, Sandia, Isleta, Laguna, Acoma, and Zuni. Together they comprise an estimated population of 45,000 Indian people, or approximately 11% of the total State population. Their land base is in excess of two (2) million acres. While there are similarities it is important to note that each Pueblo is a separate and distinct Tribe governed by an independent Tribal Council responsible for the protection, preservation, and administration of land and resources within its reservation boundaries. Like any other Tribe, each Pueblo is responsible for developing its own socio-economic programs for the benefit of its people. Unlike many Indian Tribes, the Pueblos have little or no tribal resources. Most Pueblo reservations contain little, if any, mineral or other natural resources. As such, the nineteen Pueblos are, comparatively speaking, more dependent on the BIA, IHS, and the Federal Government in general for services, and rely heavily on the trust responsibility of the Federal Government.

Mr. Chairman, you are no doubt familiar with the three levels of the BIA bureaucracy; the central office, here in Washington, the eleven

(11) area offices, located in the field; and, the agencies which are located on/or adjacent to reservations they service. For purposes of this hearing and our presentation, permit me to emphasize one important characteristic or factor which has hampered the overall development of the nineteen Pueblos. The Nineteen Pueblos are located along a 350 mile stretch of New Mexico. Yet, with the exception of Zuni Pueblo, which is the southern most Pueblo and who has its own BIA agency, the rest of the eighteen (18) Pueblo Tribes, whose combined population exceeds 35,000 are forced to get all BIA services and programs through two BIA agencies commonly known as the Southern Pueblos Agency (SPA) which serves ten (10) Pueblo Tribes and the Northern Pueblos Agency (NPA) which serves the eight (8) remaining Pueblo Tribes.

Since the BIA's overall funding formula, for most program, is based on an agency-to-agency basis, those agencies who serve more than one Tribe are continually underfunded. For example, construction projects for the two multi-tribal agencies are funded at the same level or even lower than an agency serving one reservation. This means whereas other reservations being served by one agency have a roads construction or irrigation construction program each year, each of the Pueblos served by the multi-tribal agency only gets one such project every 8 to 10 years.

This same inequity exists in the service programs. In virtually every program at the two multi-tribal agency, one or two technicians are required to serve 8 to 10 Tribes. In short, the BIA funding method, funding inequity, and lack of personnel seriously hampers tribal self-determination and makes Public Law 93-638 totally unworkable for 18 of the 19 Pueblos of New Mexico. How can one Tribe contract an agency program such as credit or realty when that same program must serve 7 or 9 other Tribes?

Unless the Congress can assist the Pueblo Tribes in obtaining earmarked funds or in providing special provisions in the BIA and/or Interior budgets to increase funding at all multi-tribal agencies, especially the three Pueblo agencies, additional agencies will be required to provide minimal but adequate services. Both alternatives will

require additional funding. However, our suggested increase in the base funding at the three Pueblo agencies would be more practical and less expensive.

In addition to the need for increasing the base funding levels for the Pueblo agencies the nineteen Pueblos have other unmet needs and priorities. Education has continually been a high priority among the nineteen Pueblos. Our greatest and most immediate need is in the area of school construction. Nearly all existing BIA educational facilities are too old, too small, over crowded and beyond major repair. In December 1973, a fire destroyed the school in Jemez Pueblo and since that time classes are held in temporary buildings. The plan to replace this school, an obvious high priority, is not progressing satisfactorily through established administrative channels. Schools at San Juan Pueblo, Taos Pueblo, and Santa Clara Pueblo, were only resently declared unsanitary and unsafe for children. However, since there is no place else to send the children to school we are forced to use these same facilities, obsolete as they may be. San Felipe Pueblo has planned and worked hard for a new elementary school for the past fifteen years. The school has continually been high on the funding priority of BIA, yet to date they are still waiting. The school has been condemned for a number of years. The Office of Management and Budget has continually lowered the priority of the San Felipe School. The design and all preliminary work has been completed. We now need the $3,000,000 to construct the building. A clear need for new school construction is also evident at Laguna, Isleta, and Zia. Exhibit "A" provides, in order of priority, the Albuquerque area office school construction needs as of March 31, 1976.

To add insult to injury, anticipated funding, in the President's Budget for school operations will be $1.1 million short of meeting the program needs at the three off-reservation schools in the Albuquerque area. Please note that the nineteen Pueblos have

officially expressed an intent to contract the administration and operation of the Albuquerque Indian School. Therefore, adequate funding of that institutional program will be vital to the success of our efforts.

There is an ever increasing need for better educated, professional Indian people to improve the general conditions of my people, however, the funding level for scholarships in higher education have not kept pace with student demands and the increasing cost of tuition. Since 1969, the nineteen Pueblos contracted the administration of the Pueblo Higher Education Program from the BIA. To date, we have in excess of 600 full-time Pueblo students at various colleges and universities.

The recent increase in tuition at all state colleges and universities of 8-19%, and the increasing number of potential applicants means that at present funding levels many Pueblo students will be turned away. The Higher Education Program for the nineteen Pueblos is in need of a $500,000 increase over FY 1976, if we are to maintain our status quo.

Law and order, aid to tribal governments, and road construction follow in order of priority. Despite recent increases in law and order the needs of the nineteen Pueblos are not being met.

Exhibit "B", "C", and "D", provide a summary of program priorities and needs at the three Pueblo agencies.

In conclusion, Mr. Chairman, I will briefly summarize the health priorities and needs of the nineteen Pueblos. The recent decision of Congress to fund two much needed Indian health facilities in New Mexico on a phase construction basis will go far in alleviating the sub-standard health care of the Pueblo people.

Despite this welcomed news and recent action of Congress in regards to the Comprehensive Health Bill, the Indian people of the Albuquerque area are still many years behind the general population of the United States with a high incidence of influenz-pneumonia, digestive diseases, skin diseases and an accumulated backlog of

conditions, such as, congential malformations, orthopedic conditions and mental disorders. In addition, there are a large number of surgeries required that have been postphoned because of insufficient funds and/or facilities. In addition, many patients require rehabilitative services.

Due to inadequate facilities and inadequate funding the majority of Indian Health Service programs are also inadequate. As a result the Indian Health Service enters into contracts for the purchase of health services from private sources, to meet the needs not met through direct services. Funds for such contracts have never been adequate to provide the full range of services needed by the Indian people. Only the construction of adequate facilities and increase funding for services will alleviate the health problems of the Pueblo people. Exhibit "E" is a summary of health facility construction needs of the nineteen Pueblos.

Thank you, Mr. Chairman, and members of the Committee for the opportunity to appear before you. I will be happy to answer any questions you may have.

STATEMENT OF EARL OLD PERSON, BLACKFEET INDIAN RESERVATION, MONTANA

ACCOMPANIED BY GORDON BALCOURT

Senator YOUNG The next witness is Earl Old Person from Blackfeet Indian Reservation in Montana.

Mr. OLD PERSON. Mr. Chairman, my name is Earl Old Person. I am chairman of the Blackfeet Tribal Business Council of the Blackfeet Indian Reservation in Browning, Mont. With me is Mr. Gordon Balcourt. He is our director of Indian health department.

Senator YOUNG. We are pleased to have you here.

Mr. OLD PERSON. I know that we are limited for timing, but I do want to read the statement that we have on the subject that we are here for.

As you may remember, I appeared before this committee almost a year ago to convey to you a similar petition. Since our last appearance, we have received news that the sum of $76,000 was earmarked through positive congressional action for the Blackfeet Indian Reservation. This appropriation will be eventually utilized for the employment of two dental assistants at the Harte-Butte community and the remaining sum will be used to compliment the already diluted contract health care line item of the local Indian health service unit hospital budget. For this consideration, the Blackfeet Nation is grateful and I can provide assurance to this committee that this appropriation will be used for the maximum benefit of Blackfeet people that we serve.

Today I come before you again to ask your assistance as the need for a new replacement hospital on our reservation is even more critical than it was less than a year ago.

Surveys done by the joint commission on accreditation of hospitals in 1968 and 1972 have recommended that more space be made available for the personal outpatients and patients. Also recommended was a completely segregated maternity department and additional space for waiting rooms, medical records, clinical laboratory and pharmacy.

In 1974 an additional survey recommended exactly the same needs and priorities. In the past, physicans locally and nationally have strongly requested and recommended a newer and larger hospital with permanent physicians and other staff.

An example of this type of unsolicited advice is the recommendation provided by Dr. C. A. Hoffman, who as president of the prestigious American Medical Association spent several days on the reservation in 1973. In 1973 Congress did appropriate $19,000 to initiate a master planning study of the existing facility to determine whether it was more prudent for the Government to proceed with a modernization or replacement project. The study, as conducted by the firm of Henningson, Durham & Richardson of Denver, Colo., did include and so recommended that it was more prudent to replace the existing facilities.

In 1974 and 1975 the tribe did survey the operational status of the current service unit hospital and facility. The study showed nu-

merous areas of facility in its operation as nonconforming to joint commission standards of functional capability and physical condition.

The net square feet of 33,000 is inadequate for a staff of approximately 95 employees, 1,200 admissions for in-patient care for the year, 33,000 out-patient visits, physician plus the various specialty clinics, such as well child, eyeglass program, ear, nose and throat, ophthalmology, orthopedic and tuberculosis clinics.

These specialty clinics do preempt the conference facilities to the medical and hospital staff. Other visits to the social worker, health educator, public health nurse and specialty clinics would boost the total outpatient visits to well over 45,000 per year. At this point, preventive medicine efforts and programing is impeded by the lack of space. All the departments in the facility do concur as to the unacceptability of the present situation. The present figure of the target populace, population utilization of the existing facility to include both on reservation and off reservation indians approaches 10,000.

This year, of major impact to local health programing will be the implication of the Supreme Court position of Ruth Morton, which called for the extension of health services to Indians residing off the confines of Indian reservations. Full impact of this increased target population will, no doubt, further strain the hospital which is, as I have stated, already inadequate. In the event that a new replacement hospital is approved and constructed, the present hospital facilities will be utilized to house and centralize the various ancillary tribal health projects that would work in concert and proximity with the new hospital in providing comprehensive health care and services to the people of the reservation.

These ancillary health projects are Blackfeet nursing home component, alcoholic and drug detoxification, family planning and counselling, community health representatives, women, infants and children's program, juvenile prevention, detention home, ambulance services, communicable disease control and prevention, emergency medical counsel, traditional tribal healing and medication, statistical research and evaluation, mental health counselling, health board status.

In conclusion, we would petition your support and active assistance in procuring this new facility in order that we might provide the highest quality and quantity of health service to the people of this reservation.

In addition, I do want to state that I believe that all Indian people are being urged to update the kind of facilities that they use on the Indian reservations, whether it is health, law and order, education. I believe that the Indian people are making these efforts and we see and we concur because we live on the reservation and we see the kinds of programs that we have and the kind of things that we have to work with and the hospital, to our knowledge, for a long time is inadequate and we want to upgrade it. We want to do the things that we feel are necessary and that we are urged to do.

This is the reason that we are here asking your support, your committee to help us out in anyway possible to make this and to make it become a reality.

With me is Mr. Gordon Balcourt and I believe—if you have any questions, I am sure that we can answer the questions, but I do want Mr. Balcourt to elaborate somewhat on some of the things I pointed out.

Senator YOUNG. You make a very persuasive case and I think you will do all right.

Mr. BALCOURT. I just want to emphasize one thing, Mr. Chairman.

The price tag attached to this package was a group product that we worked with Indian Health Service on maintaining an appropriate price tag. The firm of Henningson in Denver did recommend that the 39-year-old facility on the reservation was so antiquated and outmoded that the cost of renovation and alteration of this facility would be prohibitive.

In fact, in comparing those options of modernization of the existing facility and the total replacement of the facility, the difference in cost is only 8 percent. Because of other factors, they felt that as the evaluators for the Government in looking at the facility that their recommendation would go for the total replacement of the health facility.

Senator YOUNG. How many bed hospital would this be?

Mr. BALCOURT. It is a 34-bed hospital and we are talking about a 35-bed hospital because of the workload. We have a service population of 15,000 that utilize the present facility.

Senator YOUNG. How much money are you requesting for fiscal 1977?

Mr. BALCOURT. Fiscal 1977, we are asking for a planning budget of $506,000. The total package over 4 fiscal years is $12,340,000.

Senator YOUNG. How many doctors do you have now?

Mr. BALCOURT. We have six physicians.

Senator YOUNG. Any dentists?

Mr. BALCOURT. Three dentists.

Senator YOUNG. Thank you very much.

Mr. OLD PERSON. For your record we have my statement and other documents for the record.

Senator YOUNG. They will be received for the record.

[The statement follows:]

SUBJECT: REQUEST FOR CONSIDERATION FOR FUNDING OF A NEW REPLACEMENT HOSPITAL ON THE BLACK FEET INDIAN RESERVATION.

1.	Planning funds FY 77	$506,000
2.	New construction FY 78, plus Group I equipment	7,500,000
3.	Group II and III equipment	1,105,000
4.	Additional Staff of 78, FY 80	1,404,000
5.	Additional Operating Cost	507,000
6.	Housing, 32 Units, FY 79	1,318,000
	To be funded	$12,340,000

Honorable Chairman, Distinguished members of the Committee and Staff, my name is Earl Old Person, Chairman of the Blackfeet Tribal Business Council, on the Blackfeet Indian Reservation in the North-Western part of Montana. On behalf of the Blackfeet People and the Blackfeet Tribal Business Council, I convey to you gratitude for this opportunity to present to you and your committee this critical health priority.

As you may remember, I appeared before this committee almost a year ago to convey to you a similar petition.

Since our last appearance, we have received news that the sum of $76,000.00 was earmarked through positive congressional action for the Blackfeet Indian Reservation. This appropriation will be eventually utilized for the employment of two (2) Dental Assistants at the Heart Butte Community; and the remaining sum will be used to complement the already diluted Contract Health Care Line Item of the local Indian Health Service Unit Hospital Budget.

For this consideration, the Blackfeet Nation is grateful and I can provide assurances to this committee that this appropriation will be used for the maximum benefit of the Blackfeet People that we serve.

Today, I come before you again to ask your assistance as the need for a new replacement hospital on our Reservation is even more critical than it was less than a year ago.

Surveys done by the Joint Commission on Accreditation of Hospitals in 1968 and 1972 have recommended that more space be made available for personnel (outpatient) and patients. Also recommended was a completely segregated maternity department and additional space for waiting rooms, medical records, clinical laboratory, and pharmacy. In 1974, an additional survey recommended exactly the same needs and priorities.

In the past, physicians locally and nationally have strongly requested and recommended a newer and larger hospital with permanent physicians and other staff. An example of this type of unsolicited advice is the recommendations provided by Dr. C.A. Hoffman who was President of the prestigious American Medical Association when he spent several days on the Reservation in 1973.

In 1973 Congress did appropriate $19,000.00 to initiate a Master Planning Study of the existing facility to determine whether it was more prudent for the goverment to proceed with a modernization or replacement project. The study as conducted by the firm of Henningson, Durham & Richardson of Denver, Colorado did conclude and so recommend that it was more prudent to replace the existing facility.

In 1974-1975, the Tribe did survey the operational status of the current service unit hospital and facility. The study showed numerous areas of facility and its operation as non-conforming to the Joint Commissions standards of functional capability and physical condition. The net square feet of 33,000 is inadequate for a staff of approximately 95 employees, 1,200 admissions for inpatient care for the year, 33,000 outpatient visits (Physician) plus the various specialty clinics such as well-child, eyeglass program, ear, nose and throat, ophthalmology, orthopedic and tuberculosis clinics. These specialty clinics do pre-empt the conference facilities to the medical and hospital staff.

Other visits to the social worker, health educator, public health nurse and the specialty clinics would boost the total outpatient visits to well over 45,000 per year. At this point, preventive medicine efforts and programming is impeded by the lack of space. All the departments in the facility do concur as to the unacceptability of the present situation.

The present figure for the target population utilization of the existing facility to include both on-reservation and off-reservation Indians approaches 10,000.

This year, of major impact to local health programming will be the implications of the Supreme Court Decision of Ruiz V. Morton (402 F. 2d 818) which called for the extension of health services to Indians residing off the confines of Indian reservations. Full impact of this increased target population will no doubt further strain the hospital which is as I have stated already inadequate.

In the event that a new replacement hospital is approved and constructed, the present hospital facility would be utilized to house and centralize the various ancillary health related tribal health projects that would work in concert and proximity with the new hospital in providing comprehensive health care and services to the People of this Reservation.

These ancillary health projects are:

Blackfeet Nursing Home Component
Alcoholism/Drug Detoxification
Family Planning/Counselling
Community Health Representatives
Women, Infants and Children (W.I.C.)
Juvenile Prevention/Detention Home
Ambulance Services
Communicable Disease Control and Prevention
Emergency Medical Council
Tradition Tribal Healers and Medication
Statistics/Research/Evaluation
Mental Health Counselling
Health Board Staff

In conclusion, we would petition your support and active assistance in securing this new facility in order that we may provide the highest quality and quantity of health services to the People of this Reservation.

STATEMENT OF JOE DeLaCRUZ, QUINAULT TRIBAL COUNCIL, WASHINGTON, TAHOLAH SCHOOL DISTRICT, WASHINGTON

ACCOMPANIED BY:

GUY R. McMINDS
GARY MORISHIMA

Senator YOUNG. The next witnesses are Joe DeLaCruz, Guy McMinds, Gary Morishima, Quinault Tribal Council.

Mr. DELACRUZ. Mr. Chairman, I am Joe DeLaCruz, president of the Quinault Tribal Council. With me is Guy McMinds, delegate from the Quinault Tribal Council, and Gary Morishima.

It is a pleasure to be here today to present to this committee a request to try to satisfy the total needs of the Quinault Reservation for fiscal 1977. My statement I have given to the clerk, and I request that it be submitted for the record.

In brief, what the Quinault Tribe is here requesting is a markup of $1,556,303 to cover the area of trust services, community services, education and natural resources. We feel that these markups are necessary because the administration and Bureau of Indian Affairs did not request enough money to satisfy the total community.

I would like Mr. Gary Morishima to bring to this committee some of the problems we face in the development of natural resources and what it is costing the U. S. Government because of the inadequacy of funding.

Mr. MORISHIMA. Thank you for the opportunity to testify this afternoon, Mr. Chairman.

My name is Gary Morishima. I am forest manager of the Quinault Tribe. I am here in my official capacity as forest manager, and I am also here as a private citizen who is very concerned that our Nation's natural resources be conserved or used wisely so that they may benefit future generations as well as our own.

For the past 50 years the forest resources of the Quinault Reservation have been managed on a liquidation basis. The resource has not had sufficient funding and investment to insure that it will be perpetually productive. The Federal Government, by virtue of its treaty relationship with Indian reservations, has a trust responsibility toward Indian resources and an obligation to manage those resources with skill, diligence and care.

I would like to give you a few facts about Indian forests. There are currently 13 million acres of Indian forest land in this country. About 5.5 million of those acres are classified as commercial forest lands. Those lands generated $58 million in incomes during the last year, and $5 million went into the U. S. Treasury as administration fees collected by the Bureau of Indian Affairs.

Of the reservation's forests, the Quinault Reservation produces approximately 26 percent of all timber produced from Indian lands, about $15 million in stumpage, and about $644,000 went into the Treasury last year. Only $300,000 last year was spent on forestry management of the Quinault Reservation.

The history of neglect, the very long years of neglect that the Quinault lands have had to suffer is currently reflected in the status

of Quinault lands. We have roughly 14,000 acres of brush on our land. Some of these lands were lost as long ago as the 1920's. We have 30,000 acres of slash, 14,000 acres of our land are understocked, and another 15,000 acres are overstocked.

I have for your examination, Mr. Chairman, a few pictures of the current conditions on our lands that I would like to show you when we get the opportunity.

We have about 31,000 acres of our land that now have drainage problems, about 25 percent of our reservation is now inaccessible because the roads have become overgrown. The jurisdictional problems are becoming increasingly complex with the State, the county, the tribe, and the Federal Government trying to impose their own set of authorities amidst a very confused jurisdictional situation.

By its own admission the Bureau of Indian Affairs has not been a proper trustee of Indian resources. The ultimate responsibility, however, lies in the hands of the Federal Government. The Federal Government, by virtue of its treaty relationship, has the responsibility to insure that the Indian resources are managed properly. Yet, they have been reluctant to appropriate the necessary funds for this purpose.

To give you an example of the lack of investment in Indian lands, for timber stand improvement and reforestation effort in 1969, the Bureau of Indian Affairs spent less than 4 cents per acre on commercial forest lands. That corresponds with an expenditure of 37 cents per acre on Forest Service lands in 1968. In 1975 expenditure for those purposes is still only 16 cents per acre.

The total management of Federal and tribal moneys combined for forest management runs 83 cents per acre—around 83 cents per acre in 1969, and currently runs only $1 per acre in 1975. That compares with roughly $10 per acre expended by most private timber companies.

Of those funds expended to Bureau of Indian Affairs control, two-thirds of those moneys went for the administration of timber sales, and only one-third went to the resource. There is a promise there that even more of the limited funds that are available are going to be siphoned off as Bureau costs inevitably rise. The resource is going to suffer.

I find it hard in my own mind to justify the lack of investment in Indian forest resources that the Federal Government has been willing to make. The Federal Government currently subsidizes private industry in the form of favorable tax legislation and also through the appropriation of over $20 million for State private forestry to benefit private timber owners. Those costs to the private timber owners currently go to reimburse them for costs of fire suppression and intensive management.

During 1970 the total Indian forestry program was funded at nearly $6 million. In 1975 the total expenditure is roughly only $8 million. I believe it is clear that the Federal Government has demonstrated its concern for the production of timber within this country. They have encouraged investment in long-term resources by favorable tax legislation, but they are not obligated to invest in Indian resources even with this trust relationship with the Indian people.

This failure to participate equitably is wrong. It is wrong economically because reduction in timber that is going to result is going to mean shortages for the general economy. It is going to impoverish the Indian people, make them further dependent on Federal welfare programs. More importantly, it will degrade their status as human people. It is legally wrong because it is a violation of a trust responsibility. It is morally wrong for the Federal Government as trustee to deprive the economic assistance to the Indian people, especially when the consequences of the negligence are going to be felt by the Indian people and not by the trustee.

Quinault Reservation is facing virtual economic destruction by virtue of negligence in the past 50 years. In 1986 we estimate that the cut from Quinault lands will drop from its present level of 100 million board feet down to 5 million board feet. That is going to have a substantial effect on the local economy. It will represent a loss of approximately $14 million to the Indian people, and it will represent a loss of approximately $125 million to the economy of Washington State. It will also mean that the Indian people will only be able to realize less than 3 percent of the potential benefits attainable from the reservation's timber resources.

The excuse we have heard over many years is that given the current ownership situation on the Quinault Reservation these resources cannot be optimally managed. And that is true.

The Quinault Reservation was allotted under terms and provisions of the Dawes Act virtually entirely; 2,340 allotments exhaust nearly the entire land base of the Quinault Reservation. That has serious implications for future management. With that kind of ownership pattern it will be difficult to determine what good management is amongst all those people.

The well known and often suffered Indian heirship problem will also take its toll. There will be problems of access, a dissipation of Indian resource base through inheritance. There will be a loss of consideration of due externalities when the timber resource is mined.

There have been numerous attempts at restoration. Back in the 1900's one of the Indian service employees, Mr. Jay Kinney, attempted to stop the allotment process on the Quinault Reservation. Through a series of court decisions, the entire reservation was, however, allotted. In 1938 President Roosevelt recognized the need to do something about the ownership problem and to begin to manage the forestry resources. Two bills were introduced before Congress in 1939 and 1941. The Bureau of Indian Affairs itself has also recognized the need in 1962, 1972 and 1973.

We feel that the Quinault Tribe, not the Bureau of Indian Affairs, is the appropriate entity to manage the reservation's forests. The Quinault Tribe has a stake in posterity. It must manage its resources for future generations of its people. The Quinault Tribe has, by virtue of its treaty relationship, a special relationship with the Federal Government.

The Quinault Tribe is the only governing body that is currently in a position to make sure that the forest resources are managed in the ecological contents. We have had many problems with the forests being managed in such a manner to destroy the fisheries resource of the Quinault Reservation.

In 1974——

Senator YOUNG. May I ask, how much longer do you have?

Mr. MORISHIMA. I believe we had 15 minutes allocated for all our testimony.

Senator YOUNG. Each witness is scheduled by the chairman for 5 minutes. I am supposed to abide by the rules as evidenced by the committee.

Mr. DELACRUZ. Mr. McMind is a member of the school board, and his testimony was at a different time, and we asked since they are in relationship to the same reservation that we present them at the same time.

Senator YOUNG. You have already exceeded 15 minutes. If we treated everyone alike, most of these witnesses would have to come back tomorrow.

I will have to leave soon and we will have to close the meeting unless someone else can come over. Could you summarize the rest?

Mr. DELACRUZ. Mr. Morishima is almost to the end of his summarization.

Mr. MORISHIMA. Yes. Mr. Chairman, we feel that we would like to request a markup in the amount of $475,000 for the Quinault forest to develop a program. We feel it is a positive approach toward developing Quinault Tribal management expertise and within a comprehensive and corroborative forestry management program.

Thank you.

Mr. DELACRUZ. Mr. McMinds was scheduled to testify later on this afternoon as a school board member of the Taholah School Board, and they moved his time up to present it at this time.

Mr. McMinds is here, Mr. Chairman.

INDIAN PUBLIC SCHOOL CONSTRUCTION

Mr. MCMINDS. I do not know what the problem was, Mr. Chairman, but I will make mine brief. Thank you for your indulgence.

As everyone knows, the key to any kind of self-determination by Indian people is education. I am here to present testimony from the Taholah School Board that is in regard to a new school on the Quinault Reservation to be constructed under Public Law 93–638 funding.

I would like to point out that our school has grown 22.2 percent in the last 2 years. That is due to many new jobs in forestry and fishery. Thirty new jobs in forestry—excuse me, fisheries. There will be 66 new jobs in fisheries by the year 1990. So our school will be growing at a rapid rate.

There have been 62 new houses. So people have come back into the reservation who are of childbearing age, and the average number of children for a house is 2.5. So you can see that our school is busting at the seams right now. We have the fourth, fifth, sixth, seventh, and eighth grades in temporary housing that is leaking in our rainfall of 100 inches of rain a year. The kids run around with buckets, the foundations are off kilter, and the school is in a mess.

You have probably heard testimony from other tribes whose schools are in the same condition. We are here not to request money selfishly for ourselves. We are requesting that the committee give the full

authorization of $35 million for title 2, part B of 93–638 so that the needs that are priority in the Indian community can be met.

There have been considerable discussions within Arizona people, New Mexico, Alaska, South Dakota, and Montana about school financing. The Chemawa school is another example of the problems with schooling in the Indian community. We would like to just reinforce the need for full funding under title 2, part B of 93–638.

Thank you, Mr. Chairman.

Senator YOUNG. I would insert in the record at this point, together with your statement, a letter to Hon. Robert C. Byrd, chairman of the subcommittee, in support of your position by the senior Senator Warren G. Magnuson and Henry M. Jackson of your State supporting your position. That will be placed in the record.

[The correspondence follows:]

LETTER FROM CONGRESSMAN MEEDS

Congress of the United States
House of Representatives
Washington, D.C. 20515

COMMITTEE ON INTERIOR AND INSULAR AFFAIRS

CHAIRMAN, INDIAN AFFAIRS SUBCOMMITTEE

April 9, 1976

The Honorable Robert C. Byrd, Chairman
Senate Interior Appropriations Subcommittee
Suite 1235, DSCB Inside Mail

Dear Mr. Chairman:

In Public Law 93-638, Congress provided for school construction assistance to public school districts affected by Indian trust lands. These schools have been eligible for funding under P. L. 81-815, but that program has been grossly underfunded, so that there is now a backlog of some $450 million in applications for eligible schools, with the backlog increasing yearly. Last year's appropriation for this program was $20 million.

To date the BIA construction program has fared no better. The BIA budget request contained no funds in either fiscal '76 or '77, and the '76 appropriation added in the House is still in the process of being released.

I am concerned about this problem generally because I am aware of the critical condition of many public schools serving Indian children. For that reason I would urge that you give every possible consideration to increasing the appropriation level for this program.

Additionally, I am concerned about a particular school district in Washington State, Taholah on the Quinault Reservation. Taholah has been on the 815 priority list since 1971. Their application has just been updated and given a rating of 147.1, which places them seventh on the BIA list.

Their space problems are extremely critical, and will be described in more detail by representatives from the school district scheduled to testify before the House subcommittee. Over half their present enrollment is housed in temporary buildings now, with a projected increase over the next five years of 75%.

The Taholah request will be reached for funding in the 1977 budget only if the appropriation level exceeds last years' by approximately $3 million. Their position on the priority list is just below those that will be reached if the same funding level is maintained. I am attaching an estimate of construction costs for the necessary facility.

I would urge that you provide the kind of funding that bears a relationship to the federal responsibility and the desperate need for assistance.

Sincerely,

Lloyd Meeds, M.C.

LETTER FROM CONGRESSMAN BONKER

April 9, 1976

Dear Mr. Chairman:

Mr. Guy McMinds of the Quinault Indian Tribe, Charles McEvers of the Taholah School staff and Ed Kalland of the BIA staff in the Western Washington Agency were in to see me about the construction funding needs of the Taholah School located on the Quinault Indian Reservation.

In 1971, the Taholah School applied for federal impact construction funding under P.L. 815. Since that time their need has become increasingly acute. Tribal development programs have created new jobs and new housing is enabling more tribal members to live in Taholah, thus increasing the school population.

The school is presently housed in temporary buildings, and a growth rate of 10% per year in the school population has brought what was already inadequate and overcrowded facilities to a critical point.

I share the deep concern of the Quinault Tribe and the Taholah School over the apparent low level funding for public school construction on Indian Reservations under P.L. 81-815 and P.L. 93-638. A discussion with a representative of the Office of Education indicates that the backlog of construction needs is well over $750 million.

It is my hope that you and the Members of your Subcommittee seriously consider funding P.L. 93-638, up to the limit of the authorization, in order to begin an attack on this huge backlog of construction needs.

The Taholah School District has updated their application, and I understand that it has resulted in a priority index that will put them within the top ten projects on the priority list.

Representatives from the Taholah School will be testifying before your Committee and their request has my full support. If possible, I would appreciate a statement in the Committee report that will line item the funds so critically needed by them.

Your favorable consideration of this request will be deeply appreciated.

Respectfully yours,

Don Bonker

Don Bonker
Member of Congress

LETTER FROM JOE DELACRUZ

TAHOLAH
SCHOOL DISTRICT No. 77

April 7, 1976

Dear Senator Byrd:

My name is Joe DeLaCruz. I am the President of the Quinault Tribal Council. I am presenting this testimony in behalf of the Board of Directors of the Taholah School District at the request of their Chairman, Mr. Dave Purdy, who was not able to be here today. I speak also as the father of five children, two of whom are now in the Taholah School and a third who will be entering soon. My testimony concerns appropriations for the Bureau of Indian Affairs budget under Title II, Part B of Public Law 93-638, for the construction of public school facilities on and near Indian trust lands. We are requesting the full funding in the amount of $35 million which is authorized in this part, and line item funding for the Taholah School District in its priority position on the Public Law 81-815 priority index in the amount of $2,903,170.

The Indian Self-Determination and Education Assistance Act has offered to Indian tribes and communities new opportunities for funding and for decision-making authority in the programs which affect our people, and that is good. As is well known in this Committee and in the Bureau of Indian Affairs, self-determination and self-sufficiency are central to the Quinault Tribe's goals. And because good education is an essential part of any lasting progress toward self-determination, it is appropriate that educational assistance is included as a part of the Indian Self-Determination Act.

However, in the implementation of Title II, Part B of the Act, for public school construction, some barriers exist. Let me describe our situation in Taholah.

The Taholah School District is an elementary level public school district located entirely within the boundaries of the Quinault Indian Reservation. The population of the District is 98% Indian, the school population is 98% Indian, and the five members of the Board of Directors are all Indian people. One of the Board Members, Guy McMinds is here with me today.

Furthermore, the Taholah School and the Quinault Tribe enjoy a unique kind of relationship in which the school is committed by policy and practice to serving the needs of the Tribe and Reservation. The Tribe views a high quality school program as being essential for sustaining the great strides which we are now making toward self-determination. Toward this end the Taholah School District has never lost a levy vote for school support, even in this time of lessening confidence in public schools generally; and at the present time the District is bonded to the legal limit for teacher housand for the recreational and athletic facilities necessary in our climate. This bonding was entered into under the expectation that P.L. 815 funds would soon become available for classroom and related facilities.

The Taholah School is operating in facilities which are seriously substandard. Five classrooms out of the total of nine are in portable buildings which by the standards of federal impact funding under Public Law 81-815 cause the students in them to be classified as unhoused. These portables are old and deteriorated. Temporary underpinnings have shifted so floors are irregular. Classroom roofs leak irreparably in our 100-inch-per-year rainfall, and chairs, tables, and desks have to be situated so as to avoid the leaks. Students and teachers moving about the rooms have to weave their way among the buckets, cans, and wastecans which have been placed to catch the drips. And even the one permanent building with its four classrooms, housing 123 students, is overcrowded. Classroom space is crowded. The rest-

rooms, one for boys and one for girls, contain only two stools each. Office space, serving multiple uses, is about one-half of what is needed, and storage space is extremely limited.

The school population is experiencing dramatic growth. The Tribe's development programs, based primarily in rich fisheries and timber resources has created new jobs; and the recent availability of housing from public housing programs and from private construction is allowing rapid growth in the community population. From October 1973 to October 1975 the school enrollment increased from 153 to 187, showing an average annual growth rate of 11.1%. Conservative projections for the next five years, from October 1976 to October 1981, based both on estimated employment growth and on expected new housing which will become available in that period, indicate a probable growth rate for that five-year period in the neighborhood of 15% per year. Thus we estimate a school enrollment of 395 students on October of 1981. (It might be noted that the P.L. 815 formula for rating construction needs can take into account only two years' growth projection, thus failing to give adequate weight to an extremely rapid growth rate such as ours.)

These then, are the reasons for our sense of urgency about the need to provide adequate school facilities for a quality educational program, in order to sustain the impetus of the Tribe's development programs.

An application for federal impact funding under P.L. 815 was submitted by the Taholah School District to the U.S. Office of Education in 1971, in order to replace the portable buildings. However, the appropriations for that program have been small in portion to the need, and we have not been funded. In recent weeks our application was up-dated by the OE on the basis of current needs. We are told by the regional staff member who conducted the review that our new rating is computed at 147.1 (on a scale of 200.0), subject to national office confirmation. This will put us high enough on the priority list to be eligible to receive a grant under the FY 77 budget assuming a reasonable level of funding.

Now P.L. 93-638, through the budget of the BIA seems to have been intended by Congress to replace P.L. 81-815 under OE as the major source for construction funding for Indian public schools. The President's budget for FY 77 contains no money at all, however, for public school construction under P.L. 638, although we understand that full funding was requested by the BIA. With the small amount contained in the BIA's budget for school construction and with public school construction needs being treated together with BIA construction needs it is made clear by BIA staff members that existing emergency construction needs in BIA schools will have to take priority over the construction needs in public schools. The public schools thus would be left without the construction funding which is authorized under P.L. 638, and P.L. 815 no longer can be regarded as a viable source.

We wish to point out the importance and the urgency of adequate federal support for correcting the deficiencies in the facilities of public schools which serve reservation Indian children. Over the country, by the BIA's figures for 1975, 69.9% of all elementary and secondary level Indian students who live on Indian trust land-seven students out of ten are in public schools. Yet very limited funding has been available to these schools for contruction. The backlog of construction needs for these public schools is $218 million for 112 applications according to the preliminary cost estimates of the P.L. 815 priority index. OE personnel tell us also that these preliminary figures tend to be low and that the total is likely to be nearer to $500 million when final cost estimates are worked up.

For these reasons the Quinault Tribe respectfully requests that the Committee give urgent consideration to two needs:

1) Full Funding under the current authorization of $35 million for Title II, Part B of P.L. 93-638 is warranted in light of the great backlog of construction needs, and the serious nature of those needs, in the public schools which serve seven out of ten of the reservation children.

2) Line item funding for the Taholah School in the amount of $2,903,170 is requested under Title II, Part B of P.L. 93-638 (a) because of the school's extremely rapid growth rate which is only partially taken into account in the P.L. 815 rating formula, and (b) to minimize the risk of unnecessary delay in the transmittal of funds due to presently unresolved problems in the administrative processes.

We wish to suggest also that in order to approach realistically this great backlog of public school construction needs, the authorization under P.L. 93-638 be increased to at least $100 million. We realize this cannot be done with reference to the FY 77 appropriations, but wish to emphasize the need for even higher appropriations in future years if the federal educational responsibility to Indian students who are in public schools is to be met.

Members of the staff of the Quinault Tribe, Taholah School Board members, and Taholah School staff members have spent many days investigating what is happening with regard to construction funding for the Indian public schools in this new situation which now involves both the Bureau of Indian Affairs under P.L. 93-638 and the Office of Education under P.L. 81-815.

We conclude that, as can easily happen in any new program, administrative problems exist which would have been difficult to anticipate.

With the Committee's permission, rather than taking the time here we will submit in writing a further statement outlining those problems as we have perceived them and our suggestions for resolving them.

Unless these barriers to the delivery of adequate construction funding at t he local public school district level are removed, the self-development progress of the Quinault Tribe and the educational progress of the reservation Indian children in public schools in the various parts of the country will be seriously impaired.

Sincerely,

Joseph B. De La Cruz

Joseph B. DeLaCruz
President
Quinault Indian Nation

LETTER FROM SENATORS MAGNUSON AND JACKSON

United States Senate

WASHINGTON, D.C. 20510

April 8, 1976

Honorable Robert C. Byrd, Chairman
Interior Subcommittee
Senate Appropriations Committee
105 Senate Office Building
Washington, D. C.

Dear Mr. Chairman:

Allow us this opportunity of expressing our interest in funding that might be provided under PL 93-638 which allows assistance for the construction of public schools affected by Indian trust land, and our support of the request that will be presented to you by the representatives of the Quinault Indian Tribe and the Taholah School District.

Together with a number of other school districts scattered about the West, Taholah is perhaps typical where local efforts have stretched their own resources to the limits of their capabilities. Their need to replace antiquated facilities; expand to meet current enrollments and prepare for the future needs has already been given a high priority under the strict provisions of PL 815 -- the construction title of the Impact Areas Aid program. If any real assurance of Federal assistance is to be given such school districts, it must come through the more limited program authorized under PL 93-638 and we would even suggest you give serious consideration to an appropriation level equal to the authorization.

We believe the situation with the Taholah School District and the Quinaults is an excellent example of self-help that has made great progress in local development, building new industry and jobs and raising the standard of living, as well as the quality of life, in the area. Without the assistance that PL 93-638 can render them in helping to meet their school construction needs that progress will be stifled at best. In essence we believe the additional funding under this program will prove to be an invaluable investment within this community in our state and other areas that might qualify and certainly in keeping with the spirit of that authorizing legislation.

We wish to thank you for taking the time to hear directly from representatives of the Tribe and the School District and any more substantial consideration that you might be able to give this request will be greatly appreciated.

Sincerely,

Warren G. Magnuson — Henry M. Jackson

WARREN G. MAGNUSON, U. S. S. HENRY M. JACKSON, U. S. S.

SUPPORT FOR FORESTRY PROGRAM

Mr. McMINDS. A strong letter from Senator Magnuson and Senator Jackson is coming in support of the forestry program, too, because of the potential that the forest resource has for the country and the Quinault Indian Reservation, and I hope you include that as part of the record.

Senator YOUNG. That will be placed in the record too.

Mr. DELACRUZ. We thank you for your time, Mr. Chairman.

[The letter follows:]

United States Senate

WASHINGTON, D.C. 20510

April 12, 1976

Honorable Robert C. Byrd
Chairman
Subcommittee on Interior Appropriations
Senate Committee on Appropriations
Washington, D. C. 20510

Dear Mr. Chairman:

The Quinault Tribe, with technical assistance from major timber companies, the U. S. Forest Service, the Washington State Department of Natural Resources, and the University of Washington's College of Forest Resources, has designed a comprehensive program for the full and orderly development of its Reservation's forest lands. This important step was undertaken because allowable cut projections on the Reservation, which now stand at 110 million board feet, will drop to less than 5 million board feet by 1986. This decline will represent a $14,000,000 per year reduction in stumpage payments and result in a $125,000,000 per year loss to the regional income. The welfare of the Quinault people and the entire nation will be severely affected.

The projected annual harvest of 5 million board feet will be less than 3% of the potential yield which can be attained through unified and intensive management. The 200,000,000 board feet of timber that can potentially be harvested annually from the Quinault Reservation would directly and indirectly support some 5,600 jobs, produce $15,000,000 in stumpage income, generate a regional income in excess of $190,000,000 and, through administration fees for the sale of Indian timber, contribute nearly $1,000,000 to the U. S. Treasury. (Over the past ten years, more than $4,000,000 has been paid into the Treasury from these fees.)

These benefits can be realized only through substantial investment in the comprehensive development of the Reservation's forest resources. The Tribal program is an integrated approach to management involving: 1) forest rehabilitation efforts such as site preparation, stand establishment, and periodic surveys; 2) clearing of overgrown roads to enable access for management operations; 3) performing preliminary planning and preparation to meet future access problems;

4) second growth management efforts such as inventory, installation of permanent growth plots, thinning of over-stocked stands, implementation of a forest pathology program, and development of stand management models; 5) reclamation projects designed to improve the productivity of poorly drained and damaged lands; 6) maintenance of information systems for data and internal control; 7) conducting a stream rehabilitation program through selective removal of log jams and construction of fisheries enhancement facilities; 8) development of uniform forest practices and regulations to protect the resource; 9) implementation of a training program for Indian people; and 10) development of priorities for land acquisition.

To initiate the above-listed activities, we request, first, that the Subcommittee earmark for the Quinault Forestry Program the amount of $420,000 within the President's Budget recommendation for the forestry section of the BIA's Resource Development Office base allocation. Second, we request that the Subcommittee add to the President's request $475,000 in additional funds for the Quinault Forestry Program.

We strongly support the efforts of the Quinault Tribe to establish its own forestry program and feel the proposed program represents a positive approach to fully develop the Reservation's forest resources for the benefit of Indian people and the nation.

Sincerely,

Henry M. Jackson

HENRY M. JACKSON, U.S.S.

Warren G. Magnuson

WARREN G. MAGNUSON, U.S.S.

STATEMENT OF ROY RUTHERFORD, DIRECTOR, INDIAN ACTION TEAM, NORTHEASTERN OKLAHOMA FIVE TRIBES COUNCIL, INC.

ACCOMPANIED BY LOIS NOWLIN

Senator YOUNG. The next witness is Roy Rutherford.

Mr. ROY RUTHERFORD. Mr. Chairman, I would like to thank you for the time you have allocated to us. I would like to keep this very short.

I am Roy Rutherford, and I am director of the Indian Action Team program for Northeastern Oklahoma Five Tribes Council.

I am here today representing the eastern region of Indian action team contractors, which include 16 tribes in four States. Appearing with me is Mrs. Lois Nowlin, secretary of the Eastern Shawnee Tribe of Oklahoma.

We are here to address the Bureau of Indian Affairs requested appropriations for the Indian Action Team program. We feel it is important to bring to the attention of this committee the issues and concerns expressed in Indian country regarding the Indian Action team program. The Bureau is requesting an appropriation of $14 million. We are here to request an appropriation of $38 million.

Gentlemen, we have for your information and at your disposal, within these packages, tribal resolutions, supportive letters and program related materials.

The Indian Action Team is one of the most important programs that the Bureau has to offer. The reasons for this popularity are threefold. One, IAT is one of the few programs which truly advances Indian self-determination. Two, IAT has shown substantial social and economic impact on both the reservation and surrounding communities. And three, IAT provides valuable skill training to tribal members without the members having to leave their home communities. We feel this program truly fosters Indian self-determination.

Mr. Chairman, I would like to skip on.

Our analysis of the situation of the Indian action team indicates the following for fiscal year 1977: A $14 million appropriation will result in a dilution of the present 61 contracts. A $20 million appropriation will result in the present 61 contracts being funded at the fiscal year 1975 level. A $26 million appropriation will result in meeting the need expressed by all contract proposals submitted for fiscal year 1976. A $38 million appropriation will result in all identifiable interested organizations being able to contract to deliver services at the fiscal year 1975 level of delivery.

Mr. Chairman, my colleague, Ms. Lois Nowlin, has a few comments she would like to make.

Ms. NOWLIN. Thank you, Mr. Chairman.

I cannot add a great deal to what Mr. Rutherford has said other than with the increased funding we are requesting, we would hope to enable the female Indian population of our area to participate in these programs, because there is a great need for these Indian women assistance programs.

With this increased funding through the Indian action program, it would enable us to offer them a way of gaining employable skills so they would be able to go out into the general area and earn a valuable living for themselves and their children. Our Indian action program is one of the better programs the Indian Bureau does have for Indian people, but we are lacking in our area because of the female population.

Senator YOUNG. How many Indians do you have?

Ms. NOWLIN. Right off the top of my head, I would say we have 20 percent, or we have the majority of the Indian population in Oklahoma, throughout the country.

Senator YOUNG. You do not have any reservations though?

Ms. NOWLIN. No, sir, we do not.

Senator YOUNG. What you are asking for is for all Indians?

Mr. RUTHERFORD. Yes, sir, for the whole Indian action program. There are 61 active contracts now and 25 contracts that were funded this year under title 10. Their funding will run out at the end of this fiscal year, and we would like to include those in next fiscal year's funding.

Senator YOUNG. Does that complete your testimony?

Mr. RUTHERFORD. Yes, sir.

Senator YOUNG. Did you get through all of it, or do you want some of it placed in the record?

PREPARED STATEMENT

Mr. RUTHERFORD. I would like to have the full statement made a part of the Congressional record, sir.

Senator YOUNG. That will be placed in the record and the attachments will be adopted by reference.

Mr. RUTHERFORD. We would like to thank you very much for your time and consideration.

Senator YOUNG. Thank you.

[The statement follows:]

Mr. Chairman and members of the Committee: My name is Roy Rutherford, I am director of the Indian Action Team, Northeastern Oklahoma Five Tribes Council, Inc. The Northeastern Oklahoma Five Tribes Council, Inc., is a contractor of an Indian Action Team Program.

We are here to address the Bureau of Indian Affairs requested appropriations for the Indian Action Team Program. We feel it is important to bring to the attention of this Committee the issues and concerns expressed in Indian country regarding the Indian Action Team Program. The Bureau is requesting an appropriation of 14 million dollars. We are here to request an appropriation of 38 million dollars.

Gentlemen, we have for your information and at your disposal, within these packages; tribal resolutions, supportive letters and program related materials.

Historically, the I.A.T. Program was started in 1972. The initial funding level was $800,000 and there were four (4) contractors. In four (4) years this program has grown to $14,000,000 and 61 contractors. The popularity of this program is evidenced by the fact all of the present contractors are desirous of recontracting the program and the Bureau has notifications of intent to contract from an additional 55 tribes and tribal organizations.

The reasons for this popularity are three fold. One, I.A.T. is one of the few programs which truly advances Indian self-determination. Two, I.A.T. has shown substantial social and economic impact on both the reservation and surrounding communities. And three, I.A.T. provides valuable skill training to tribal members without the members having to leave their home communities.

The program truly fosters self-determination. I.A.T. is designed, developed, administered, managed and operated by the contracting tribe. I.A.T. provides tribes with a tribally operated and managed resources development capability.

The program is tailored by the contracting tribe to meet the needs of the tribe. For instance, in the training aspects of this program, job skills are taught which will meet the employment market in the home area of the contracting tribe. Furthermore, the program fosters the development of managerial capabilities, a necessary ingredient for self-determination

The substantial impact, both socially and economically, on the tribes and surrounding communities is demonstrated in various ways. Many I.A.T. contracts provide training in the construction trades. These contracts are able to combine with other programs, such as, housing improvement, to renovate sub-standard houses on the reservation. The combination results in a stretch of the Federal dollar by providing safe, sanitary reservation housing, and at the same time, equipping tribal members with employable skills. Another example of the stretch of Federal money is in the area of road construction. By combining I.A.T. and road construction programs, tribes have been able to improve reservation access roads to a level which far exceeds the improvement envisioned by the Bureau Road Program alone. In addition, the tribal members are being trained in the skills necessary to maintain the constructed roads. Thus, I.A.T. programs result in a prudent expenditure of Federal money.

One facet of the I.A.T. Program which must not be overlooked is the fact I.A.T. is one of the rare programs which allows tribes to acquire government surplus equipment. The importance of this aspect is that the tribes are authorized to renovate otherwise useless equipment and then utilize the equipment in the performance of contract projects.

The identifiable need of the Indian Action Team Program for FY '77 is in excess of 38 million dollars. This need is based on the fact that over 100 tribes and tribal organizations have indicated a desire to contract I.A.T. Programs. The contract proposals submitted by these organizations identify this dollar amount. This dollar amount contemplates each contractor being able to contract at the FY '75 contract level. In FY '75 there were 31 I.A.T. contracts. The appropriation was approximately 10 million dollars. In FY '76 the number of contracts nearly doubled to 61. However, the appropriation was only increased to approximately 15 million dollars. The level of appropriation was not in keeping with the increased number of contracts. Many FY '75 contractors had to withstand a sub-

stantial decrease in the funding level of their contracts. This resulted in a severe curtailment or dilution of services delivered under I.A.T. contracts. To alleviate the problems caused by this growth will cost approximately 20 million dollars. This sum will allow the present 61 I.A.T. contractors to recontract in FY '77 at a level equal to the FY '75 level. Another problem encountered in FY '77 is that 25 additional I.A.T. contracts were let in FY '76 under the Title X Program. To include these contracts in FY '77 will cost an additional 6 million dollars for a total of 26 million dollars. If these contracts are not included in FY '77 many programs will halt in mid-stream. In addition to the already identified 86 contractors, there are 30 other tribes which have indicated a desire to contract I.A.T. programs. To fund all 115 organizations will cost 38 million dollars. This sum will provide sufficient funding so that all presently identified interested tribes and tribal organizations can contract in FY '77. Furthermore, this sum will allow each contractor to be able to design, develop and operate a sound I.A.T. Program. Our analysis of the situation indicates the following for FY '77:

I. A 14 million dollar appropriation will result in a dilution of the present 61 contracts.
II. A 20 million dollar appropriation will result in the present 61 contracts being funded at the FY '75 level.
III. A 26 million dollar appropriation will result in meeting the need expressed by all contract proposals submitted for FY '76
IV. A 38 million dollar appropriation will result in all identifiable interested organizations being able to contract to deliver services at the FY '75 level of delivery.

The analysis so far does not include the impact of the Indian Self-Determination and Education Assistance Act, P.L. 93-638. Under this Act a tribal organization is entitled to contract with the Bureau of Indian Affairs to operate Bureau programs I.A.T. is a Bureau program within the purview of the Indian Self-Determination Act. Thus, there are over 250 potential I.A.T. contractors. It is incumbent on this Congress to indicate its committment to Indian Self-Determination and P.L. 93-638 by appropriating sufficient funds to ensure that any eligible contractor can operate a sound I.A.T. program. Any other act by this Congress will render the Self-Determination Act and the concept of Self-Determination illusory. The importance of Congressional support is demanded by the fact that I.A.T. is the only operating Bureau program which comes close to meeting the Self-Determination aspect and goals of the Act. As a result of the Act, all 115 organizations I mentioned before are entitled to an I.A.T. contract. A 38 million dollar appropriation is needed to meet this demand.

Since the inception of this Program, the Bureau has attempted to disband I.A.T. This action leads us to conclude the Bureau is not supportive of Self-Determination We implore this Congress to support the Self-Determination desires of Indians by appropriating sufficient monies for I.A.T. to ensure the operation of sound I.A.T. Programs throughout Indian country.

We would like to point out this program has high priority on reservations throughout the United States. Seldom, if ever, has over 100 tribes shown such an interest in and support of a Bureau program. The Bureau's attitude and actions toward the I.A.T. Program lead us to conclude the Bureau is consciously attempting to destroy the I.A.T. Program. If the Bureau was interested in supporting the I.A.T. Program, the Bureau would request an appropriation which is in keeping with the need expressed by Indians rather than an appropriation which is designed to hamper the ability of the contractors to operate effective programs.

This position is actively supported by the National Indian Action Team Contractors, the National Tribal Chairman's Association, the National Congress of American Indians and over 100 tribes.

Thank you for your time and consideration.

STATEMENT OF DONALD GATCH, COMMUNITY DOCTOR, ROUGH ROCK DEMONSTRATION SCHOOL, ARIZONA

ACCOMPANIED BY JIMMY BERGAY, PRINCIPAL

Senator YOUNG. The next witness is Dr. Donald Gatch.

Dr. GATCH. Good afternoon. This is Jimmy Bergay, who is principal of our high school, and I am Dr. Gatch from Rough Rock, Ariz.

Rough Rock is a little unique because it is in the middle of the Navajo Reservation, and it is sort of the spiritual headquarters of the Navajo Reservation. We have the only medicine man school in the world there.

I went there about a year ago at the behest of the local people. They wanted to hire their own doctor. I am not associated with the Indian Health Service. We thought it would be very easy to get a contract with the Indian Health Service to have a clinic there. We found that the Indian Health Service is not really interested in any new type of program, especially with the Indians themselves controlling it. So we spent many years trying to get money from them, and I have been unable to do so.

I brought some pictures along which describes the situation better than I can with words. We have severe health problems there. Many people have scabies, which is a mite that gets into the skin. We have many people with lice, tuberculosis, infectious hepatitis. Our infant mortality rate is high. Our Indians die about 7 or 8 years earlier than the Anglo counterparts. Many people still live in hogans, which is a one-room mud building. Fifteen or 20 people will live in one hogan.

I have practiced in South Carolina for 12 years, and developed a comprehensive health program there in which we have trained about 300 people and have a $3 million comprehensive health program with a $1 million diagnostic unit that has reduced the infant mortality rate from three times the national average to under the national average. So there are poverty programs that do work in this country in contrast to what is sometimes said.

We are trying in Rough Rock to turn the medical situation around, but to do it, we are going to have to work with water, we have to work with building. Very few people have water. They have to carry it 10 or 20 miles. Very few have electricity.

We are asking for money so that the Rough Rock community and the elders there can run their own medical program. The only way we are going to get it is from Congress, because the Indian Health Service will not give it to us.

After my testimony with Congressman Yates, he asked me to his office and we spent about an hour revising the budget upward somewhat. He said to mention that I had been there and that he did not know exactly how to get the money to us directly. And he thought you might be helpful in that respect, to be sure that the money came directly to the Rough Rock community rather than going through the Indian Health Service.

Senator YOUNG. He is a good chairman and we will be glad to work with him.

Dr. GATCH. He was very kind and helpful and he seemed to think this was a very good program.

Senator YOUNG. There is nothing in the budget, but maybe we can figure out a way to do something.

Dr. GATCH. I would appreciate it, sir. I think this is a viable program.

ROUGH ROCK SCHOOL

Mr. BERGAY. The first contract school in the Nation was started by Rough Rock. They have been the first in the Nation to start this self-determination thing. As you may realize, the BIA has not been too happy with Rough Rock so they won't give us the money for the second phase of the high school construction.

I would like to go into that a little bit. Summarizing the testimony on the second part of Rough Rock.

I am here in place of Ethelou Yazzi as director of Rough Rock. I am the principal of the high school there and we have an enrollment of 486 students. Three years back Congress gave us $1.3 million to complete the first phase of a four-phase construction building.

Today I came back to ask the committee here and the Congress to fund us $1,307,800 to complete the second phase. As of today, we have only six classrooms which is a little overcrowded because every year our enrollment is increasing. The community, the board members and the students are very grateful for the first phase that Congress has given to the community. The building is a fine building and the people from Rough Rock, school board members and the students are very grateful. As a self-determination project, it was started in 1966. The law passed this year, Public Law 93–638 and this is a forward step for them, for the people of that community to carry on this tradition.

That covers part of my testimony here. We are running against time here, so that is a summary of my testimony for add-on construction at the high school.

Thank you very much.

Dr. GATCH. I would like to add a couple of things.

MIT were the architects for this building. It is one of the finest high schools in the country. They have a 50 to 60 degree number of students that go on to college, which is phenomenal for an Indian group.

I highly recommend this second phase of this project.

Senator YOUNG. That is a high percentage. It is a nice record.

Dr. GATCH. Yes, it is a very fine school.

Senator YOUNG. Thank you very much.

Mr. BERGAY. We would like to thank you for your time and consideration.

[The statements follow:]

STATEMENT OF DONALD GATCH

It is proposed that the amount of $110,000 be approved as an "add on" appropriation to permit the Public Health Service to contract with the Rough Rock School Board in 1976-77 for the provision of community controlled health services in Rough Rock, Arizona. While this type of community control is the obvious intent of the Indian Self Determination Act, (P.L. 93-638), without funds appropriated to implement the Act, the law is meaningless.

A society is judged by the way it cares for its poor. All to often we have made our poor crawl and beg for help in order to survive. The world has judged us on this basis as the richest country in the world and has found us wanting. In regard to its Native American poor, America has lost its direction and its soul.

By treaty, the United States Government takes responsibility for the health needs of the Navajo nation. A proud people signed a treaty with the United States government in good faith that their health needs would be met. The Civil Rights Report of 1975, excerpts of which are included in our background information, clearly points out that we have totally failed in this respect.

The litany of statistics cited in this report and in numerous surveys done periodically on the Navajo Nation does not seem to move either Congressional body or the President himself. The Indians across the country asked for $600,000,000 for their health needs this year, yet the amount appropriated for their use is only $213,000,000. Yet a defense budget big enough to kill everyone on earth several times over, is passed year after year. It is you gentlemen right here who decide who lives and who dies.

The people of this small traditional community are asking for nothing more than their right to hire a doctor of their choice to work in a manner that is congruent with the type of community he serves.

The community based program that this community wants and needs is different from the Public Health Service approach to medicine in several significant respects. The Public Health Service requires that the patient travel many miles to a health center where unknown doctors, and personnel who speak a different language, proceed to treat the symptom that propelled the patient into the facility far from his home.

The Rough Rock clinic reverses this approach. Rough Rock needs the personal, individual approach to medicine that involves house calls, follow-up in the native language, including the traditional medicine man in patient care, and takes into account the person, his culture, and his environment. For health care to be anything but a "bank-aid", some basic diagnostic equipment must be available to the Anglo doctors who work in the community. There is a crying need on the Navajo Reservation for total health planning that must start at the community level and that, by necessity, spills over into community planning.

Environmental problems that contribute to health problems include the following:

Though the Four Corners area produces much of the electricity for the West, very few of the Navajo homes are wired for electricity which means no refrigeration, no running water, no contact with electronic news media.

Many families must carry water over long distances to their camps both for livestock and family use. Lice, scabies, impetigo and other "dirt diseases" are endemic, though valiant family efforts are made to eliminate them.

Poverty diseases are chronic -- malnutrition, tuberculosis, infectious hepatitis, shigella, etc. The average income in our area is $750 a year.

Rough Rock wants to contract for a community based total health program that would supply not only treatment, but be a disease prevention, education, and health maintenance center.

We have made a good start in that direction, the records of clinic visits that follow our clinic proposal will show the interested people here the direction we are following.

Now we have been told that there are no funds available to keep even this modest clinic base operating, and that people crom our community will have to travel a minimum of sixty miles for the most basic health care.

Three people died in Rough Rock during the week of March 14 to 21. These are the first deaths since I came to the community in June, 1975.

1. An eighty-year-old Navajo woman was operated on in an Indian health hospital in November. The laporatomy performed found she had inoperable cancer, so she was just sewed up and sent home. No one notified us so that we might help her die painlessly and peacefully.

2. An eighteen year old Navajo girl married and with her baby at breast was brought into the clinic in respiratory distress. After herculean emergency measures, she was carried by ambulance to Chinle where we called ahead to Bernalillo County Medical Center to get all personnel there alerted to a real emergency, for she was by now near death. We air-lifted her to Albuquerque where the nearest intensive care unit is located. When she arrived, only a medical student was in attendance. No preparations had been made for her arrival and she died within the hour. That alone was tragic. Even more tragic was that an eighteen-year-old girl died of hemmorraghic pneumonitis influenza. No young American girl dies of the flu in America today -- except those weakened by malnutrition and who lack access to medical care.

3. A one-year old child was brought to me by a terrified woman. the child had swallowed a sunflower seed and was gasping for breath and was cynotic. I rushed him from my home to the office (the area PHS did not see fit to issue me a medical bag) and inserted a large needle in the trachea with easing of breathing but with patient still in extremis. Since we do not have a tracheotomy tray, and the PHS took our oxygen, we had to drive the child to Chinle. The old car furnished for my use by the school had broken down weeks before, so the foster mother drove the thirty miles to Chinle with me working over the baby to keep it alive. He went into a convulsion shortly after arrival and

died. In November the child had been seen in Chinle as a patient. His blood test showed a haematocrit of 26 which meant he was markedly anemic from malnutrition. No followup had been made to see that this baby was provided with adequate food and iron. That anemia, with the compromised airway caused the death.

4. The ambulance driver who brought me back after the death of the child told me that he came from a family of 18, and all but 6 had died of tuberculosis.

There are health programs in this country's poverty regions that work. But they cost money. The program we developed in Beufort-Jasper counties produced heartening results. Every area in this country that is plagued by chronic poverty needs a similar program.

Another program I have worked with is the program supported by Senator Coldwater - the Job College in Casa Grande, Arizona. One hundred migrant families are moved to the college for one year. Intensive training of the whole family is giving them a chance to enter the mainstream of American life.

Both of these programs work because they are community planned, community controlled, and community run.

The Indian Self Determination Act was passed specifically to allow communities such as ours the right to contract for medical needs as they themselves see them to be. Though our proposal is described as "total" the community would still have to depend on Public Health Service for hospital care, diagnostic services, X-ray and epid iology services. The budget we request represents the bare minimum, absolutely basic health service needs of this community: one doctor, one nurse, a bilingual aide, a doctor's vehicle and a patient vehicle, and the basic supplies and equipment necessary to operate basic health services in our community.

We are asking for $110,000 to be approved as an " add on" appropriation so that the community of Rough Rock may contract with the Public Health Service for the health services they need in 1976-77.

ROUGH ROCK DEMONSTRATION SCHOOL
ESTIMATED CONSTRUCTION/SERVICE COST PROJECTION

FEBRUARY 25, 1974

ITEM	PHASE 2	PHASE 3	PHASE 4	TOTALS
Outside Utilities	$ 8,000.00			$ 8,000.00
Bldg. "C"--Meeting Hall	295,000.00			295,000.00
Bldg. "D"--Multi-Purpose	618,000.00			618,000.00
Maint. & Transport. Bldg.	80,000.00			80,000.00
Sitework--Paving & Landscaping	15,000.00			15,000.00
Surveys/Tests				
*Arch./Engr. Fees--Title 1 & 2	*39,000.00			39,000.00
Const. Phase Project Admin.--Title 3	33,000.00			33,000.00
Outside Utilities		$ 15,000.00		15,000.00
Bldg "A"--Industrial Arts		630,000.00		630.000.00
Bldg "E"--Arts & Crafts		125,000.00		125,000.00
Bldg "F"--Admin. & Communication		203,000.00		203,000.00
Bldg "G"--Gymnasium & Pool		1,500,000.00		1,500,000.00
Arts & Music Bldg.		350,000.00		350,000.00
Athletic Fields		70,000.00		70,000.00
Sitework--Paving & Landscaping		25,000.00		25,000.00
Surveys/Tests		10,000.00		10,000.00
*Arch./Engr. Fees, Title 1 & 2		*28,000.00		28,000.00
Const. Phase Project Admin.--Title 3		75,000.00		75,000.00
Outside Utilities			$ 50,000.00	50,000.00
25 Single-Family Housing Units			800,000.00	800,000.00
Dormitories--200 Students			1,875,000.00	1,875,000.00
Sitework--Roads, Paving, Landscaping			150.000.00	150,000.00
Surveys/Tests			20,000.00	20,000.00
*Arch./Engr. Fees--Title 1 & 2			*168,000.00	168,000.00
Const. Phase Project Admin.--Title 3			70,000.00	70,000.00
Additional Well			50,000.00	50,000.00
SUB-TOTAL	1,088,000.00	3,031,000.00	3,183,000.00	7,302,000.00
Contingency - 10%	108,800.00	303,100.00	318,300.00	730,200.00
TOTAL ESTIMATED AMOUNT	$1,196,800.00	$3,334,100.00	$3,501,300.00	$8,032,200.00

*See additional sheet for explanation
General note: add 0.75% per month--Construction cost escalation factor 7% 1975.

1904

STATEMENT OF ETHELOU YAZZIE

Witness: Ethelou Yazzie, representing Rough Rock School Board, Inc. and the community of Rough Rock on the Navajo Indian Reservation, Rough Rock, Arizona.

I wish to place before this committee the circumstances surrounding the construction of our new high school at Rough Rock Demonstration School. As you know, the Rough Rock High School project was funded as an add-on and it was funded directly to the community of Rough Rock for planning, design and construction.

This manner of grant is unusual but I can assure you that the people of Rough Rock have been and now are very grateful for this opportunity to prove that Indians can not only operate, but build a complex structure such as a high school intended to fulfill the unique needs of the Indian students who will use it. As an exercise in self determinism on the part of Indians, I can assure this committee that the first phase of the construction, now almost complete, is a true justification of your faith in making the grant in the first place. The building now almost finished is a beautiful structure, well designed and built to the specifications required by the people of the community.

As originally planned, the high school involved four phases of construction and now that the first phase is nearing completion, we are very anxious that the work so well begun shall continue without delay.

Phase II of the planned project includes outside utilities, a meeting hall building, a multipurpose building, a maintenance and transportation building, paving and landscaping of the site and the necessary surveys, tests and architectural and engineering projects attendant upon the construction. The total cost of phase II of the project is estimated to be $1,307,800.

As you can see, the high school complex is not a complete facility unless all of the project is completed as originally intended. The high school building now standing, even when completed, will be inadequate, there being no facilities for industrial arts, arts and crafts, no administration building, no gymnasium or meeting hall, nor dormitories to accomodate students who must reside for some period of time at the school, no housing units, no athletic field or amenities afforded high school students living off the reservation.

The Navajo people of the community of Rough Rock have looked to the high school project with pride as the embodiment of the intent of the Treaty of 1868, which guarantees the education of their children. They have all taken personal interest in the project and when they heard that the appropriation was not to be made and the project abandoned, however temporarily, they became seriously concerned and have asked that this committee take notice of their concern in the matter.

If phase II of the project is not begun without delay following the completion of phase I, the cost to the government will be excessive. These delay costs are attributable not only to the fact that prices for construction continue to rise and the cost escalation factor is estimated to be .75% per month, but also because Rough Rock is an isolated community, served only by one road from Many Farms, the nearest community of any size. Thus mobilization costs for construction would increase the sum by $50,000.

Indian organizations appearing before this committee request funds for their unique programs in line with the provisions of public law 93-638. This law means nothing if the funds will not be made available to Indian organizations.

For all the foregoing reasons, the Navajo people of the community of Rough Rock, the Rough Rock School Board and the students who so desperately need the facility, we ask that you intercede on our behalf and continue the construction of our high school without delay.

Ethelou Yazzie

Ethelou Yazzie, Director
Rough Rock Demonstration School

EY/bb

STATEMENT OF JAMES HENRY, TURTLE MOUNTAIN INDIAN RESERVATION, NORTH DAKOTA

Senator YOUNG. Our next witness is Mr. James Henry.

Mr. HENRY. My name is James Henry and I am tribal chairman for the Turtle Mountain, Chipawa, North Dakota. To my left is Reginald Green, board member of the school board. And to the extreme right is Mr. Peter Agar, vice president of Turtle Mountain—with that, Senator, I will go into my presentation.

On behalf of the Turtle Mountain community, I would like to read into the record the following statement:

Only 6 years ago, the Turtle Mountain Community School had a high school enrollment of 295 students. Today, it has an enrollment of 500—an astronomical growth of 69 percent. Next year's projected enrollment is 590 students—a percentage increase of 18 percent in a single year. Based on the present enrollment figures, a high school student body of 700 is projected for the school year 1978–79. This makes it the fastest-growing high school in North Dakota.

The present high school building was completed in 1962 to accommodate 400 high school students in a traditional classroom setting. No provisions were made for music in the high school building, while the planning for library facilities, gym space, locker and shower rooms was entirely inadequate to accomodate the 400 students that it intended to serve. The band and music room in the new elementary building is presently used for the entire student body of 1,630 students. Every possible space is being used for classrooms in the high school. Even the stage has been converted into a physical education teaching station.

By standard, the dining area should be serving 1,205 students instead of the 1,700 people that the school is presently feeding. In addition, space does not permit all students participating in physical education classes to shower after their exertions, which is a necessary part of physical education and the maintenance of good personal hygiene. Also, the North Dakota school buildings manual specifies that a ratio of 1 to 30 be used for urinals in the boys' lavatories—the high school building has a ration of 1 to 80.

Presently, grades 7 and 8 are housed in six temporary armco metal buildings, three 10-year-old trailers which were condemned by the BIA 3 years ago; a trailer purchased by title I to house the special education classes; a renovated bus garage used for part of the physical education classes; and gym facilities leased from St. Ann's to take care of the remaining physical education classes.

In addition, 50 percent of the 7th and 8th grade students are sharing the high school shop facilities which are already overcrowded with high school students. Also, the 300 students of the middle school share the library facilities with the elementary and high school students. The library has seating space for only 32 students.

The renovated bus garage used for physical education is located about one-half mile from the school plant. Buses are moved out during the day, and it is used as a gymnasium. The garage is not designed for the purpose of physical education classes—a number of accident

hazards exist in the building when used for this purpose and sanitary facilities are limited.

At best, the space situation at the middle and high schools is inadequate, undesirable, impractical, and not conducive to a sound educational program. To further emphasize the squeeze on facilities, the North Central evaluation team stated as early as March 1973, that our facilities were inadequate to serve our needs.

Planning with the community for a high school began in October 1970. Planning moneys were obtained in fiscal year 1973, and the design funds followed in fiscal year 1974. Bidding then could have begun in the fall of 1974, and it was anticipated that construction could begin in the spring of 1975; however, construction moneys were not requested by the BIA.

According to the Bureau of Indian Affairs, Albuquerque office, Turtle Mountain now stands 17th in the line for construction moneys within the Bureau of Indian Affairs. However, the Bureau has informed Turtle Mountain that major portion of their fiscal year 1977 construction moneys have been earmarked for emergency construction. With emergencies occurring each year, it is rather difficult to understand how Turtle Mountain would advance up the priority list. To meet the overcrowding in the public schools, buildings are being constructed from the planning stage to the completion stage within a period of 12 to 18 months.

Turtle Mountain, with Federal Government assistance, has been in the process already 6½ years, and even if Turtle Mountain were to receive funding this year, they would have devoted nearly a decade from the original planning phase to the completion date.

The Turtle Mountain Community School seeks $6 million as an addition to the BIA budget appropriation for fiscal year 1977 for the overall sitework and for construction of a new high school. It is urgent that a special appropriation by Congress be made for the construction of a new high school at Turtle Mountain. The rapidly expanding enrollment began at Turtle Mountain some 6 years ago. The leasing of classrooms, improvising and renovating of old buildings has been exhausted, and it is highly improbable that Turtle Mountain can continue to accommodate the increasing enrollment for a period of 3 years without new construction and still maintain the quality education that it is now providing.

That is the end of my testimony, Mr. Chairman. If there are any questions that you would want to ask the Turtle Mountain delegation here, any one of my people that are here with me would be prepared to answer your questions.

Senator YOUNG. I note, Jim, that you have been rapidly expanding enrollment at Turtle Mountain school, I think more so than the Bureau of Indian Affairs seems to recognize.

They have not pushed the school as hard as they should, and I feel a bit guilty myself in not having pushed it harder and I will see that something is done about it this year. But enrollment has expanded, I think, much further and much faster than most of us realized.

Any particular reason for that?

Mr. HENRY. Turtle Mountain has an enrollment of 16,000 tribal members and of those approximately 8,000 reside in the community.

Wherever Turtle Mountain members are residing, they attempt to come back to Turtle Mountain to live because it is home to them and they have no place to go.

Senator YOUNG. You have a lot of problems on that reservation and I have to commend you for doing as well as you have with all the problems. There really is not much opportunity for all those Indians there.

Mr. HENRY. Thank you, Senator.

Senator YOUNG. Do you have anything else you want to add?

VOICE. I can only add, Senator, as a member of the school board, each year our worries multiply and we wonder what we will do with the kids. We have been able to accomodate the kids that are there now, by renovating and moving trailers in and using whatever resources we can possibly use. It has gotten to the point now where, I think, Mr. Henry read that we are using the garage for a gym for our younger kids to play basketball. We are using everything we can, but I don't know how long we can keep working.

In the event that——

Senator YOUNG. I will try to stop and see you this fall for sure. I helped dedicate the last school in 1962.

Mr. HENRY. Yes. In 1962 the present high school was completed, but by the time construction was completed, it was already overcrowded because of expanding enrollment.

Senator YOUNG. Do you have anything else?

Mr. HENRY. I don't, Senator.

Senator YOUNG. Thank you very much.

Mr. HENRY. Thank you, Senator, for giving us time to make our presentation to the Appropriations Committee.

[The statement follows:]

Gentlemen, my name is Dan Jerome, Superintendent of the Turtle Mountain Community School in Belcourt, North Dakota.

On behalf of the Turtle Mountain Community, I would like to read into the record the following statement:

Only six years ago, the Turtle Mountain Community School had a high school enrollment of 295 students. Today, it has an enrollment of 500 -- an astronomical growth of 69%! Next year's projected enrollment is 590 students -- a percentage increase of 18% in a single year! Based on the present enrollment figures, a high school student body of 700 is projected for the school year 78-79. This makes it the fastest-growing high school in North Dakota.

The present high school building was completed in 1962 to accommodate 400 high school students in a traditional classroom setting. No provisions were made for music in the high school building, while the planning for library facilities, gym space, locker and shower rooms was entirely inadequate to accommodate the 400 students that it intended to serve. The band and music room in the new elementary building is presently used for the entire student body of 1,630 students. Every possible space is being used for classrooms in the high school. Even the stage has been converted into a physical education teaching station.

By standard, the dining area should be serving 1,205 students instead of the 1,700 people that the school is presently feeding. In addition, space does not permit all students participating in physical education classes to shower after their exertions, which is a necessary part of physical education and the maintenance of good personal hygiene.

Also, the North Dakota School Buildings manual specifies that a ratio of 1:30 be used for urinals in the boys' lavatories -- the high school building has a ratio of 1:80.

Presently, grades seven and eight are housed in six temporary armco metal buildings, three ten-year-old trailers which were condemned by the B.I.A. three years ago; a trailer purchased by Title I to house the special education classes; a renovated bus garage used for part of the physical education classes; and gym facilities leased from St. Ann's to take care of the remaining physical education classes. In addition, 50% of the 7th and 8th grade students are sharing the high school shop facilities which are already overcrowded with high school students. Also, the 300 students of the Middle School share the library facilities with the elementary and high school students. The library has seating space for only 32 students.

The renovated bus garage used for physical education is located about ½ mile from the school plant. Buses are moved out during the day, and it is used as a gymnasium. The garage is not designed for the purpose of physical education classes -- a number of accident hazards exist in the building when used for this purpose and sanitary facilities are limited.

At best, the space situation at the Middle and High Schools is inadequate, undesirable, impractical, and not conducive to a sound educational program. To further emphasize the squeeze on facilities, the North Central Evaluation Team stated as early as March, 1973, that our facilities were inadequate to serve our needs.

Planning with the community for a high school began in October, 1970. Planning monies were obtained in FY73, and the design funds followed in FY74. Bidding then could have begun in the fall of 74, and it was

anticipated that construction could begin in the spring of '75; however, construction monies were not requested by the B.I.A.

According to the Bureau of Indian Affairs Albuquerque Office, Turtle Mountain now stands 17th in line for construction monies within the Bureau of Indian Affairs. However, the Bureau has informed Turtle Mountain that major portion of their FY77 construction monies have been earmarked for emergency construction. With emergencies occurring each year, it is rather difficult to understand how Turtle Mountain would advance up the priority list. To meet the over-crowding in the Public Schools, buildings are being constructed from the planning stage to the completion stage within a period of 12 to 18 months. Turtle Mountain, with Federal Government assistance, has been in the process already six and one-half years, and even if Turtle Mountain were to receive funding this year, they would have devoted nearly a decade from the original planning phase to the completion date.

The Turtle Mountain Community School seeks $6,000,000 as an addition to the B.I.A. budget appropriation for FY77 for the overall sitework and for construction of a new high school.

It is urgent that a special appropriation by Congress be made for the construction of a new high school at Turtle Mountain. The rapidly expanding enrollment began at Turtle Mountain some six years ago. The leasing of classrooms, improvising and renovating of old buildings has been exhausted, and it is highly improbable that Turtle Mountain can continue to accommodate the increasing enrollment for a period of three years without new construction and still maintain the quality education that it is now providing.

STATEMENT OF MR. JERRY FLUTE, TRIBAL CHAIRMAN OF THE SISSETON-WAHPETON SIOUX TRIBE, SISSETON, S. DAK.

Senator YOUNG. The next witness is Jerry Flute from the United Sioux Tribes of South Dakota.

Mr. FLUTE. I have three different issues that I want to present to the committee today, Senator Young and members of the committee. My name is Jerry Flute and I am tribal chairman of the Sisseton-Wahpeton Sioux Tribe and I am here today to summarize the testimony presented for the record. Primarily, I would like to talk about the appropriations for Indian Health.

A couple of days back, Mr. Chairman, Senator Abourezk who is chairman of the Subcommittee on Interior and Insular Affairs testified on the overall budget of Indian Health. At this time I would like to reinforce the recommendation he made to the committee—that Indian health appropriations be increased by a figure of $5 million.

The request for fiscal year 1977 has been $59,732,000 which would be an increase of approximately $800,000 over 1976. Because of the deteriorating services throughout Indian health nationally and specifically in the Aberdeen area, we feel it is very apparent that the budget has not been meeting the needs of the Indian people, particularly in the Aberdeen area where we have more and more problems with contract cure. Where the money is not available and more and more requests are coming in for hospital facilities.

I would like to add that to the testimony that I have presented to you for the record. Specifically, I would like to speak to two projects we are requesting as a trial. This goes to the new health facility that we have requested for the Sisseton agency. The facility is very old and we have had congressional people there before along with Indian health officials that have declared that facility to be antiquated and outdated and very inadequate for the needs demanded of the facility.

For 3 years we have been requesting an appropriation from Congress for $50,000 to do the planning and architectural design for a new hospital. Unfortunately, we have not been able to find out the results. And, obviously, we have not seen the money for that planning and designing.

As recently as April 5, the secondary heating boiler in the hospital ceased functioning and, fortunately for us, the spring weather has set in and the weather is warmer so the blow-up of the boiler did not cause any discomfort to the patients or damage to the facility.

In addition to that, the sewer pipes, water pipes and steam pipes are continually rupturing because of their age. Currently, Indian Health has a budget deficit for all of the hospitals and health care in the Aberdeen area and the repair of this particular boiler and heating system will have to come out of an already deficit budget. This would decrease the amount of money available for health care and services to the Indian people.

The other thing that I want to bring to the attention of the committee is a request specifically for the Sisseton-Wahpeton Sioux Tribe for road construction. We have approximately 28 miles of road and we would like to repair and hard surface.

These are the "farm to market" roads and one of these roads leads directly to the tribal headquarters, the police station and approximately 35 units of low-rent housing. The road is in bad repair and we have been requesting appropriations of the BIA road construction money in the amount of $1.9 million.

Senator YOUNG. Do you have your own equipment?

Mr. FLUTE. No, this would be on a forced account using Bureau equipment. The figure of $1.9 million was a study done by the Bureau of Indian Affairs Road Engineers for factual cost of construction and renovation of those roads.

The rest of my testimony, Senator, will be for the record and that is a summary of what I wanted to present. If there are any questions I would be happy to attempt to answer them at this time.

Senator YOUNG. I think you make a good case. But I think you have a problem with the health service all over and you have to have more money.

Mr. FLUTE. Yes, sir, we do. And I think Senator Abourezk's statement he identified a number of areas in which there are existing backlogs. In his statement he is citing that in health services, the Indian Health Service has a $20 million backlog in contract health care services. There are 14,000 cases of middle ear infections, 3,000 cases of bladder infection, 6,200 cases of cataract of the eye which leads to blindness and the backlog of health cases goes on and on and Indian Health does not have the money to take care of the emergency kind of things that are coming before them.

In our request for the new health facility, we have been requesting this through the administration for 6 years and, unfortunately, the administration has not allowed Indian Health to prepare or present to the Appropriations Committee its findings and recommendations. Hopefully, Indian Health will be allowed to do that this year because they do have a completed file with the justification and needs for a new facility.

What they need, Senator, is $50,000 to do the actual planning in architectural design.

Senator YOUNG. Thank you very much.

Mr. FLUTE. That concludes my statement. I appreciate the time that you have given me. Thank you.

[The statement follows:]

Mr. Chairman, I appreciate this opportunity to present testimony on behalf of Indian health appropriations.

Specifically, I'd like to express concern over the appropriations to the Aberdeen, South Dakota, Indian Health Area.

As of March 1976, the Director of the Indian Health Hospital for my Tribe reported to me that a $46,000 deficit in hospital and contract services existed in the Aberdeen Area. I'm sure that this figure sounds trivial when you are appropriating billions of dollars nationally. This deficit figure on a local basis, early in the fiscal year, causes a great deal of concern by Tribal Leaders whose people will be affected by inadequate health care due to budgetary problems.

As a Tribal Chairman I am unable to tell you specifically why our appropriations for this fiscal year have fallen short. Generally, however, I have discussed this with Indian Health officials and their response is simply that the cost of living increase; and, inflation have caused their budgets to suffer.

Dr. Emery Johnson, Assistant Surgeon General for Indian Health, expressed that Congress had provided a 10% increase in this year's budget. Here again, I cannot give you that overall figure. However, It is my understanding that nearly all of the 10% increase was absorbed by Indian Health employee salary increases.

Certainly I hold no grudge for employee salary increases if the services provided increased also. I am afraid that based on my discussion with other Chairmen, and having a knowledge of services provided, that the reverse has happened whereby Indian Health Services are in fact deteriorating.

I would like to quote from statistical charts prepared by the Aberdeen Area Indian Health Service that compare various medical problems equated against all other U.S. Races, using a like number of people.

Distribution of Deaths by Cause

	Indian	All Other Races in U.S.
1 - Heart Diseases	21%	38%
2 - *Accidents	22%	5%
3 - Malignant Neoplasms	10%	18%
4 - *Cirrhosis of Liver	6%	2%
5 - Cerebrovascular Disease	6%	12%
6 - *Influenza & Pneumonia	6%	3%
7 - *Diabetes	5%	1%

8 - *Suicide	3%	1%
9 - *Homocide	3%	1%
10 - *Tuberculosis	3%	1%

It is clear to see that out of 10 causes of death, Indian deaths are higher in 7 of the 10. Obviously we cannot cite Indian Health as responsible for these problems. But I am positive that if more dollars were appropriated, and Indian Health distributed these monies in a more equitable manner that we could bring the health standard closer to that of other races.

Secondly, I'd like to quote percentages for the Aberdeen Area on infant deaths by age group - per 1,000 live births.

	Indian Babies	All other U.S. Races
Under 1 Day	7%	9%
1 - 6 Days	3.3%	4.6%
7 - 27 Days	2.2%	1.3%
28 Days-11 Mo.	13.0%	4.9%

Causes of deaths in this category are as follows: congenital malformation; asphyxia; immaturity; birth injuries; influenza and pneumonia; accidents; respiratory diseases;, and infective and parasitic diseases.

Here again it is obvious that the survival factor of Indian babies between 7 days and 11 months decreases substantially compared to the survival of other races.

Mr. Chairman and members of the Committee, you may have heard these statistics before. It is my intention however, to remind you of these statistics as they relate to the Aberdeen Area Indian health.

I am sure that other areas of Indian Health could provide statistics similar, or more alarming, if asked to do so.

What I have presented is a small picture of what is happening to the American Indian nationally in the area of health care. I feel it is incumbent upon the Congress of the United States by virtue of Treaty obligations, moral obligation, and humanitarian obligations to provide the desparately needed funds to bring the health standards of the American Indian up to the national standards.

In reviewing the Congressional funding pattern to Indian Health over the past 7 years, you have indeed shown more concern to our problems than has the administra-

tion. You have consistently, 6 out of 7 years, funded more dollars over and above the requests of the administration for Health Services. This in itself is remarkable, the kicker, however, is that in spite of the increases we still lead the nation, as a minority, in poor health and inadequate health care.

Health Services is not the only problem, as we also have a need in health facilities. Again, I will speak specifically to the needs of my Tribe.

We have attempted over the past 10 years to secure a new health facility. Our existing hospital has been determined by Indian Health officials, as well as several of our Congressional delegates, to be archaic and in need of replacement. We have attempted through the administration, for 6 years, to secure appropriations for planning and design of a new facility. To this date we have received empty promises. We have testified in Congress for 3 years for a $50,000 allocation to the Aberdeen Area Office for planning and design for replacement of the Sisseton Indian Hospital. Unfortunately, we have never learned the results of our previous testimony.

As recent as Monday, April 5th, the secondary heating boiler of our hospital ceased functioning because of its age. Luckily, South Dakota has now come out of its winter and the demise of the boiler will not cause any damage to the facility, or discomfort of the patients. Replacement or repair, however, will have to be absorbed in an already deficit budget.

Innumerable breakdowns, repair, etc., of the already aged facility will only decrease the services available. For example, the surgery room has been condemned because of antiquated sterilizers and facilities, along with a high degree of static electricity. Heating pipes continually rupture and leak. No air conditioning is available for the hot sultry days in July and August. The justification goes on and on. It also appears that our testimony for the planning monies go on and on.- without results. Perhaps when the walls come tumbling down on 30 inpatients someone will respond to the S.O.S. that we've been signaling for so long.

Indian Health Service Headquarters in Rockville, Maryland, have a complete file on the justification for a new Hospital. Unfortunately, they cannot submit this to you with the Administration's green light, which has never happened.

I submit to you the added justification for planning money for a new facility, an article published in the March 1, 1976 edition of "Family Practice News". This article relates to statements by the American Academy of Family Physicians, Congressional opinions, and Administration officials, pertaining to Indian Health. In conclusion, I'd like to quote from Mr. Virgil J. Vogel, Department of History, University of Chicago, "American Indian Medicine".

"We know from careful archeological research that the Indians of the Americas were remarkably free of disease. Until the Conquest, they were free of the plagues - bubonic plague, cholera, typhus, smallpox, measles, leprosy, syphilis - that devastated Europe. Of such problems as fractures, skin tumors, and even fallen arches they had few. And they had a low incidence of many diseases of the skin, of most mental disorders, and of other serious conditions. Apparently, though, they were subject to digestive disorders, pneumonia, arthritis, and localized nutritional deficiency disorders. To the alleviation of these complaints, then, was directed much of the practice of American Indian Medicine."

I leave to your intelligence and imagination as to whom does the responsibility lie after reviewing my statement and the closing quote from Mr. Vogel.

I thank you.

SISSETON-WAHPETON SIOUX TRIBE
OF THE
LAKE TRAVERSE RESERVATION
SISSETON, S.DAK. 57262

STATEMENT

OF

JERRY FLUTE

TRIBAL CHAIRMAN OF THE SISSETON-WAHPETON SIOUX TRIBE, SISSETON, SOUTH DAKOTA 57262.

BEFORE THE

SENATE COMMITTEE ON APPROPRIATIONS - APRIL 13, 1976

******

HONORABLE SENATOR ROBERT BYRD - CHAIRMAN

HONORABLE CHAIRMAN AND MEMBERS:

It is indeed an honor and a privilege for me to address you today. I welcome this opportunity of presenting a statement to you in behalf of the Sisseton-Wahpeton Sioux Tribe concerning the emergency problem of funding for our Reservation Roads. My name is Jerry Flute and I am the Tribal Chairman of the Sisseton-Wahpeton Sioux Tribe of Sisseton, South Dakota.

One of the foremost conditions or problems that has plagued me since being elected as Tribal Chairman for the Tribe has been the condition of the three (3) road systems, namely, the Old Agency Road, the Big Coulee Road and the Long Hollow Road. At this particular point in time, we have struggled

to make a dent in our objectives and to meet some of the needs of the people of the Sisseton-Wahpeton Sioux Tribe and to this end we have realized a fair degree of accomplishment. However, the problem of funding for our Reservation Roads (one might refer to them as "Roads" if one didn't care what they said) is one that the Tribe cannot solve and that is the reason for my appearance before this Committee.

BACKGROUND:

The road construction funds allocated to the Sisseton Agency for the past ten years have been as follows:

1965 = $ 52,279;	1966 = $ 16,487;	1967 = $100,000;
1968 = $ 65,000;	1969 = $105,000;	1970 = $ 90,000;
1971 = $ 39,000;	1972 = $142,000;	1973 = $380,000;
1974 = $203,000;	1975 = $122,000	

The road maintenance funds allocated to the Sisseton Agency have been inadequate and it is now totally impossible to maintain the present roads on this Budget.

PRESENT SITUATION:

Old Agency Road - This road is a gravel surface and is the main reservation road inasmuch as it serves the Tribal Headquarters, Tribal Police, Tribal Housing and planned new hospital, and the new Senior Citizens housing complex.

Big Coulee Road - This road was built in 1961 and was not properly surfaced. A thin bituminous surface treatment was applied and no plans were made for all-weather hard surfacing.

Long Hollow - This road was built in 1950 and is a gravel surface with a minimum amount of crushed gravel surfacing; and, again, no plans were made for all-weather hard surfacing.

STATEMENT OF GEORGE NEFF, EXECUTIVE DIRECTOR, NORTH CENTRAL INTER-TRIBAL HEALTH COUNCIL, OKLAHOMA

Senator YOUNG. The next witness is Henry Allen, North Central Inter-Tribal Health Council, Oklahoma.

Mr. NEFF. Mr. Chairman, I am George Neff, executive director of the North Central Oklahoma Inter-tribal Health Council.

I heard the question asked how many Indians are there in Oklahoma. There are about 100,000 and 11,000 or 12,000 in our service area and that is what I am here to talk about, Mr. Chairman. I will summarize.

Senator YOUNG. But the statement will be placed in the record.

Mr. NEFF. What we are here for, for the past 9 years, we have been told that we were in line to be the No. 1 hospital for replacement in Oklahoma. We always managed to stay No. 1 in Oklahoma. Our hospital has not been replaced and this is the 9th year. We always get written out of the budget, there isn't enough money. What I am asking for is additional funding and we would like to get out of this perpetual position of No. 1 in need of a hospital.

The hospital that we presently have is antiquated and cannot be brought up to safety standards and will not meet fire and safety standards. It cannot be accredited and it is being utilized at this minute. However, there is no surgery going on there. All surgery is contracted out or sent to Claremore or other hospitals throughout Oklahoma. All we have is the glorified field clinic. We are asking $7,722,000 to replace this hospital. Failing to get that, we ask that you give us $550,000 to start additional planning.

If we can lump them together, so much the better for us. But after 9 years of being told by Indian Health Services that we are going to loose our loving shack, as they refer to it, then I think it is time we did. I have made note that it cannot meet accreditation standards, it cannot be brought up to national safety standards. It is built in a flood plain area and there is no way that we would ever be able to move it except to just build another hospital.

This hospital was built in the 1920's and at the time it was built, it was probably one of the better hospitals around. It was made of sand stone. Staffing it has become a problem. The doctors are there for their required 2-year period. They leave. No one wants to Pawnee because they really can't practice any medicine. It is an undesirable situation for the staff who have been dedicated, the ones who have been there and there is a totally dedicated staff. I have no qualms with them, but they have to like self-inflicted pain to stay there for too long a time. That just about summarizes our statement.

Senator YOUNG. I would not think there would be any way you could modernize it, a hospital that old.

Mr. NEFF. No, sir, they have tried. They have tried to modify it. They have done everything in the world, but when you get down, it is still an old hospital.

Hallways are narrow, pipes are hanging down, the emergency room is on the second floor. In order to get people to the emergency room, you have to take them up on an elevator. We have a common

waiting room where all people come together, the young, the old, the infirm, and the ambulatory. They have to wait there and they are all exposed to one another.

Senator YOUNG. I am sure the committee will give it careful consideration.

Mr. NEFF. Thank you very much.

Senator YOUNG. Thank you very much.

[The statement follows:]

STATEMENT OF GEORGE NEFF

Mr. Chairman and members of the subcommittee, we are appearing on behalf of the North Central Oklahoma Inter-Tribal Health Council, whose members are the Kaw, Tonkawa, Ponca, Pawnee, Osage, and Otoe-Missouri Indian Tribes. Our purpose is to request that $7,722,000 be added to the Indian Health Service budget in fiscal year 1977 to replace the antiquated and unsafe Indian hospital in the Pawnee Service Unit within the Oklahoma City Area Office. This $7,722,000 included $550,000 for planning the replacement facility. This add-on will provide sufficient funds for the planning and construction of a comprehensive health care facility including a 30 to 40 bed inpatient capacity. In the event, the $7,722,000 is an unrealistic amount; we request that the $550,000 necessary for planning the facility be included in the fiscal year 1977 budget.

The present hospital in the Pawnee Service Unit is one of the 12 to 14 hospitals operated by the Indian Health Service that are so antiquated that no potential exists for these hospitals to ever meet national accreditation standards. Last year and this year, the Pawnee Service Unit Hospital has received the highest priority from the Indian Health Service for early replacement. Each year, the Pawnee Indian Hospital is eliminated from the budget.

The structure is a two-story, native stone building with a basement that is of the split-level type. (It is about one-half flight of stairs down to the basement). The halls are narrow, and the pipes in the basement are in full view and are very low and hanging. It is damp and wet during the rainy season, due to water that seeps into the deteriorating walls that have been repaired many times. Also, during the rainy season, the area around the hospital floods, leaving at times, only one back country road entrance to the hospital. The hospital has been under threat of evacuation at least three times in the past few years. Just this past fall, the flood waters were within only an hour or so from flooding the hospital before the waters began to recede.

The building will not meet the national fire and safety standards, therefore, cannot be accredited. The rooms are small, and there is not adequate space for the medical records section. The lobby, or waiting room, is entered directly from the front porch. Part of the air-conditioning system that has been added in recent years juts out to the right of the door. The rectangular room is filled with stack-type metal chairs. A small window to the rear opens to a closet-type medical records section. A sign-in sheet for patients is on the ledge of the window. In this room all patients wait—babies, children, alcoholics on the verge of D.T.'s, old, chronic patients, accident victims—all. There is no way to separate them. Some patients wait on the porch steps, or in their cars. A door from the lobby leads to a long, narrow hallway. Here more metal chairs are placed against the wall for patients who are waiting. A small table is at one end of the hall; it is a desk for a nurse. Off the hallway are doors that lead to the doctor's offices, the "emergency" room, the screening room, and a closet. On busy days, the closet is where V.D. shots, etc. are given. Doctors offices which are also their examining rooms are small. The lobby is also the waiting room for the outpatient clinics. Since there is an outpatient clinic 3 days a week, this creates various problems for the entire hospital staff. The administrative offices are crowded and very much in need of repair or remodeling. The laboratory and pharmacy areas are grossly overcrowded. The entire hospital is insufficiently equipped and extremely outdated. When oxygen must be given to a patient the large metal bottles of oxygen are rolled into the room with the patient.

Probably two of the most vital operations of the hospital, a *good* emergency room and a surgical facility, are missing from this hospital. The emergency room is obtainable by going up a ramp that has two very sharp turns to reach the hospital intrance. The patient then must be taken about 60 to 80 feet down a narrow, crowded hallway (especially crowded during clinic days). If the patient needs to have an X-ray made,

he then must be taken down the stairs to the X-ray room. Since there is no surgery facility, if an emergency patient, or any other patient, should need surgery, he would have to be transported 55 to 60 miles to the nearest public facility or 100 miles to the nearest Indian facility.

The dedicated staff of the Pawnee Indian Hospital does an excellent job within the limits of an inadequate, outmoded building with a lack of modern medical equipment. Just imagine how much more effective and efficient they could be with proper facilities and equipment.

In addition, the North Central Oklahoma Inter-Tribal Health Council, Inc. and its tribal members with equal emphasis is vitally interested and wholeheartedly in support of H.R. 2525 and we urge that for the benefit of all Indian people that this bill will be passed.

Indian Fishing Rights

STATEMENT OF GUY McMINDS, COMMISSIONER, NORTHWEST INDIAN FISHERIES COMMISSION

ACCOMPANIED BY:

CALVIN PETERS, COMMISSIONER, NORTHWEST INDIAN FISHERIES COMMISSION.

Senator Young. The next witness is Mr. William L. Smith, Northwest Indian Fisheries Commission, Washington.

Mr. McMinds. Mr. Chairman, Mr. William Smith could not be here today. I am Guy McMinds. I am one of the commissioners for the Northwest Indian Fisheries Commission. On my right is Calvin Peters, another commissioner of the Northwest Indian Fisheries Commission.

I would like Mr. Smith's statement incorporated as part of the record and Cal Peters and I will make some comments about the request.

Senator Young. The full statement will be placed in the record.

Mr. McMinds. Thank you, Mr. Chairman.

I don't know whether you are aware of what the Boldt decision down in the State of Washington, but Judge Boldt upheld that the treaty rights of the Washington State Indian people. The decision gave to the Indian people 50 percent of the harvestable portion of the fish rights. It has caused considerable controversy in the State of Washington between the sport and commercial fishing interests.

The decision charges the Indian tribes, individual Indian tribes in the State, with the responsibility of managing their resources, setting up regulations. It charges them with the responsibility of pulling together biological information so that they could set up firm regulations and communicate those with the State management agencies.

They charged them with the responsibility to cooperate with the State agencies who manage their portion of the resource. It necessitated, therefore, a need for assistance to finance this effort. There is a need for firming up tribal governments to promulgate regulations in an orderly manner, the need for law enforcement and the need for biological assistance.

Within the biological assistance category there is a need to produce more fish because there are more fishermen now. The present Bureau budget contains $962,000 in the Indian services budget for aid to tribal government and for law and order, $245,000 in aid to tribal government, $717,000 for law and order.

It also contains $1.2 million for biological assistance. These figures were given to the Commissioner of Indian Affairs from the Agency Superintendent out in western washington. They did not consider 13 tribes, only 6 tribes were involved in this budget process.

In order to bring the level up to fulfill the needs of the 13 tribes, we are asking for an add-on in the Indian Services Budget of $825,000 for law and order, an add-on in the Office of Trust Responsibility of $2.1 million, biological services.

That concludes my remarks. If Cal has any other remarks, he can make them.

Mr. PETERS. I think Guy has pretty well covered this. The only other thing that I want to say is the tribes at this time with their mediocre funds are already working toward enhancement programs to fulfill their share of the decision on supplementing fishing in the sound.

Senator YOUNG. The additional money you are requesting is largely a result of a court decision?

Mr. MCMINDS. That's right. A Federal court decision. This court decision was upheld by the ninth circuit court and it was in effect upheld by the Supreme Court of the United States. The Supreme Court would not hear it.

Senator YOUNG. That makes it mandatory that this committee has to do something.

Mr. MCMINDS. Right.

Senator YOUNG. Thank you.

Mr. PETERS. Thank you very much.

Mr. MCMINDS. Thank you.

PREPARED STATEMENT

Senator YOUNG. The prepared statement of Mr. Smith will be placed in the record at this point.

[The statement follows:]

The Northwest Indian Fisheries Commission requests that Congress add $2,929,000 to the President's FY 1977 budget for the Interior Department, Bureau of Indian Affairs for pass through to Indian Tribes covered by the United States vs. Washington State (Boldt Decision).

All of those funds are required for activities necessitated by the Boldt Decision, a Federal District Court decision that has now been upheld by the United States Supreme Court. In essence, this Federal Court decision, which is based upon Federal treaties with several Western Washington Indian Tribes, requires that those Tribes be given the opportunity to catch one-half of the harvestable salmon and steelhead in the Puget Sound area of Washington State.

Funds appropriated by the United States Congress for FY'76 are just now reaching the fisheries managers in the State of Washington. For FY'77 the Northwest Indian Fisheries Commission collected budget need figures for all Tribes in the U.S. vs. Washington Case Area. For many reasons beyond tribal control this compilation for all Tribes had never before been comprehensively undertaken; this need figure must not be ignored.

The Tribes of Western Washington recognize that they must develop new techniques to improve fishery management precision beyond its present capabilities in order to fulfill the requirements of the Boldt Decision. Indian management expects to accomplish with FY'77 funds several key basis' for the benefit of all citizens of the State of Washington. They are as follows:

1. An annual cooperative preparation of fishing regulations for all of our varied Tribal groups. This cooperation is presently ordered by the court. However, as Tribes become self-regulatory during the coming year, it is fully expected that this practice will continue. The preparation of regulations will be based upon a sound data base fulfilling spawning escapement requirements while achieving maximum harvest of the surplus.

2. A timely and accurate monitoring system for Indian fisheries. A common system presently exists in embryonic fashion, however, much work will be required to achieve and maintain an efficient system.

3. Establishment of firm spawning escapement goals that will maximize and best utilize the limited number of sites for natural freshwater production areas.

4. More beneficial and biologically sound use of artificially propagated salmon and steelhead. Cooperative work has already begun with the Department of Fisheries in the form of a feasibility of an accelerated enhancement program in Puget Sound. Also, several Tribes are presently working with sport fishing organizations in relatively small projects to study combined enhancement efforts.

In conclusion, I would like to reiterate a passage from the Preamble of the Northwest Indian Fisheries Commission Constitution; it states that:

> We further believe that by unity of action we can best accomplish these things, not only for the benefit of our own people, but for all of the people of the Pacific Northwest.

It is my hope that the $2,929,000 Case Area Treaty Indians request will receive your favorable support.

STATEMENT OF JIM PACE, PORT GAMBLE KLALLAM TRIBE, WASHINGTON

Senator YOUNG. The next witness is Jim Pace, Port Gamble Klallam Tribe, Washington.

Mr. PACE. Thank you, Mr. Chairman. My name is Mr. Pace. I am executive director of the Port Gamble Klallam Tribe in Washington. To my right is Michael Smith and to my left is our planner, Mr. Rick Dakota.

Mr. Chairman, we bring you greetings from the State of Washington and specifically from the Honorable Daniel Evans, the Governor, as well as the Port Gamble Klallam Tribe. We have before you, Mr. Chairman, for the record and we wish to have entered into the record our statement of testimony that is of support from Mr. Evans and his staff and our fiscal 1977 budget.

Senator YOUNG. That will be done.

Mr. PACE. Thank you. The Port Gamble Reservation, Mr. Chairman, is located approximately 14 miles from the new Trident submarine base currently under construction. The reservation is approximately 1,300 acres in size and is totally owned and still intact—still intact and totally owned as it was given by treaty.

Approximately a year ago, Mr. Chairman, the tribe set some goals for themselves and I would like to state three of those goals at this time: To become a self-sufficient entity by generating revenues through tribal enterprises and thus providing an economic uplift for the Port Gamble Reservation and its citizens.

To become a contributing factor in the development and expansion of Kitsap County in the State of Washington. This expansion has been impressed upon us, Mr. Chairman, by the impact of Trident and it has been determined that within Kitsap County itself, we must develop the county as well as our own reservation. A total of 55 years of development in a period of 10 years.

Finally, the tribe has decided and has actually mandated that they will obtain the level of self-sufficiency by May 1, 1980, thus, no longer needing to come before this committee and ask for appropriations of help.

Our fiscal 1977 budget, Mr. Chairman, is a total of $531,456. We have at this time all but a deficit of $223,416 funded through various grants and contracts. We are asking for this appropriation, Mr. Chairman, rather like—as I recall as a boy when I had to get the pump going in the pumphouse. I would go to my neighbor and borrow a cup of water and the pump would then be primed and begin producing. We visualize this appropriation, should we get it, as that priming factor to allow the reservation to operate its enterprises and to continue operating the existing enterprises and finish the development of future ones, thus providing the income necessary to support ourselves and, again, to uplift the reservation.

That would be our summation, Mr. Chairman, and we would be open for any questions you might have.

Senator YOUNG. Have you applied for assistance under the Indian Financing Act?

Mr. SMITH. Yes, Mr. Chairman, we have, but for the next fiscal year we have only been allocated $6,900 and this is below what we expected. Also, we have looked into or we hoped for the Comprehensive Employment and Training Act, too. But as of the end of this month, all funding from that source will be cut. So we are in kind of a bind.

Senator YOUNG. Anything else?

Mr. PACE. One of the suggestions, Mr. Chairman, should we get markup on this, that we would have would be that possibly this appropriation could be set to a contract with the Bureau of Indian Affairs as they had under Public Law 93–638, thus, reinforcing the Indian Self-Determination Act.

Senator YOUNG. Thank you a lot. You aren't asking for very much.

Mr. PACE. Thank you, Mr. Chairman.

[The statement follows:]

The Port Gamble Klallam people reside on a 1,301 acre Reservation located in the northern part of Kitsap County, near Kingston, Washington. At present, the Reservation has a population of 365 residents, although the Tribal rolls show 561 members of the Tribe.

Within this next fiscal year, the Reservation expects to feel a population increase of 300 to 400 new residents. This increase is the direct impact of the United States Navy's Trident Submarine Base, now under construction 14 miles southwest of the Reservation.

The total impact of the Trident Base will not be felt for another two to three years; however, Kitsap County in general and the northern part in particular will need to undergo 55 years of growth and expansion in a 10 year period as a direct result of the Trident impact.

The Tribe holds a very unique position in that the entire Reservation is totally owned and controlled by the Tribe. This posision, coupled with the impact of Trident, affords an excellent opportunity for the economic development of the Reservation.

TRIBAL NEEDS AND OBJECTIVES

The Port Gamble Klallam Nation has been beset with many problems for decades. First, there is a high incidence of unemployment on the Reservation. This is a result of a lack of marketable skills. The problem could be remedied by providing on-the-job training programs on the Reservation, or transportation to vocational education facilities which are 30 miles away. Secondly, there is a need to instill personal pride and integrity among Tribal members. This too might be resolved by providing access to educational opportunities with the idea that such training would create social awareness. Thirdly, there is a need to reduce the existing crime rate. Most of the crime committed is by Klallam juveniles. A possible means to diminish the problem might be to provide recreational facilities for sports and social events. Fourthly, there is a need to upgrade the existing housing and provide additional single family dwellings. For decades, the Klallams have resided in substandard and overcrowded residences. To resolve this issue will require the Tribe to continue seeking assistance for the housing programs already in progress.

Finally, there is a lack of health services. The nearest hospital is approximately thirty miles away and the closest available doctor is fifteen miles away. A possible solution would be to build a Tribal Health Clinic and employ paraprofessionals and contracted physicians who would come in periodically to service the Reservation and nearby communities.

GOALS

The Port Gamble Klallam people have established the basic goal of providing for the needs of their community while at the same time contributing to the expansion of the surrounding communities.

The desire to upgrade their personal lives and their community while preserving the heritage and culture of the Indian people is the primary goal of the Klallams, but their secondary and ultimate goal is to develop the Reservation to the status of a self-supporting self-sufficient community and to be recognized as an essential contributing factor in the expansion and development of Kitsap County.

SUMMARY

In summary, the Port Gamble Klallam people not only know what type of future they want, but insist upon obtaining it. The Reservation people and the Governing Tribal Council have taken the initial steps toward economic development and self-sufficiency. However, many of the planned Tribal enterprises will not be developed to the point of generating revenue for as much as four years. Thus, a times table has been established, to phase out the dependency on Federal funding in lieu of the increasing revenue being generated by Tribal enterprises.

Table I, shows the operation costs of all existing programs administered by the Tribe. For Fiscal Year 1977, beginning July 1, 1976. At present, this budget is only partially funded, leaving an administrative budget requirement as shown in Table II,

Table III, shows the projected revenue from all Tribal enterprises, at the end of the expansion period.

With the granting of matching funds to balance the budget, the Tribe will be able to continue in the progressive direction and obtain the set goals on time.

TABLE I

TOTAL BUDGET REQUIREMENTS
ALL TRIBAL PROGRAMS

LINE ITEM	REQUIRED AMOUNT	PERCENT OF THE TOTAL BUDGET
Salaries	$ 281,182.00	53%
Personal Services Contracts	74,640.00	14%
Goods & Services	99,317.00	19%
Travel	27,666.00	5%
Equipment	16,500.00	3%
Employee Benefits	38,151.00	7%
TOTAL REQUIREMENT	$ 531,456.00	

TABLE II

FUNDING REQUIREMENTS

LINE ITEM	REQUIRED AMOUNT	PERCENTAGE OF THE TOTAL BUDGET
Salaries	$ 123,203.00	59%
Personal Services Contracts	20,700.00	9%
Goods and Services	26,145.00	12%
Travel	18,034.00	8%
Equipment	10,900.00	5%
Employee Benefits	15,434.00	7%
TOTAL REQUIREMENT	$ 223,416.00	

TABLE III

PROJECTED REVENUE
FROM FUTURE ENTERPRISES

ENTERPRISE	BEGINNING DATE	PROJECTED ANNUAL INCOME
Klallam Grocery Store	existing	$ 215,000.00
Klallam Tree Plantation	October 1980	455,900.00
Klallam Estates	November 1976	318,600.00
Klallam Marina	May 1978	391,229.00
TOTAL PROJECTED REVENUE		$ 1,380,729.00

STATEMENT OF KENNETH HUNT, ACTING CHAIRMAN ALBUQUERQUE SERVICE UNIT PUEBLO LUGUNA, N. MEX.

Senator YOUNG. The next witness will be Kenneth Hunt.

Mr. HUNT. Thank you, Mr. Chairman. My name is Kenneth E. Hunt and I am a member of the Luguna Tribe, Luguna, N. Mex. I am also serving as acting chairman of the Albuquerque Service Unit. I represent seven pueblo and two Navajo communities in central and western New Mexico. My testimony here today is a statement on behalf of the board which I represent in support of appropriations to the Indian Health Service.

The Albuquerque Service Unit which serves the New Mexico pueblos, as mentioned, provides general medical and outpatient care to those people. In addition, field health clinics are located in those communities. However, their services are limited at the present time. The services are, at times, contracted, many times contracted out to other hospitals and contract doctors in the area. This is due to the limited amount of contract health service funds that are currently coming to us.

The board of the health care service unit sees the basis, the cause of the problems. In 1969 the hospital was remodeled to serve a maximum of 20,000 outpatients a year. In fiscal year 1975 there were 24,000 outpatients seen. And in 1976 that was increased by 20 percent.

More personnel and additional funds are needed to maintain the current level of operation at those facilities. Currently, the contract medical funds are in the red and our executive director has informed the board and governors and chapter presidents that these services must be limited.

This means that services which were already sorely in need will have to be served primarily on an emergency basis. Additionally, the court decision alluded to earlier in the day concerning the serving of other Indians within the Albuquerque area, nonreservation Indians will certainly put a bind further upon us in this particular area.

The board upon which I sit is very concerned that the type of quality health care is not reaching the communities involved and feel that it is being held back by the amount of money coming to our area. The hospital itself, the service unit, an older model hospital has been accredited by the Joint Commission on accreditation of hospitals. In January of this year, it was accredited for another 2 years. We feel that with the hospital there we can get good quality services if the funds are provided to our people.

In closing, I would like to quote my closing paragraph from my statement.

Providing quality services, however, is seriously being affected by the amount of money available for operations of health care facilities. In turn, this is seriously affecting the general well-being of the Indian as a whole. Very sick individuals are sometimes denied needed care simply because moneys are no longer available for a particular service. It is disheartening to hear of an elderly person having died in his home, on his reservation, because there was not adequate medical

services available to him. This older generation is the very heart of our Indian population just as is the very young. The young must have a better chance. Services must become better for Indian communities as a whole. We ask that the resources be made available so that the Indian can expect and receive the very best quality care available.

Mr. Chairman, this is the extent of my statement here today, and on behalf of the governors and chapter presidents in that area I want to thank you for the opportunity to appear today.

Senator YOUNG. Is there any specific appropriation you are asking for?

Mr. HUNT. The appropriations that have been submitted by the Indian Health Service are the appropriations we are addressing our plea toward.

Senator YOUNG. You are supporting the amount in the budget?

Mr. HUNT. That is right, sir.

Senator YOUNG. I don't think you will have any problem. We will try to help you.

Mr. HUNT. Thank you, sir.

[The statement follows:]

It is with great pleasure and appreciation that I submit, on behalf of the Albuquerque Service Unit Board, testimony in support of appropriations to the Indian Health Service. The Albuquerque Service Unit serves seven Pueblos, Acoma, Isleta, Jemez, Laguna, Sandia, Santa Ana, Zia and the Two Navajo Communities of Alamo and Canoncito, in addition to students at the University of New Mexico, University of Albuquerque and the Albuquerque Indian School. It is the responsibility of the Board to represent all of those communities mentioned in matters directly related to the Health Care and delivery of services to members of each of the respective communities.

The Albuquerque Service Unit provides general medical and out-patient care to the Indian people within its area. In addition, Field Health Clinics are located in the respective communities, providing out-patient care on a local basis. Field clinics are very limited in the amount of care they can provide, often referring patients to the Albuquerque Service Unit or Contract Hospitals and Doctors. The Service Unit cannot provide surgical and obstetrical care to patients however. This is due to the limited amount of space, qualified personnel, and facilities. Contract Health Service funds have always been limited, but this year, the Service Unit is already in the red in this particular function and is only paying now for emergency and obstetric services.

The Board of the Albuquerque Service Unit sees its problems in this manner. The Service Unit out-patient department was last remodeled in 1969 to serve a maximum of 20,000 outpatients a year. There were 24,000 outpatients seen in Fiscal Year 1975; in Fiscal Year 1976, there is a 20% increase over last year. More personnel and additional funds are needed just to maintain the current levels of operation, both at the Service Unit and at the Field clinics. Provision of additional professional and support staff would enable the Indian people to obtain a higher quality of care in the Service Unit until a replacement facility can be constructed and would lessen the need for providing care in contract facilities by contract professionals. Until then, however, the Service Unit and the Indian people must depend upon Contract Health Care funds to provide necessary services which the Service Unit cannot. Additionally, a recent Court Order (March 29, 1976) has made it necessary that all Indians, regardless of their affiliation, including non-reservation Indians, must be served under the Contract Health Care Program. Since Contract Health Care funds are already overspent, this puts the Service Unit in a precarious situation. Services which have been already restricted will have to be restricted even further; reductions in the amount of supplies and drugs to patients will have to be reduced even further; badly needed positions will have to remain vacated. Although in most instances good quality care is being provided, it is also being seriously hampered and restricted by the amount of funds available, increased costs, and changes in policy. Caught in the middle of this entire situation is the Indian people to whom the services should be going. Most people on the reservations do not understand the complexities of Congress, of funding, of regulations and of Fiscal years. It is very hard for them to understand why a service cannot be provided to them because of "lack of funds" or because the Indian Health Service must wait until the new Fiscal Year begins. Often, it is with a great deal of reluctance that some of our older people even agree to see a doctor. Even more often, after having been to the Health Clinic or hospital, those same people cannot receive the services they need because of restrictions.

The Board, upon which I sit, is composed of Governors, Chapter Presidents, and very concerned members of Indian communities. We feel it is our obligation to see that good quality care is being provided to those people. We are very concerned that we are constantly being restricted by the simple fact that funds are not available. It was with this idea that I was called upon to be here today. The Board strives to maintain, along with the Service Unit Director, a hospital that can provide quality care to its people. Recently the Albuquerque Service Unit was reviewed by the Joint Commission on Accreditation of Hospitals (JCAH) and was fully accredited for another two years. It is not legally necessary for a hospital to be accredited but this Program sets standards by which hospitals can measure their effectiveness in providing quality of care to its patients. The Albuquerque Service Unit is one of approximately 4,800 general hospitals throughout the country who have received accreditation out of a total of approximately 7,150 hospitals in the United States.

Providing quality services, however, is seriously being affected by the amount of money available for operations of health care facilities. In turn this is seriously affecting the general well-being of the Indian as a whole. Very sick individuals are sometimes denied needed care simply because monies are no longer available for a particular service. It is very disheartening to hear of an elderly person having died in his home, on his reservation, because there was not adequate medical service available to him. This older generation is the very heart of our Indian population just as is the very young. The young must have a better chance. Services must become better for Indian communities as a whole. We ask that the resources be made available so that the Indian can exist and receive the very best quality care available.

STATEMENTS OF:

LEVI GEORGE, YAKIMA INDIAN NATION, WASH.
RUSSELL JIM, YAKIMA INDIAN NATION, WASH.

Senator YOUNG. The next witnesses are Johnson Menenick and Leonard Tomasket.

Mr. GEORGE. Thank you, Mr. Chairman.

Mr. Chairman, members of the committee, many statements have been made regarding Chemawa Indian School. We of the Yakima Indian Nation welcome the opportunity to have our testimony submitted to your committee and further oral testimony presented by Levi George of the education committee of the Yakima Nation, and the written statement by Johnson Menenick, also of the education committee of the Yakima Indian Nation Tribal Council.

The Yakima Indian Nation supports the reconstruction of Chemawa Boarding School so that an education can be available for Indian students. We also request that the necessary funds be made available for such reconstruction at Salem, Oreg.

The Yakima Indian Nation request that the necessary funds be now available for such reconstruction. Estimates for the cost of reconstruction have been stated to be about $23 million. It is plain and obvious that Indian schools serve the important purpose of educating Indian students. Besides education, there are vital vocational and cultural programs offered at a school like Chemawa. The benefits of an Indian school cannot be measured in dollars and cents. It should be noted that many officials in tribal government and employees of the Bureau of Indian Affairs once attended Chemawa Boarding School.

Our great concern about this matter is related to the fact that Chemawa Boarding School is the only Indian boarding school in the Northwest. In the treaty of 1855 between the United States and the Yakima Indian Nation, certain promises were made about the education of Yakima Indians. Retaining an Indian school in the Northwest would be looked upon as fulfilling the educational promises in the treaty of 1855.

Chemawa Indian School has been in existence for 96 years and has made a significant contribution regarding the education of Indians during this time.

Senator YOUNG. You have a full statement coming. That will be placed in the record.

Mr. GEORGE. Mr. Chairman, if this is fulfilled by you, as the chairman, and by your committee, then I know the people that I am representing will have the deepest appreciation, as well as other tribes of Northwest in the States of Montana, Idaho, Oregon and Washington. This is really needed by our people, as has been stated before. And I would sure appreciate it if it comes through. Thank you.

This is Russell Jim on my right side.

Mr. JIM. This is my first opportunity to address you, sir, and I can only reiterate what Mr. George has said.

For the record, Mr. Johnson Menenick and Leonard Tomasket could not be here today. To me you sound like a very good gentleman. In regard to your admission of the guilt feelings about the situation as regards to our education.

I feel that we need this facility to upgrade our education for the benefit of our people and possibly for the benefit of the Nation as a whole. Thank you.

Senator YOUNG. This is a school that Senator Hatfield is very interested in. He is putting up quite a fight for it. This is a school mostly for Indians and that is what you Indians want; is that right?

Mr. GEORGE. Yes.

Senator YOUNG. I think you will get it. Thank you.

SUBCOMMITTEE RECESS

We will recess until tomorrow at 10 a.m., when we will hear more public witnesses.

[Whereupon, at 3:45 p.m., Monday, April 12, the subcommittee was recessed, to reconvene at 10 a.m., Tuesday, April 13.]

66-307 O - 76 - pt. 5 -- 12

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

TUESDAY, APRIL 13, 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. Mark Hatfield, presiding.

Present: Senators Hatfield, Stevens, and Chiles.

NONGOVERNMENTAL WITNESSES

OPENING REMARKS OF SENATOR HATFIELD

Senator HATFIELD. Good morning. This is the second day of hearings for nongovernmental witnesses on appropriations for the Department of Interior and Related Agencies, including the Indian Health Service and the Office of Indian Education in the Department of Health, Education, and Welfare.

We have scheduled 3 full days of hearings in all and the witness list is crowded, especially today. Several important bills are being taken up on the Senate floor and it will be necessary to move these hearings along on schedule if we are hearing all witnesses who have asked to appear.

Because of this crowded schedule, I must ask each witness to keep his summary remarks to 5 minutes or less. This is very important. We may not be able to hear everyone if we run too far behind this time limitation. Please remember that all prepared statements will be printed in full in the record. It is not necessary to read your entire statement, just speak to the points you wish to emphasize and that will make for a better hearing.

When your name is called, please present copies of your prepared statement to the staff and take your seat at the witness table.

Our first witness today—we are happy to welcome Ramona Bennet. We are happy to welcome you from the Puyallup Tribe.

PUYALLUP TRIBE, WASHINGTON STATE

STATEMENT OF SUZY ERLICH, PUYALLUP TRIBE, WASHINGTON

Ms. ERLICH. Good morning. Ramona Bennet is not able to be here. My name is Suzy Erlich. I am employed by the Puyallup Tribe.

Senator HATFIELD. Fine.

Ms. ERLICH. Mr. Chairman, members of the committee, I am grateful for this opportunity to appear before you on behalf of the Puyallup Tribe of Washington State.

Before you are two requests which I hope you will favorably consider. The first one is for $1,719,000 which would be used to reacquire the old Cushman Indian Hospital now known as the Cascadia Diagnostic Center for Juvenile Delinquents. The second request is for a special 2-year line item appropriation under the Indian Self-Determination Act.

CUSHMAN HOSPITAL

Regarding the Cushman request, Ms. Ramona Bennet, tribal council, other council members and tribal members residing in the Takoma-Pierce County area have actively pursued the reacquisition of the Cushman hospital for a number of years. A comprehensive program is being proposed including a much needed group home for our Indian youngsters, a geriatric center for our elders, a residential alcoholic treatment center which will work with the entire family unit of the person or persons affected. These programs are well designed to function within the tradition of Cushman, which, by agreement between the Government and the tribe in 1931 were to provide continuing health care and employment to the Puyallup Tribe.

As you know, the tribe sold the 30.1-acre Cushman grounds in 1931 for approximately half of its value for the Federal Government with the expressed agreement that the land would remain in trust for the tribe. In 1959, HEW closed the hospital for departmental policy reasons. The State of Washington and HEW then began and completed negotiations and the State assumed the grounds by way of a gift for its own use, all of this occurring in direct conflict and violation of the agreement between the tribe and the Bureau of Indian Affairs.

The State of Washington, now cognizant of its error, agrees to return the Cushman complex to the Federal Government for the renovation and building addition costs accrued by them.

Thus, because the 1961 transactions were caused by the State of Washington and the Federal Government, we ask the Federal and the congressional body to appropriate $1,719,000 for the return of the Cushman grounds to its rightful owner, the Puyallup Tribe. This is regarding the first proposal that you have.

SELF-DETERMINATION ASSISTANCE

The second request that we have is for a special appropriation under the Indian Self-Determination Act.

As you know, in January 1975 the Indian Self-Determination and Indian Education Assistance Act became Public Law 93–638. Through this act, Congress expressly recognized a special relationship between the Indian tribes and the individuals with the Federal Government. The Congress also recognized a high degree of fiduciary responsibility to which the Government is to be held in the area of protection, management and administration of trust responsibilities and trust resources of Indian tribes.

We ask that a line item be made to the Bureau of Indian Affairs budget in Public Law 93–638, section 104 grants, for the Puyallup Tribe in the amount of $3,249,600 for fiscal year 1977 and of $1,575,900 for fiscal year 1978. This request includes the following overlaps with programs you are already considering:

The first one, if the coordinated request of the Northwest Indian Fisheries Commission in the State of Washington is granted, then we ask that our fisheries management program for $305,600 be struck from this proposal. But that is only if the other request is granted.

The second is the Cushman reacquisition. It is included in our self-determination package, as well as separately. It is presented in this manner in the Indian grant if you may want to separate the programs. However, if you grant approval of Cushman reacquisition separately, the $1.7 million would be deleted from this request.

The following figures show our request in the event of the above speculation. First, the total fiscal year 1977 request without our fisheries management funds is $2,944,000. The total fiscal year 1978 request without these fisheries funds is $1,275,900. The total fiscal year 1977 request without the Cushman funds is $1,530,000. In the event that you should fund both the fisheries program and the Cushman reacquisition separately, then the Puyallup Tribe total fiscal year 1977 request for Self-Determination Act funds would be $1,225,000.

The purpose of these funds is to enable the tribe to improve and develop: one, its natural resources and other trust capabilities; two, tribal justice system; three, economic and development opportunities; four, social services in specific areas of housing and juvenile protection and training resources.

Do you have any questions?

Senator HATFIELD. The question that comes to our mind is whether or not we can designate a particular, specific tribe to be the recipient of these funds which are appropriated in a general category block.

Ms. ERLICH. Are you speaking of the first request or the second request?

Senator HATFIELD. The second request where you are asking for a designation of the host tribe, so to speak. There may be a legal question as to whether the committee itself can designate a specific tribe, or whether that is to be determined by the agency. We will look into that question.

Ms. ERLICH. You can look into that and perhaps get back to us.

Senator HATFIELD. All right. Thank you very much. I appreciate your staying within the time allotment.

[The statement follows:

STATEMENT OF SUZY ERLICH

On behalf of our elders, the Puyallup Tribe of Indians respectfully requests that a line-item addition be made to the budget of the Bureau of Indian Affairs of the Department of Interior for the fiscal year 1977, in the amount of 1.719 million dollars, for the purpose of reacquisition of the 30.1 acres of land, and facility, known as The Cushman Indian Hospital (Cascadia Diagnostic Center). The title to Cushman is requested to be revested in the United States, in Trust for the Puyallup Tribe of Indians.

PUYALLUP TRIBAL COUNCIL

RESOLUTION NO. 76-3-74

WHEREAS the Puyallup Tribal Council is the governing body of the Puyallup Tribe in accordance with the authority of it's Constitution and By-Laws, as amended, approved by the Assistant Secretary of the Interior on the 1st day of June, 1970; and

WHEREAS the Puyallup Tribe as party to the Treaty of Medicine Creek of 1854 was guaranteed health and education services by the Federal Government; and

WHEREAS the Cushman Indian Hospital, known now as Cascadia Diagnostic Center, is on the Puyallup Reservation; and

WHEREAS the Puyallup Tribe originally isolated the Cushman site from other land uses on the Reservation so that it would provide the Treaty guaranteed health and education services to the Tribal service population; and

WHEREAS the Puyallup Tribe sold the Cushman land to the Federal Government in 1941 for the express purpose of improving the government's ability to provide health care here, and was in fact assured by the government that this would be the only use of the land in the negotiations for the sale and by the Congressional Act authorizing the purchase; and

WHEREAS the Cushman site was consistently used only for health and education purposes until the U.S. Department of Health, Education and Welfare closed it in 1959; and

WHEREAS HEW gratuitously transferred Cushman to the State of Washington for uses other than Indian health in 1961, and this transfer effectively breached the Federal Government's promises to the Puyallup Tribe as to the purposes for which Cushman would be used; and

WHEREAS the Puyallup Tribe firmly believes that the Cushman Indian Hospital should rightfully be returned to the Puyallup Tribe for use as a multi-health, education, and associated services center; therefore

BE IT RESOLVED that the Puyallup Tribal Council will make every effort to obtain the return of the Cushman facility and grounds, in Trust for the Puyallup Tribe, to be operated by the Puyallup Tribe as a multi-health, education, and associated services center for Native Americans.

CERTIFICATION

I hereby certify that the above resolution was duly enacted at a meeting of the Puyallup Tribal Council held at Tacoma, Washington on the 7 day of March, 1976, a quorum being present, with a vote of 3 for and 0 against.

ATTEST: Ramona Bennett
Ramona Bennett Chairwoman

Secretary, Puyallup Tribe of Indians

Puyallup Tribe of Indians

MEDICINE CREEK TREATY NATION

January 20, 1976

REQUEST FOR SPECIAL LINE ITEM APPROPRIATION

ADDITION TO THE BUREAU OF INDIAN AFFAIRS BUDGET

UNDER THE INDIAN SELF DETERMINATION ACT

FOR THE TWO FISCAL YEARS OF 1977 AND 1978

The Puyallup Tribe asks that a special line-item be inserted in the Congressional Budget of the Bureau of Indian Affairs in the next two appropriations periods. The request is for funding under the Grants section of the INDIAN SELF DETERMINATION AND EDUCATIONAL ASSISTANCE ACT of 1975, for the purpose of expanding existing programs in the areas of management and protection of Treaty resources, and for planning and implementation of other programs designed to increase Tribal abilities and management of Trust resources, and other programs.

The total amount requested is $4,825,500.

The amount requested for FY 1977 is $ 3,249.600.

The amount requested for FY 1978 is $1,575,900.

PUYALLUP TRIBAL COUNCIL
RESOLUTION NO. 7646

WHEREAS the Puyallup Tribal Council is the governing body of the Puyallup Tribe in accordance with the authority of it's Constitution and By-Laws, as amended, approved by the Assistant Secretary of the Interior on the 1st day of June, 1970; and

WHEREAS the Puyallup Tribe in its soverign status as party to the Treaty of Medicine Creek of 1854 reserved to itself certain resources, lands, and rights in return for cession of jursdiction over other lands, and was guaranteed services by the United States as further consideration for cession of those lands; and

WHEREAS the United States has reaffirmed its obligations and responsibilities under the Treaty of Medicine Creek and other Treaties, and expressed its commitment to facilitate meaningful Self-Determination for Indian Tribes through the Indian Self-Determination and Education Assistance Act of 1975 (PL 93-638); and

WHEREAS that Act commits the United States to a policy of assuring that Treaty Rights and Trust Responsibilities are protected and carried out in a manner consistent with the standard of the highest degree of fiduciary responsibility to which the United States as "Trustee" is held; and

WHEREAS the United States through the Bureau of Indian Affairs, its delegate agency, has not in the past implemented its Treaty obligations and responsibilities to the Puyallup Tribe according to the high standard to which it is held; and

WHEREAS the Puyallup Tribe, while recognizing and affirming the responsibility of the United States to uphold its Treaty obligations, feels that the Puyallup Tribe is more able and better situated to implement programs consistent with certain of these United States obligations,

THEREFORE BE IT RESOLVED THAT the Puyallup Tribe will request that special appropriation be made by Congress under the Grant Section (§ 104) of The Indian Self-Determination and Education Assistance Act, to facilitate the Tribe's implementation of specific program activities suthorized under that section of the Act; and

FURTHER BE IT RESOLVED THAT the program areas for which the Puyallup Tribe requests appropriation are: (1) Natural Resources and Trust Responsibilities; (2) Tribal Justice; (3) Community Development; (4) Social Services; (5) Training; and (6) Tribal Administration.

C E R T I F I C A T I O N

I hereby certify that the above resolution was duly enacted at a meeting of the Puyallup Tribal Council held at Tacoma, Washington on the 6 day of March, 1976, a quorum being present, with a vote of 4 for and 0 against, one abstaining.

ATTEST: Ramona Bennett
Ramona Bennett, Chairwoman
Puyallup Tribal Council

Jacqueline D. Stilton
Secretary,
Puyallup Tribe of Indians

ROSEBUD SIOUX INDIAN RESERVATION, S. DAK.

STATEMENT OF LELAND M. BORDEAUX, SUPERINTENDENT, SICANGU OYATE HO, INC., ST. FRANCIS INDIAN SCHOOL, ROSEBUD SIOUX INDIAN RESERVATION

Senator HATFIELD. Now, I would like to invite Mr. Frank LaPointe from St. Francis School in South Dakota.

Mr. BORDEAUX. Mr. LaPointe is not here today. My name is Leland Bordeaux.

Senator HATFIELD. Your full statement will be placed in the record as such. Please summarize.

Mr. BORDEAUX. Mr. Chairman, I thank you and other members of the subcommittee for allowing us this time. My name is Leland Bordeaux, superintendent of St. Francis Indian School located on Rosebud Sioux Indian Reservation, S. Dak. Mr. LaPointe is on the agenda but we decided to split the appearances between ourselves because of the time difference in the House and Senate hearings.

ST. FRANCIS INDIAN SCHOOL

The educational process at St. Francis Indian School has been locally controlled since July 1, 1972. As you will see in the main body of testimony, this school is operated by a bonafide Indian organization incorporated by the State of South Dakota.

Mr. Chairman, our problem could be described as one of puzzlement. However, our problem might be more accurately described as one of being stymied at many turns. The following points serve to highlight our concerns at St. Francis Indian School.

No. 1, Public Law 93–638 is being hailed by legislators and Government employees at high levels as a monumental step toward Indian decisionmaking in Indian programs.

No. 2, Congress has provided full funding for St. Francis Indian School by passing an add-on for fiscal year 1976. This funding is being implemented under the guidelines of Public Law 93–638.

No. 3, little can be said for the fact that we have to expend these add-on funds before July 1, 1976. As of yet, having not been home for a couple of days, I am not even sure we have signed a contract yet. So this is really a very short period of time within which we have to expend over a third of a million dollars. This is not in the best interest of sound planning for educational programs.

No. 4, Mr. Chairman, our greatest hopes were dashed when we found out that the congressional add-on for St. Francis Indian School is not included in the budget for fiscal year 1977. We are back where we were approximately 1 year ago and we are puzzled over the intent of Public Law 93–638.

No. 5, as near as we can decipher, this turnaround affects all previously private schools. Therefore, what we are experiencing can be generalized to other schools across the Nation who are recognized in Public Law 93–638.

Mr. Chairman, this presentation has been brief and I hope it has been to the point. Therefore, I will conclude and answer any questions. Thank you.

Senator HATFIELD. Thank you very much, Mr. Bordeaux. As you know, the budget this year did not have a request for funds for this particular type of program.

Mr. BORDEAUX. Are you saying that the Bureau of Indian Affairs did not request the funds?

Senator HATFIELD. That is right.

I feel very strongly, and believe that the committee is of the same opinion, that these programs carry with them great value. We are not bound by that inaction on the part of BIA. I can't speak for the full committee, but I can assure you as one person, I shall vote to restore at least the present fiscal year level funds to the budget. Hopefully, we can take into account some of these deficiencies that have accumulated over a period of time to which you referred.

We are starting from zero as it relates to the budget. But I expect that we can correct that particular void.

Mr. BORDEAUX. Mr. Chairman, what are our chances of extending the time for spending these moneys from July 1 to October 1?

Senator HATFIELD. We are in the process of moving the start of the fiscal year from July 1 to October 1. So these funds in the existing budget will be made available through the period up to October 1.

Mr. BORDEAUX. Thank you.

Senator HATFIELD. Thank you very much.

[The statement follows:]

1947

Sicangu Oyate Ho Inc.
ST. FRANCIS INDIAN SCHOOL
ST. FRANCIS, SOUTH DAKOTA 57572
(605) 747 2296

SENATE

Subcommittee

Interior Appropriations

Mr. Chairman and members of the Subcommittee, my name is Leland M. Bordeaux, superintendent for Sicangu Oyate Ho, Inc., the school board for the St. Francis Indian School on the Rosebud Sioux Indian Reservation.

Today, we are requesting an add-on of $482,591 for our school for fiscal year 1977 in order to keep us on the same funding level as we are now.

Through the wisdom and fairness of this Subcommittee, we were allowed an add-on of $386,591 for this past year. Normally, this action would have kept us at our current funding level, but in addition to not getting this amount added to the Bureau of Indian Affairs "band analysis" for the coming school year, we also lost $96,000 for the student dorms. This happened because that money was a one-time allocation out of Social Services funds.

From the attached budget, you can see that we need a basic operating budget of $757,591. However, because $133,160 of this amount goes for student dorms, the remaining $624,431 would go for the education of 525 students for the coming school year.

The National Center for Education Statistics said on February 20th of this year that the national average cost per pupil for the education of children in public schools is $1,290.00. If you grant our request, our average basic cost per pupil would be $1,189.39, which does not include student dorms.

The Center also said the national average cost per classroom teacher for public schools is $12,465 pear year; ours is $6,868 including all staff from teacher assistants to administrators. This lower figure results partly from semi-volunteers who come to us from across America, including Illinois, Massachusetts, Iowa, North and South Dakota, Wisconsin, Nebraska, New York, Minnesota, California, Ohio, Colorado, Kentucky, New Jersey, Pennsylvania, Georgia, and other states.

We are also submitting a chart that shows we are trying to catch up to the rest of America in student academic progress and attack the wide range of skills that need to be developed. Despite lack of full funding till this past year, we have been able to hold our own in some grades. We hope academic tests next month will show better gains because of the nearly adequate funding provided through the efforts of this Subcommittee.

In conclusion, Mr. Chairman and members of the Subcommittee, we are somewhat puzzled. The passage of Public Law 93-638 and its signing by the President signified to us Indian people that the United States Government was honoring its long-time commitment to educate our children. We were adequately funded as a "previously private school" under this law. We hope you will restore these cuts, and prevent another broken promise in the history of Indian affairs.

BASIC OPERATING BUDGET

FY 1977

Actual Enrollment: 509
Projected Enrollment: 525

Services Provided		Budget	Request	Total
ADMINISTRATIVE:	Personnel (3)	35,260	0	35,260
	Supplies/Materials	0	5,000	5,000
	Postage/Telephone	0	6,000	6,000
	Travel	0	1,000	1,000
INSTRUCTIONAL:	Personnel (33)	201,476	20,000	221,476
	Supplies/Materials	0	15,879	15,879
	Library Items	0	5,500	5,500
	Inservice Training	0	6,200	6,200
HEALTH:	Personnel (2)	9,660	5,040	14,700
	Supplies/Materials	0	1,020	1,020
SCHOOL TRANSPORTATION:	Bus (8000 x .50 x 9)	0	36,000	36,000
	Car (4000 x .15 x 10)	0	6,000	6,000
OPERATION MAINTENANCE:	Personnel (3)	0	15,120	15,120
	Normal (110,000 x 1.40)	0	154,000	154,000
	Minor remodeling	0	30,000	30,000
FIXED CHARGES:	Employee benefits, FICA	21,144	0	21,144
	Audits/Evaluations/Insur.	0	6,000	6,000
FOOD:	Personnel (2)	5,376	10,752	16,128
	Supplies/Materials	0	4,500	4,500
COMMUNITY:	School Board Expenses	2,084	7,500	9,584
	Executive Director (1)	0	10,920	10,920
STUDENT:	Student Council/Athletics	0	3,000	3,000
	Subtotals	275,000	349,431	624,431
STUDENT COTTAGE DORMS (60 students)				
PERSONNEL:	Fiscal/Policy Coordinators	0	4,200	4,200
	Parmelee House (2)	0	13,440	13,440
	Columba House (2)	0	13,440	13,440
	Friendship House (5)	0	23,520	23,520
TRANSPORTATION:	Parmelee House (15,000 x .15)	0	2,250	2,250
	Columba House (15,000 x .15)	0	2,250	2,250
	Friendship House (50,000 x .15)	0	7,500	7,500
OPERATION/MAINT.:	Parmelee House (2400 x 1.40)	0	3,360	3,360
	Columba House (2000 x 1.40)	0	2,800	2,800
	Friendship House (4000 x 1.40)	0	5,600	5,600
FIXED CHARGES:	Employee benefits, FICA	0	5,000	5,000
FOOD:	Parmlee House (3.00 x 5 x 12 x 42)	0	7,560	7,560
	Columba House (3.00 x 5 x 12 x 42)	0	7,560	7,560
	Friendship House (3.00 x 5 x 36 x 42)	0	22,680	22,680
STUDENT:	Parmelee House (200 x 12)	0	2,400	2,400
	Columba House (200 x 12)	0	2,400	2,400
	Friendship House (200 x 36)	0	7,200	7,200
	Subtotals	0	133,160	133,160
	Grand Totals	275,000	482,591	757,591

STATEMENT OF HILLARY SKANEN

ACCOMPANIED BY TOD LODER, COEUR d'ALENE TRIBE, IDAHO

Senator HATFIELD. Next will be Mr. Hillary Skanen of the Coeur d'Alene Tribe of Idaho

Mr. SKANEN. Mr. Chairman, my name is Hillary Skanen. I am from the Coeur d'Alene Tribe. I have a letter from Mr. LaSarte authorizing me to speak on behalf of Coeur d'Alene.

Senator HATFIELD. That will be placed in the record.

Mr. SKANEN. This is Mr. Tod Loder who is in the EDA program.

Senator HATFIELD. Gentlemen, we are happy to welcome you here. Now, if you will proceed to summarize your statement, we will place the full printed statement in the record.

COEUR D'ALENE FORESTRY

Mr. SKANEN. Thank you, Mr. Chairman.

I am requesting $115,000 for an inventory of the Coeur d'Alene tribe's forest resources. Congress has established for the administration of Indian forest a portion of this responsibility stated in Federal Regulations, title 25 under sections 141.3 and 141.4.

A summary of these Federal trust responsibilities for managing Indian forest lands are: (1), timber sale administration; (2), forest protection including fire protection; (3), forest development, including reforestation; and (4), sustained yield management, including preparation of management plans for the silvicultural management of the forest and a program of action, including a cutting schedule, for a specified period in the future.

The Coeur d'Alene Tribe needs to be assured that the forestry program on the reservation is completed within the guidelines of the law. The forest resources provide the major source of annual income with which the tribal government operates and conducts its business. Individual Indian owners also depend heavily on income from their forest lands. To date, the Bureau of Indian Affairs, due to inadequate budget and staffing, cannot meet their trust responsibilities. What does this mean to the Coeur d'Alene Tribe? It means a loss of dollars, jobs, and a sustained annual income on which the tribe operates.

The major responsibility which the Bureau and staffing level cannot meet is a preparation of a management plan for management of the forest and preparation of a program of action to assure a sustained yield of timber for the future. What is needed to meet these goals is a modern inventory of the forest lands owned by the Coeur d'Alene Indians.

To the Coeur d'Alene people, our forests are factories which produce the lumber products from which income we live. In timber production, a tree can be compared to a factory and product with no clear distinction between the two. Information in the form of a forest inventory is needed to make management decisions of which trees should be preserved as growing stock, the factory, and which should be cut at a particular time, the product. Too low a rate of growing stock caused by overcutting would fail to utilize full

production capabilities of the land. Too much growing stock or undercutting would diminish rate of forest value and volume of growth. The objective is the optimum production level of the forest managed on a sustained yield basis which provides a sustained annual income.

The BIA does not have a forest management plan and cannot insure a sustained cut of timber for the future. Their cutting cycle is based on incomplete and outdated information making it impossible for the Bureau of Foresters to determine if our forests are over or under cut. Without a management plan and management, our forests are only growing at half their potential, thus producing only half the income that could be derived.

In addition, forest inventory information is needed by the Tribe to properly plan its logging enterprise operation. This operation provides employment, generates additional tribal income and allows development of tribal resources by tribal members. In the case of the forest resource of the tribe, the basic lumbering economy in the immediate area is dependent to some extent on the production of logs and forest material from the Indian land. Therefore, any action that the Bureau takes to promote or decrease timber production will have a corresponding effect on dependent industry. Help is therefore requested from this committee. If no help is received, the badly needed inventory will probably not be done and the Coeur d'Alene Tribe will greatly suffer. Without aid through appropriations through the Bureau of Indian Affairs, the forestry program on the reservation cannot achieve its potential and could lose $1½ billion over a 10-year period. One-time funding for $115,000 would be required for the forest inventory of the Coeur d'Alene Reservation including the mapping and writing of a management plan.

This $115,000 would be sufficient to complete a 2-year minimum project by allowing the Bureau of Indian Affairs to hire outside expertise. By hiring outside help, the cleared forestry program could continue without putting the tribal and other Bureau programs and goals in jeopardy. Benefits gained by the Coeur d'Alene Tribe, the surrounding non-Indian community and the Bureau would more than offset this request for supplemental appropriation.

On behalf of the Coeur d'Alene Tribe, we wish to thank you for your kind attention and careful consideration of this request.

Senator HATFIELD. Thank you, gentlemen. I can attest to the soundness of your proposal from the experience we have had in Warm Springs, Oreg. As you know, we are beginning to establish a sound land base economy in which timber is becoming an increasingly important part, including the operation of a mill.

This is a very sound proposal and I want to assure you of my sympathy for it. Thank you, gentlemen.

Mr. SKANEN. Thank you.

[The statement follows:]

1951

THE COEUR D'ALENE TRIBE IS HEREBY REQUESTING $115,000 THROUGH APPROPRIATION TO THE BUREAU OF INDIAN AFFAIRS, NORTHERN IDAHO AGENCY, LAPWAI, IDAHO, FOR AN INVENTORY OF THE COEUR D'ALENE FOREST RESOURCES.

The Bureau of Indian Affairs, Branch of Forestry, has a trust responsibility to the Coeur d'Alene Tribe to develop the forest resources of the tribe. A portion of this responsibility is stated in the Code of Federal Regulations, Title 25, under 141.3, Objectives, as follows:

(1) The preservation of Indian forest lands in a perpetually productive state by providing effective protection, by applying sound silvicultural and economic principles to the harvesting of timber, and by making adequate provision for new forest growth as the timber is removed.

(2) Further, the Bureau of Indian Affairs is directed to regulate the cutting of timber in a manner which will insure method and order in harvesting the tree capital, so as to make possible continuous production and a perpetual forest business.

Also, under 144.4, Sustained-yield Management, the Bureau of Indian Affairs will prepare management plans for the silvicultural management of the forest and a program of action, including a cutting schedule, for a specified period in the future.

As stated in the Code of Federal Regulations, the Coeur d'Alene Tribe needs to be assured that the forestry program on the reservation is completed within the guidelines of the above-stated objectives. The forest resources provide the major source of annual income with which the tribal government operates and conducts its business. Individual Indian owners also depend heavily on income from their forest lands. To date, the Bureau of Indian Affairs, due to inadequate budget and staffing, is only partially meeting their trust responsibilities. What does this mean to the Coeur d'Alene Tribe? It means the loss of dollars, jobs, and a sustained annual income on which the tribe operates.

In timber production, a tree is a "factory" and a "product," with no clear distinction between the two. Information in the form of a forest inventory is needed to make management decisions of which trees should be reserved as growing stock (the factory), and which should be cut at a particular time (the product). Too low a rate of growing stock caused by overcutting would fail to utilize full production capabilities of the land. Too much growing stock, or undercutting, would diminish the rate of forest value and volume of growth.

The objective is the optimum production level of the forest, managed on a sustained-yield basis, which provides a sustained annual income. The Bureau of Indian Affairs does not have a forest management plan and cannot insure the sustained cut of timber for the future. Their cutting cycle is based on incomplete and outdated information, making it impossible for Bureau foresters to determine if our forest is being over or under cut. Without a management plan, our forests are only growing at half of their potential, thus producing only half the income that could be derived. In addition, forest information is needed by the tribe to plan for its logging enterprise which provides employment to tribal members, generates additional income to the tribe, and allows the development of tribal resources by tribal members.

While the primary responsibility of the Bureau of Indian Affairs is to the Indian community, the tribe and the Bureau also have an indirect responsibility to the non-Indians as well. In the case of the forest resources of the tribe, the basic lumbering economy in the immediate area is dependent to some extent on the production of logs and forest material from the Indian lands. Therefore, any action which the Bureau of Indian Affairs takes to either promote or decrease timber production will have an offsetting effect on the dependent industry.

Currently, the Bureau of Indian Affairs has a forestry staff of one professional forester, a forestry technician, and two temporary forestry aids stationed on the Coeur d'Alene Reservation. This staff is under the authority and direction of the Forest Manager stationed at the main Northern Idaho Agency office in Lapwai, Idaho, 92 miles south of the Coeur d'Alene Sub-Agency. The Forest Manager has two professional foresters who assist on the Coeur d'Alene Reservation and carry out the forest management on the Nez Perce Reservation, plus two secretaries who provide clerical and bookkeeping support to the entire staff.

This staffing is inadequate to meet the objectives of the Bureau of Indian Affairs and the Code of Federal Regulations as outlined. The Coeur d'Alene

Tribal Council is satisfied with the work which the staff can complete, and feels that the best interests of the tribe and its members are considered in Bureau decisions. However, due to the recent budgetary and personnel restrictions imposed on the Bureau, it is not possible for the current staff to meet the Bureau's trust responsibilities.

The major responsibility which the current staffing level cannot meet is the preparation of a management plan for the management of the forest and the preparation of a program of action to insure the sustained cut of timber for the future. What is needed to meet these goals is a modern, complete inventory of the forest lands owned and controlled by the Coeur d'Alene Indians.

During a period from 1962 to 1964, an inventory of the tribal timber holdings was completed by the Bureau. Temporary sample plots were placed in the woods to determine the type of timber growing on the land, the age classes present, condition of the timber, and rates of growth. The information derived from these plots was never fully computed, but provided data to determine the approximate annual cut for only tribal holdings on the reservation. In 1966, with the establishment of a full-time forestry position on the reservation, and the aid of the computed annual cut, the tribe experienced the initiation of the timber sale program.

Now, fourteen years later, the Bureau is still using this approximate data. This is not because of a lack of professionalism, but rather a lack of funds and personnel to conduct a remeasurement of the forests. After ten years of cutting, the reservation has had 41 million board feet of timber harvested and sold, for a value of over 1½ million dollars. The time has come to question whether or not the resources are being over or under cut. This question has great bearing on the future plans of the tribe. Without accurate information, the Bureau cannot insure a sustained yield needed by the tribe for annual income to operate the tribal governmental services. Again, without inventory information, the Tribal Council cannot make plans for the development of its resources for its economic benefit. Also, the Bureau would like to consider the modification of the silvicultural cutting methods currently used, as well as begin a forest management program which would increase the timber growth. None of these plans can be made until there is an accurate measure of volume, timber types present, and growth rates on the reservation forest. This can only be obtained through the placing of a new inventory in the forest and writing an intensive management plan under which the Bureau of Indian Affairs would operate.

The inventory project which would establish 400 permanent plots, would give an accurate picture of the stocking levels of timber, age classes present, growth rates, and other pertinent information. After the field work is completed and the cruise data calculated, a management plan would be written. This plan would provide the silvicultural practices to be used on the reservation, the areas to be harvested and thinned, and the delineation of those areas which should be considered for recreation or other uses. This project would sample all Indian holdings on the reservation.

The attached map shows the isolated nature of the timber lands owned by the Coeur d'Alene Indians. The green blocks are tribal holdings, while the red areas are the timber lands owned by individual Indians. The isolated ownership, difficult access, weather restrictions, travel time, and lack of roads require considerable time to place inventory plots in the forest.

Help is therefore requested from this committee. If no help is received, the badly needed inventory will probably not be done and the Coeur d'Alene Tribe will greatly suffer. Without additional aid to the Coeur d'Alene Tribe through appropriations to the Bureau of Indian Affairs, the forestry program on the reservation cannot achieve its potential and could lose 1½ million dollars over a ten year period. A one time funding for $115,000 into the Bureau branch of forestry would be required for the forest inventory of the Coeur d'Alene Reservation, including the mapping, typing, and writing of a management plan.

This $115,000 would be sufficient to complete the two year minimum project by allowing the Bureau of Indian Affairs to bring in outside expertise. By bringing in outside expertise, the current forestry program could continue without putting the tribal and other Bureau programs and goals in jeopardy. The benefits gained by the Coeur d'Alene Tribe, its members, the surrounding non-Indian community, and the Bureau of Indian Affairs in its trust role would more than offset this requested supplemental appropriation.

MINNEAPOLIS NATIVE AMERICAN COUNCIL ON CHEMICAL DEPENDENCY, MINNESOTA

STATEMENT OF MR. HENRY ALLEN, VICE CHAIRMAN, MPH PROGRAM FOR NATIVE AMERICANS

ACCOMPANIED BY:

MR. LEONARD SMITH, DIRECTOR, CALIFORNIA URBAN INDIAN HEALTH BOARD,

MS. ELAINE WALBROEK, DIRECTOR, MPH PROGRAM FOR NATIVE AMERICANS

RAY GRANDBOIS, EXECUTIVE DIRECTOR, MILWAUKEE INDIAN HEALTH BOARD.

Senator HATFIELD. Next, Mr. Dennis Hisgun, Minneapolis Native American Council on Chemical Dependency, Minnesota.

Is Mr. Hisgun present?

All right. Elaine Walbroek, Mel Sampson, Henry Allen.

We have your full printed statement which will be placed in the record. Please proceed to highlight it for us this morning. Would you identify your colleagues for the record, please?

Mr. ALLEN. The person on my left is Leonard Smith. He is Director of the California Indian Health Board. The lady to my right is Elaine Walbroek, director of the masters public health program at Berkeley. The gentleman on the end is a recent graduate of the program. His name is Ray Grandbois. He is now executive director of the Milwaukee Indian Health Board, Milwaukee, Wis.

We want to thank you for allowing us this privilege to appear before you, Mr. Chairman.

Senator HATFIELD. We thank you for making the effort to come back here and testify.

MASTERS IN PUBLIC HEALTH

Mr. ALLEN. We come before you in the same capacity we did last year. That is to receive $153,000 in continuation of the masters public health program, University of California, Berkeley.

As you know, we appeared here back last year and our problem at that time—we were in a crisis situation, in a crisis period. When we came in last May and testified in front of the same committee, we requested $133,000 for fiscal year 1976 in supplemental. This request was incorporated into the appropriation bill and is just now being awarded to our program.

However, in the interim year our—we have received a 1-year contract, July 1, 1975, from Health Resources Opportunity and Health Resources Administration to develop a model recruitment and retention program for native American graduate students in public health which permitted the program to carry on with no student support.

However, we were able to enroll eight new students in our program with funds provided by our own university, our one program, along with past work for supplemental funds from the Bureau of Indian Affairs and a small one-time grant from the foundation. We additionally have five students supported through a grant from the National Institute on Alcoholism and Alcohol Abuse in the education program

and an NPH program in behavioral sciences. We were unable to support students at any of the previously cooperating universities and there is a marked reduction in our outreach efforts.

What this means is simply although we have a masters in the public health program at the University of California, we have sent students to other universities that might have helped them along, the University of Washington, the University of California, Los Angeles, North Carolina, Michigan, Minnesota, University of Texas at Houston and Loma Linda.

At this time we have 38 graduates from our masters and public health program. All are employed at a salary range from $12,000 to $30,000. Come June of this year there will be 50 graduates and we don't anticipate any problems with them.

Mr. Chairman, the problems we have encountered with this appropriation you gave us last year—and if you find fit to fund us for this year with this $153,000 for 1977, may we ask that it be worded in such a manner that it would allow us to utilize the funds until funds have been expended and not restricting us to a fiscal year spending, but more to the academic year needs. The witness prior to us has had the same problem, being cut off at a certain date.

For the 1976 period we have not even received the funds yet. Also, as we are kind of in—and no one really knows what to do with this special funding, could we ask to be placed under the central office or in the central office of the Bureau for contract monitoring responsibilities. No one really knows where to put us for contract account purposes.

Senator HATFIELD. Thank you very much. As you know, I offerred an amendment last year to fund this program in fiscal year 1976. I felt very strongly then about the worthiness of the program. I will do what I can this year. I am hopeful that one of these years we can get you on a basis where you can project yourself down the road for 10 years. It's just a little difficult to plan a curriculum without fairly secure funding. But you are doing a marvelous job and I think it is worthy of our support and I will do what I can.

Thank you very much.

Mr. GRANDBOIS. Mr. Hatfield, may I say something about the program? I am a graduate of the program and that is the reason that I am sitting up here.

One of the problems that we face, the Indians face, is the inability to have the opportunity to get master degrees or any advanced degrees. The programs we are now running, because of the complexity of the programs, require the skills that that type of training takes and we have never had them before and now we have them, but we have to continue those kind of programs. For example, in California, without the kind of training that we are getting at the University of California, I doubt that we could run the kinds of programs we have in effect now.

Thank you.

Senator HATFIELD. I appreciate your being here to be a witness for this program.

Mr. ALLEN. Thank you very much.

Senator HATFIELD. Thank you.

[The statement follows:]

1955

REQUESTED: $153,000 (Continuation of the funding awarded for FY 1976) for American Indian and Alaska Native student and program support in graduate training in public health

AGENCY: Bureau of Indian Affairs

Over the past five years, the Master of Public Health Degree Program for Native Americans has graduated over twice the number of Native Americans identified as receiving Master of Public Health Degrees from all of the Schools of Public Health in the previous equal span of time.

The lack of professional training in public health in previous years has been an effective barrier for Indian people to achieve administrative or policy making positions. Most such positions in the past have required such training and credentials and lack of graduate preparation has been effectively exclusionary. With the Indian Self-Determination Act already passed, and with the manpower demanded in the implementation of the Indian Health Care Improvement Act should that be passed, it is evident more and more professional training in the public health field will be required if the Indian people and the Alaska Natives are not to be passed over and are to be effectively employed.

The success of the Master of Public Health Degree Program, University of California at Berkeley has been amply demonstrated with the number of Native Americans recruited, with the few retention problems and few withdrawals, with the quality of the graduates, with the very telling record of employment of these graduates in productive and sensitive positions, [1] and with the program's involvement in health manpower development in Indian communities.

NATIONAL SCOPE: This program has been shared with other universities for nearly one-third of the students sponsored through the Berkeley program have been supported at seven other Schools of Public Health. [2] Since the program started in 1971, there have been 68 Indian students and Alaska Natives enrolled in the program, drawn from 36 different tribes and 19 out of the 24 states recognized to have significant Native American populations. Though this M.P.H. program is based in a California educational institution, 90% of the students are other than California tribes and it is a clear demonstration of the national intent and scope of the program.

BACKGROUND: In May 1971, the Office of Economic Opportunity, with the encouragement of Indian Health Service, awarded to the School of Public Health, University of California, Berkeley, a 26-month grant to support the professional training of fifteen American Indian and Alaska Native students in primarily health and hospital administration in a Master of Public Health Degree Program. Until that time less that 20 Indian students were identified as having received an M.P.H. degree over the previous five years when a survey was made of member Schools of Public Health of the Association of Schools of Public Health.

By the time the original grant expired March 30, 1973 the program had produced not the expected 15 but 21 students. The applicant was fortunate to secure subsequent project funding from OEO and a Public Health Service grant (Section 314e funds). By the time both grant expired in June 1975, 55 students had been enrolled in a variety of disciplines. [3]

INDIAN ADVISORY BOARD: One of the greatest strengths of the program has been the Indian Advisory Board which has been in existence since the program was initiated. Composed of ten representatives drawn from tribal groups (two of whom are tribal chairmen) or Indian programs throughout the country, it has provided advice and counsel, and has a strong impact on student recruitment (a selection committee from the Board is responsible for screening applicants), with retention, with field placement and in employment of the students. Of particular importance has been Board members' ability to interpret to the Indian communities the importance of the program, and in turn to sensitize the staff, faculty and the School of Public Health to Indian problems and special needs. Its strong advocacy of the program has been instrumental in securing funds for program continuation.

---

[1] See attached student employment listing.

[2] The other schools of public health are at the Universities of Washington, UCLA, North Carolina, Michigan, Minnesota, Texas, and Loma Linda.

[3] The various specialties have been: Hospital Administration, health administration and planning, environmental health, biostatistics, health education, community health nursing, epidemiology, medical care organization, and the behavioral sciences, including an MPH in the Behavioral Sciences with an emphasis on alcohol phenomena.

PROGRAM SUCCESSES: As of November, 1975 there were 63 enrolled students, with 38 graduates and with 22 still enrolled on campus working toward their degrees. Three graduates are now enrolled in medical school at Stanford and at UC Medical School. Two students (partially supported by our program) are working with their tribes while in an extended MPH degree program. This program has given increased opportunities to women students for graduate study, with 27 of the 63 students women (nearly 40% of the total enrollment).

Only six (8.8%) students have withdrawn. This low attrition rate is attributed to the special recruitment and selection efforts, the counseling, social supports, advocacy for Indian student interests vis-a-vis the University, and most important the provision of adequate traineeships, removing the necessity to work or suffer serious deprivation.

Through the parent MPH program, we have developed further professional training opportunities including an NIAA grant for five students each year for three years in the Behavioral Sciences in an MPH Program to train researchers, administrators, and teachers in alcohol phenomena.

EMPLOYMENT: Our program has a strong commitment in searching for employment opportunities for the graduating students, opportunities commensurate with their training:

Employment of MPH Students (as of November, 1975)

Type of Employment	Men	Women	Total	Percent
Further Graduate Study (3 admitted to medical school)	2	1	3	7.9
Indian Health Service	11	2	13	34.2
Tribal Employment	8	2	10	26.2
Urban Indian Programs	2	1	3	7.9
Other Indian Related	1	2	3	7.9
Non-Indian Related Employment	1	3	4	10.6
Seeking Employment	1	1	2	5.3
	26	12	38	100%

Total Graduates: 38

Out of the total of eleven students supported by Indian Health Service under long-term training all have returned to IHS employment. In addition, two other graduates have been employed by Indian Health Service. In terms of responding to the Indian Health Services' professional staff needs, over 34% of the graduates to date are in that agency's service.

Urban Programs: Three of the graduates have gone to urban programs, with one now executive director of the California Urban Indian Health Council (CUIHC), a federation of nine Indian health centers. Another graduate is the director of the Milwaukee Urban Indian Health Board, the third, a woman, serves as HMO planning director for the Minneapolis Indian Health Board. She has just been appointed as a member of the hospital board for the complex of medical facilities at the University of Minnesota. Three other students while in school have been elected to the San Francisco Urban Indian Health Board.

Awareness Among Indian People: Another goal of the program has been directed to providing information to college and high school students, to their families and communities about health careers. A publication on financial assistance printed through our program has had a wide distribution around the country, and a fourth edition will be updated and published this spring to meet the backlog of requests for it. Much of the staff time is spent working with Indian groups, at local and national Indian meetings on Indian health manpower development. These contacts along with the training program have created a great deal of community support manifested when the program's continuation was in jeopardy in 1973 and again in 1975.

Indian Leadership in the Health Scene: The Association of Native American Health Professionals was formed with a nucleus of our MPH students, with a special planning grant secured through the students' efforts which brought the organization into being. There are already strong ties among the students which have continued after graduation and extended into their professional lives. The students leadership is amply demonstrated through the kind of employment that most have secured.

PROBLEM AND NEED: The program was in a crisis period when we came in May last year to testify in front of this same committee. We requested $135,000 for FY 1976 supplemental funds. This request was incorporated in the appropriation bill and is just now being awarded to our program; however, in the interim year our program has been sharply curtailed. We received a one-year contract July 1, 1975 from Health Resources Opportunity, Health Resources Administration, to develop "a model recruitment and retention program for Native American graduate students in public health" which permitted the program to carry on; there was no student support; however, we were able to enroll eight new students in our program through funds provided by our own university, along with a patch-work of supplemental funds from BIA, and a small one-time grant from a foundation. We additionally had five students supported through a grant from National Institute on Alcoholism and Alcohol Abuse in an MPH Program in the behavioral sciences. We were unable to support students at any of the previously cooperating universities, and there was a marked reduction in our outreach efforts.

With the $133,000 for FY 1976 we will be able to expand our program again; however, it is essential that we receive FY 1977 funds to provide for the second year support for the incoming students and to maintain the direction and administration of the program in the above described areas.

The provision of the $153,000 will permit us to carry incoming two-year 1976 students through to completion of their degrees and to enroll additionally 10 new students as a minimum. At the present time there is no other specifically health or education related source of funding for this program nor an enablement that permits support of both students' training and the administration of the same program. Without this support, our program cannot continue. Thank you very much.

STATEMENT OF PHILLIP Q. CHESHEWALLA, MEMBER, OSAGE TRIBAL COUNCIL AND COUNCIL HEALTH COMMITTEE

ACCOMPANIED BY MR. SYLVESTER TINKER, OSAGE TRIBE

Senator HATFIELD. Sylvester Tinker and Francis Drexil.

Mr. TINKER. Mr. Chairman, I am Sylvester Tinker, principal chief of the Osage Nation. Phillip Cheshewalla will make the report.

Senator HATFIELD. Thank you very much. We are happy to welcome you. Your full statement will be placed in the record. Mr. Cheshewalla, if you will proceed to highlight it and we would appreciate it.

PAWHUSKA HEALTH CLINIC

Mr. CHESHEWALLA. Mr. Chairman, honorable members of the committee, my name is Phillip Cheshewalla and I am an unallotted one-half degree member of the Osage Tribe of Indians in Oklahoma. I am also an elected member of the Osage Tribal Council and presently I am serving as a member of the Osage Council's health committee.

I appear before this committee today as a spokesman for the council and in behalf of the Osage Tribe to respectfully request favorable consideration by this committee for a supplemental appropriation in the amount of $727,014 for the Oklahoma City area Indian health service, Public Health Service, Department of Health, Education and Welfare, for the 1976 fiscal year, to provide sufficent funds to staff and equip a health clinic to be constructed on the Osage agency reserve located in Pawhuska, Okla.

Since the establishment of the Osage Tribal Council, the governing body of the Osage Tribe, by the Osage Allotment Act, the act of June 28, 1906—34 Stat. 539—one of the primary concerns of the council has been the health care of the Osage and other Indian people residing on the Osage Reservation. Because of this and the limited income of many of the Indian people, the council authorized the use of appropriated Osage tribal funds, to provide for an Osage Indian health clinic and in November 1935 the first Indian health clinic in the United States maintained and operated wholly from tribal funds was established.

However, beginning July 1, 1970, due to a shortage of physicians at the Pawnee service unit, the general medical and pediatric clinic at the Osage health station was operated only 2 half-days each week and currently is operating only 1 day each week, less travel time for the physicians traveling from Pawnee, Okla., to Pawhuska and return to—Pawnee, a distance of approximately 102 miles.

During the 1973 fiscal year a Public Health Service dental clinic was established at the Pawhuska health service station but at a separate location. This clinic is opened daily from 8 a.m. to 5 p.m., and is staffed by a full-time dentist and two dental assistants.

The Osage Tribal Council is grateful to receive the services we are presently receiving but during fiscal year 1974 we met only 25 percent of the expected demand for services. The population is continuing to increase thus causing an increase in medical needs for

all Indians in Osage County. Other health and related services are available to the Indian people in Osage County. One is the community health representative program sponsored by the Osage Tribe. The Indian recovery alcoholic program, maternal child health program, and Otitis media program are services being supervised by the North Central Intertribal Health Council, which includes the Osage Tribe.

Osage County does not have a county health department, thus making the need for health services for Indian people a critical one at this time. To locate all of the health and related services available to approximately 10,000 Indian people residing on the Osage Reservation in one service center and to expand these services, the Osage Council has under active consideration the construction of an Indian health center to be located in Pawhuska, Okla., county seat and geographic center of Osage County.

However, before going forward with these plans for construction of such a center, the council in behalf of the Osage Tribe of Indians, along with 28 other Indian tribes utilizing the facility, must have assurance that there will be sufficient Public Health Service funds to lease, equip, and staff such a center and it is for this purpose that we are appearing before this committee today.

As stated above, the initial cost for the first year's operation of this proposed health center amounts to $727,014 and the cost annually thereafter is an estimated $799,715.

Senator HATFIELD. Let me interrupt at this time. There are a couple questions I want to ask you.

Normally, when clinics of this kind are established the highest operating year is the initial year, the first year. Here you show an increase from $727,000 the first year up to $799,000.

How do you account for the reversal of the trend of most clinics which have their largest budget in the first year and then they tend to reduce?

Mr. CHESHEWALLA. I can—all of the information in this proposal was drawn up for us by the area office in Oklahoma City, the area office of the Indian Health Department.

Senator HATFIELD. I wonder if you could ask them to supply for the record, which will be kept open for a couple of weeks, an answer to that question because that question will be raised by people in the fiscal field. As I say, the pattern is totally contrary to that which has been experienced in most other instances.

Mr. CHESHEWALLA. I will be glad to do that.

Senator HATFIELD. The other question I have, on page 2, you say the population is continuing to increase, thus causing an increase in medical needs for all Indians in Osage County.

I wonder if that would be part of your answer to the first question, and if you could give us the statistical data on this population increase, that would be helpful.

Mr. CHESHEWALLA. I would be glad to furnish all the information.

Senator HATFIELD. Thank you very much, gentlemen. I appreciate your being here this morning.

[The statement follows:]

Mr. Chairman and Honorable Member of the Committee:

My name is Phillip Q. Cheshewalla and I am an unallotted one-half degree member of the Osage Tribe of Indians in Oklahoma. I also am an elected member of the Osage Tribal Council and presently I am serving as a member of the Osage Council's Health Committee. I appear before this Committee today as a spokesman for the Council and in behalf of the Osage Tribe to respectfully request favorable consideration by this Committee for a supplemental appropriation in the amount of $727,014 for the Oklahoma City Area Indian Health Service, Public Health Service, Department of Health, Education and Welfare, for the 1976 fiscal year, to provide sufficient funds to staff and equip a Health Clinic to be constructed on the Osage Agency reserve located in Pawhuska, Oklahoma.

Since the establishment of the Osage Tribal Council, the governing body of the Osage Tribe, by the Osage Allotment Act, the Act of June 28, 1906 (34 Stat. 539), one of the primary concerns of the Council has been the health care of the Osage and other Indian people residing on the Osage Reservation. Because of this and the limited income of many of the Indian people, the Council authorized the use of appropriated Osage tribal funds, to provide for an Osage Indian Health Clinic and in November 1935 the first Indian Health Clinic in the United States maintained and operated wholly from tribal funds was established. This clinic was located in leased space in an office building in downtown Pawhuska, Oklahoma, and was staffed by one physician, a registered nurse and laboratory and x-ray technician, a social worker, and a clerk. It remained in existence from November 1935 until June 30, 1947, when the economic condition of the tribe forced its closing.

From 1947 until 1965, the only health services available to the Indian people in Osage County other than from private physicians and health facilities were those provided by a Public Health Service field nurse headquartered at the Osage Agency.

During the month of June 1965, at the request of the Osage Tribal Council, a weekly well-child clinic was scheduled at the Public Health Field Nurse's Station, Osage Agency, staffed by a Pediatric Specialist from Ponca City, for the purpose of evaluating infants and pre-school children for their overall and mental development.

The response to this clinic was so great that the Council contacted the Oklahoma City Indian Health Area Office in an effort to secure sufficient funds for a part-time health clinic at the Osage Agency. As a result of these efforts, in 1967 the Osage Council in cooperation with the United States Public Health Service established a General Medical and Pediatric Clinic at the Osage Agency, staffed

by physicians from the Pawnee, Oklahoma, Service Unit for two, half days each week. In August 1968, increase in attendance justified the clinic to be expanded to three, half days each week. However, beginning July 1, 1970, due to a shortage of physicians at the Pawnee Service Unit, the General Medical and Pediatric Clinic at the Osage Health Station was operated only two, half days each week and currently is operating only one day each week, less travel time for the physicians traveling from Pawnee, Oklahoma to Pawhuska and return to Pawnee, a distance of approximately 102 miles.

During the 1973 fiscal year a Public Health Service Dental Clinic was established at the Pawhuska Health Service station but at a separate location. This clinic is opened daily from 8 a.m. to 5 p.m., and is staffed by a full-time dentist and two dental assistants.

The Osage Tribal Council is grateful to receive the services we are presently receiving but during fiscal year 1974 we met only 25% of the expected demand for services. The population is continuing to increase thus causing an increase in medical needs for all Indians in Osage County.

Other health and related services are available to the Indian people in Osage County. One is the Community Health Representative Program, sponsored by the Osage Tribe. The Indian Recovery Alcoholic Program, Maternal Child Health Program, and Otitis Media Program are services being supervised by the North Central Inter-Tribal Health Council, which includes the Osage Tribe. Osage County does not have a County Health Department, thus making the need for Health Services for Indian people a critical one at this time.

To locate all of the health and related services available to approximately 10,000 Indian people residing on the Osage Reservation in one service center and to expand these services, the Osage Council has under active consideration the construction of an Indian Health Center to be located in Pawhuska, Oklahoma, county seat and geographic center of Osage County. However, before going forward with these plans for construction of such a Center, the Council in behalf of the Osage Tribe of Indians, along with 28 other Indian tribes utilizing the facility, must have assurance that there will be sufficient Public Health Service funds to lease, equip, and staff such a Center and it is for this purpose that we are appearing before this Committee today. As stated above, the initial cost for the first year's operation of this proposed Health Center amounts to $727,014 and the cost annually thereafter is an estimated $799,715.

In conclusion, the Osage Tribal Council feels it is imperative that funds for staffing, equipping, and operating

an Indian Health Service Center at Pawhuska, Oklahoma, be made available so that the health needs of the 9,570 Indian people residing on the Osage Reservation can more adequately be met in one central location. This Health Service Center particularly is needed at this location since many of the Indian people whose incomes are below the National poverty level figure are not eligible for medicare and do not have the funds to pay the continuing rising costs of private medical and hospital services. We, therefore, respectfully recommend and urge favorable consideration by the Committee in providing sufficient funds to the Public Health Service for the 1976 fiscal year for the purposes set forth in the attached proposal. In doing this, it will assure a large number of persons of Indian descent the same type of health service as the non-Indian citizens.

On behalf of the Osage Tribal Council and the Osage Tribe, I appreciate the time and attention the Committee has given us. I will be pleased to attempt to answer any question, Mr. Chairman, which you or any member of your Committee may have. Thank you.

EASTERN BAND OF CHEROKEE INDIANS, NORTH CAROLINA

STATEMENT OF ROBERT BLANKENSHIP, TRIBAL PLANNER

ACCOMPANIED BY:

RALPH HENRY, DIRECTOR OF THE OFFICE OF NATIVE AMERICAN PROGRAMS

JONATHAN TAYLOR, HEALTH COORDINATOR

FREDRICK BRADLEY, SERVICE UNIT DIRECTOR, IHS, EASTERN BAND OF CHEROKEE INDIANS

Senator HATFIELD. Next, Mr. Blankenship of the Eastern Band of Cherokee Indians.

Mr. BLANKENSHIP. Mr. Chairman, I am Bob Blankenship, tribal planner, Eastern Band of Cherokee Indians in North Carolina. Chief John Crowe intended to be here today, but due to events beyond his control, he could not and asked me to make this statement for him.

On my right is Ralph Henry, director of the office of native American programs. On my left is Jonathan Taylor, chairman of the Tribal Council and on the far left is Fredrick Bradley, service unit director from the hospital.

Senator HATFIELD. Welcome to all of you. Now, Mr. Blankenship, as you see, we have your statement here which will be placed in the record. If you will just highlight it, please, within your 5-minute allotment, I would appreciate it.

CHEROKEE HOSPITAL

Mr. BLANKENSHIP. Thank you, Mr. Chairman.

Chief John Crowe has asked me to thank you personally for including in the budget for 1976 planning moneys in the amount of $500,000 to draw the architectural plans for a new hospital.

The Eastern Band——

Senator HATFIELD. Take him my warm greetings, won't you?

Mr. BLANKENSHIP. The Eastern Band of Cherokee Indians is deeply appreciative of this opportunity to inform the subcommittee of our critical need for new hospital facilities. As principal chief of my people, I would like to enumerate several factors relating to the inadequate, inefficient and obsolete condition of our present hospital.

In addition to providing pertinent information concerning the deteriorating quality of our health facilities and medical care, I would like to encourage the members of this subcommittee to request any additional information relevant to this hearing. My associates and I will endeavor to provide any and all data which will be of help in resolving this problem.

As I said, the approved $500,000 in 1976 for planning, we are prepared to bid the hospital on April 1 in the amount of $6,960,000. This was determined by the Department of HEW in their evaluations in planning for the facility.

Attached to this statement is a summary of a comprehensive health evaluation. I would like for it to be made a part of the record.

Senator HATFIELD. It will be made a part of the record.

Mr. BLANKENSHIP. In reviewing this information you will note that the Cherokee Service Unit is the primary facilty for the Indian health care on the Qualla Indian boundary. In addition, the conclusions reached by the aforementioned evaluation differ very little from official evaluations conducted over a decade ago. Consequently, the major deficiencies identified in our most recent evaluation merely reiterate inadequacies which have remained unchanged for the past 10 years.

The present Cherokee hospital serves an Indian population of approximately 8,100. Sixty percent of the families residing within the Qualla Indian boundary exist on incomes which are well below the poverty level—an average annual income of less than $3,600. This 26-bed facility is critically understaffed, severely limited in space, and cannot effectively utilize its present equipment in a safe and efficient manner. Major areas of inadequacy are as follows:

One, the Cherokee hospital is not accredited by the Joint Commission on Accreditation of Hospitals due to the design and structure of the building. For example, the nursery facilities and obstetric beds are not separate from the remainder of the hospital. Two, the nursery facilities are too crowded and the obstetric section has an inadequate number of beds.

Three, the hospital has an inadequate number of single beds; consequently, isolation facilities are inadequate or nonexistent. Four, the hospital does not have enough pediatric beds, and there is no possibility of expanding the present facilities. Five, the patient wards are too small and overcrowded. Six, the out-patient ward is small and overcrowded. Seven, the emergency room is small and cramped.

Eight, the hospital's laboratory and X-ray equipment is confined to a cramped corner of one room. This condition places severe limitations on the use of equipment for diagnostic tests. Nine, the nurses' station and the medication room are small and extremely crowded.

Ten, the hospital does not have a medical reference library, a reading room, or any space for study and/or storage. Eleven, since the building has high ceilings and impractical window construction, the building is difficult to keep clean.

Twelve, the lighting in the patients' ward is inadequate. Thirteen, the hospital does not have a central oxygen supply for patients' beds. Consequently, nurses are forced to move large, unwieldy oxygen tanks when such equipment is necessary.

Fourteen, the heating and air conditioning are defective and inadequate. This condition is largely due to the construction of the building. Fifteen, inadequate storage space for equipment which is necessary for direct patient care.

Sixteen, the public address system is inadequate. Seventeen, the limited space surrounding the present hospital provides inadequate space for parking and does not allow for practical expansion.

Eighteen, the deteriorating condition of the present hospital facilities makes repairs impractical and, in some instances, impossible.

As a consequence of these factors, we respectfully request your endorsement of our proposal, and thereby acknowledge the critical need for a new hospital at Cherokee. The growth and progress of our community is dependent on an adequate hospital facility. In addition, we wish to note that our unemployment is currently in excess of 40 percent—a condition that would be somewhat alleviated by the construction of this much-needed facility.

Gentlemen, we appreciate your time and concern. If you have any questions, we will be glad to answer them, sir.

Senator HATFIELD. Thank you, Mr. Blankenship.

Mr. Blankenship, as you realize, last year when we added $500,000 onto the budget in order to give you the planning money, we projected at that time a $3.6 million increment for construction in 1977 and a $3.9 million for—after 1977 for a total estimate at that time of an $8 million facility.

Is that correct? Are our records correct on that?

Mr. BLANKENSHIP. Yes, sir; there has been due to the site evaluation, those figures were projected on Indian Health Service figures that are normal to flat land type building. When we got into the site evaluation with the Department of HEW, due to our mountainous terrain, we figured we needed a little more money for site preparation and access roads.

Senator HATFIELD. What is your projection now? You are asking for $6.9 million. Is that for the first year construction and what will be required to finish construction according to your new projected figures?

Mr. BLANKENSHIP. That is total construction, sir, and we will need an additional $1,190,000 for equipment in the following fiscal year.

Senator HATFIELD. In other words, $6.9 million is total construction as contrasted against the $8 million you had proposed before. The $8 million included plans so that $7.5 million would be needed. In other words, you are projecting a lesser total cost than you did last year?

Mr. BLANKENSHIP. Are you sure the $8 million does not include equipment?

Senator HATFIELD. I am told by staff the $8 million would include equipment, so we are really talking about—pretty close.

All right. We will see what we can do.

Mr. BLANKENSHIP. We would appreciate it.

Senator HATFIELD. I want you to know that Senator Morgan planned to be here this morning, but he is on a trip to Korea. He asked me to express his regrets at his inability to be here for Chief John Crowe and to assure you of his continuing support for your health needs in North Carolina.

Mr. BLANKENSHIP. Thank you, Mr. Chairman.

Senator HATFIELD. Thank you, gentlemen.

[The statement follows:]

Gentlemen: In 1975, the Eastern Band of Cherokee Indians requested and received planning funds in the amount of $500,000. As a consequence of this allocation, we are prepared to begin construction in 1977. We hereby request that construction funds in the amount of $6,960,000 be allocated for fiscal year 1977. Further we request equipment funds in the amount of $1,190,000 for fiscal year 1978.

The Eastern Band of Cherokee Indians is deeply appreciative of this opportunity to inform this sub-committee of our critical need for new and expanded hospital facilities. As Principal Chief of my people, I would like to enumerate several factors relating to the inadequate, inefficient and obsolete condition of our present hospital. In addition to providing pertinent information concerning the deteriorating quality of our health facilities and medical care, I would like to encourage the members of this sub-committee to request any additional information relevant to this hearing. My associates and I will endeavor to provide any and all data which will be of help in resolving this problem.

Attached to this statement is a summary of a comprehensive health evaluation which was funded by the Indian Health Service and completed by the Eastern Band of

Cherokee Indians in 1974. In reviewing this information you will note that the Cherokee Service Unit is the primary facility for Indian health care on the Qualla Indian Boundary. In addition, the conclusions reached by the aforementioned evaluation differ very little from official evaluations conducted over a decade ago. Consequently, the major deficiencies indentified in our most recent evaluation merely reiterate inadequacies which have remained unchanged for the past ten years.

The present Cherokee hospital serves an Indian population of approximately 8,100. 60% of the families residing within the Qualla Indian Boundary exist on incomes which are well below the poverty level (an average annual income of less than $3,600). This twenty-six bed facility is critically understaffed, severly limited in space, and cannot effectively utilize its present equipment in a safe and efficient manner. Major areas of inadequacy are as follows.

1. The Cherokee Hospital is not accredited by the Joint Commission on Accreditation of Hospitals due to the design and structure of the building. For example, the nursery facilities and obstetric beds are not separate from the remainder of the hospital.
2. The nursery facilities are too crowded and the obstetric section has an inadequate number of beds.
3. The hospital has an inadequate number of single beds; consequently, isolation facilities are inadequate or nonexistent.
4. The hospital does not have enough pediatric beds, and there is no possibility of expanding the present facilities.
5. The patient wards are too small and over-crowded.
6. The out-patient ward is small and over-crowded.
7. The emergency room is small and cramped.
8. The hospital's laboratory and x-ray equipment is confined to a cramped corner of one room. This condition places severe limitations on the use of equipment for diagnostic tests.
9. The nurses' station and the medication room are small and extremely crowded.
10. The hospital does not have a medical reference library, a reading room, or any space for study and/or storage.
11. Since the building has high ceilings and impractical window construction, the building is difficult to keep clean.
12. The lighting in the patients' ward is inadequate.
13. The hospital does not have a central oxygen supply for patients' beds. Consequently, nurses are forced to move large, unwieldy oxygen tanks when such equipment is necessary.
14. The heating and air conditioning are defective and inadequate. This condition is largely due to the construction of the building.
15. Inadequate storage space for equipment which is necessary for direct patient care.
16. The public address system is inadequate.
17. The limited space surrounding the present hospital provides inadequate space for parking and does not allow for practical expansion.
18. The deteriorating condition of the present hospital facilities makes repairs impractical and, in some instances, impossible.

As a consequence of these factors, we respectfully request your endorsement of our proposal, and thereby acknowledge the critical need for a new hospital at Cherokee. The growth and progress of our community is dependent on an adequate hospital facility. In addition, we wish to note that our unemployment is currently in excess of 40%—a condition that would be somewhat alleviated by the construction of this much-needed facility.

Gentlemen, we appreciate your time and concern. Should you wish to request additional information concerning our porposal, we will be happy to supply it.

Sault Ste. Marie Tribe of Chippewa Indians

STATEMENT OF JOSEPH K. LUMSDEN, CHAIRMAN, THE SAULT STE. MARIE TRIBE OF CHIPPEWA INDIANS

ACCOMPANIED BY:

MARY E. MURRAY

BEVERLY A. BOUSCHOR, HEALTH CHAIRMAN

Senator Hatfield. Mr. Lumsden, Sault Ste. Marie Tribe.

Mr. LUMSDEN. Mr. Chairman, I am Joe Lumsden, tribal chairman of the Sault Ste. Marie Tribe of Chippewa Indians. On my left is Mrs. Mary Murray and on my right is Miss Beverly A. Bouschor, health chairman for the tribe.

I am here today for the first time to request for the Sault Ste. Marie Tribe. This is the first request of the Sault Ste. Marie Tribe in Michigan and I am happy to have the opportunity to speak to you today.

Senator HATFIELD. I am happy to welcome you here and assure you that your full statement will be placed in the record. If you will please summarize it for us, your request of $360,000, we will be happy to hear from you.

SAULT STE. MARIE MEDICAL PROGRAM

Mr. LUMSDEN. I would like you to consider the medical appropriation, special medical appropriations, to provide interim financing to meet the pressing medical needs of our tribe.

The amount we are requesting is $360,000, refer to interim medical program, Sault Ste. Marie Tribe of Chippewa Indians, exhibit one.

We are now a federally recognized and organized tribe under the Indian Reorganization Act of 1934. We, by law, are entitled to all services that are provided to Indian tribes but for 30 years, through no fault of our own, we have been excluded and no rightful appropriations have been planned or received.

Requests for our share of funds are denied because we have not been provided for in the appropriation cycle requests by the departments and bureaus, et cetera, who have the responsibility to serve the needs of the tribe. To date, we have received only $40,000 from Indian Health Service to meet the tremendous medical needs of our 3,347 tribal members in our geographical service area. The total tribal membership is in excess of 6,500. Approximately 3,153 reside outside the service area.

You will note in the material we have provided to each member of your committee that the Indian Health Service has estimated our actual tribal medical needs at this time to be $1,334,061. This formula is utilized by Indian Health Service in Minneapolis area office—refer to resource allocation criteria. We have no intention of asking Congress or anyone else at this time for this amount.

We fully realize that money requests are often made without a plan to substantiate the needs of the request or an acceptable delivery system developed which will deliver the services in a proficient manner. We do not have, at this time, the financial resources or staff to develop such a plan. We, therefore, desire to include as part of the total financial request that professional staff and/or research firm be part of the total financial request of this interim program. Later, from the data collected and compiled and the program developed, we will again request to appear before this committee and present a comprehensive health plan for the tribe—refer to outline of comprehensive medical program, Sault Ste. Marie Tribe of Chippewa Indians. The cost of this request will be $60,000.

Along with the development of the comprehensive health plan the immediate medical needs of the tribal members have to be met. Our

members are suffering because of the lack of medical attention and treatment. Something has to be done immediately to rectify this deplorable state of physical suffering. To serve these immediate medical needs, we are requesting $300,000 to conduct an interim medical assistance program until such time when our comprehensive health plan is completed and a more definitive program can be developed.

To effectuate this plan, two medical administrators must be employed to coordinate this part of the program. Our tribal membership are scattered over seven counties in the Upper Peninsula of Michigan. Long winters and cold temperatures prevail and heavy snow fall and storms make it difficult to get to medical facilities. The larger cities are 140 miles distant from each other. Unemployment is 30 percent for the non-Indian population and 80 percent for the Indian population. Professional medical personnel is lacking in most of the rural areas and the entire Upper Peninsula is economically depressed. All these factors contribute in some manner to difficulties of our tribal members in getting adequate medical attention.

We would hope that the $300,000 which we have at this time could handle very adequately and provide direct medical assistance while we develop the comprehensive medical plan. We realize that it is a tremendous job to develop a comprehensive medical plan.

We know the needs, but we do not know to what degree they are. We feel that to keep integrity in the program, that we very much desire to have this money. As I mentioned already, we are scattered over seven counties. In some areas we have large numbers of Indian tribal members and in some areas we have small numbers.

Senator HATFIELD. Thank you very much, Mr. Lumsden. I appreciate your careful analysis of your own needs and your desire to develop the supporting information to develop your program in order to come here to make a request sometime in the future.

Mr. LUMSDEN. As I mentioned, for 4 years we have not had anything. In essence what we have done, we have reorganized the nation since 1969. We have been instructed and informed by IHS that we will not be included in the funding cycle until 1978. We are currently at the discretionary type of funding that IHS can put together for us. At this time, the best that they can tell us is that it is zero. With that in mind, that is why we are appearing here today. Our medical needs are tremendous.

Senator HATFIELD. Yes, I have been all through that area, right on through. It is great country.

CORRESPONDENCE AND PREPARED STATEMENT

Also, Senator Philip Hart of your State has provided a letter addressed to the chairman of this subcommittee, Senator Robert C. Byrd. It will be made a part of the record. He is adding support to your request. Thank you very much.

[The letter and statement follow:]

LETTER FROM SENATOR PHILIP A. HART

United States Senate

WASHINGTON, D.C. 20510

April 12, 1976

The Honorable Robert C. Byrd
Chairman
Subcommittee on Interior
Senate Appropriations Committee
Washington, D. C. 20510

Dear Mr. Chairman:

Members of the Sault Ste. Marie Tribe of Chippewa Indians of Michigan are scheduled to appear before your subcommittee April 13, to request that $360,000 be included in the FY 1977 Interior appropriations bill for a medical program for their tribe.

The $360,000 is to be used for an immediate medical assistance program and for the development of a comprehensive, long-range health plan for the approximately 3,400 affected individuals.

Although the Sault Ste. Marie Chippewas have recently regained their tribal status according to the Federal government, their need for medical services in the coming year was not recognized in FY 1977's budget.

While I know the demands on your committee are great, I am hopeful you can see your way clear to honor this request.

With best wishes,

Sincerely,

Philip A. Hart

66-307 O - 76 - pt. 5 -- 14

STATEMENT OF JOSEPH K. LUMSDEN

Ladies and Gentlemen:

I would like you to consider a special medical appropriations to provide interim financing to meet the pressing medical needs of our Tribe. The amount we are requesting is $360,000 (refer to Interim Medical Program Sault Ste. Marie Tribe of Chippewa Indians, exhibit one).

We are now a federally recognized and organized Tribe under the Indian Reorganization Act of 1934. We, by law, are entitled to all services that are provided to Indian Tribes but for thirty years, through no fault of our own, we have been excluded and no rightful appropriations have been planned or received.

Requests for our share of funds are denied because we have not been provided for in the appropriation cycle requests by the departments and bureaus, etc., who have the responsibility to serve the needs of the Tribe. To date, we have received only $40,000 from Indian Health Service to meet the tremendous medical needs of our 3,347 tribal members in our geographical service area. The total tribal membership is 6,500. Approximately 3,153 reside outside the service area.

You will note in the material we have provided to each member of your committee that the Indian Health Service has estimated our actual tribal medical needs at this time to be $1,334,061. This formula is utilized by Indian Health Service in Minneapolis Area Office (refer to Resource Allocation Criteria). We have no intention of asking Congress or anyone else at this time for this amount.

We fully realize that money requests are often made without a plan to substantiate the needs of the request or an acceptable delivery system developed which will deliver the services in a proficient manner. We do not have, at this time, the financial resources or staff to develop such a plan. We, therefore, desire to include as part of the total financial request that professional staff and/or research firm be part of the total financial request of this interim program. Later, from the data collected and compiled and the program developed, we will again request to appear before this committee and present a Comprehensive Health Plan for the Tribe (refer to Outline of Comprehensive Medical Program, Sault Ste. Marie Tribe of Chippewa Indians).

Cost: $60,000

Along with the development of the Comprehensive Health Plan the immediate medical needs of the tribal members have to be met. Our members are suffering because of the lack of medical attention and treatment. Something has to be done immediately to rectify this deplorable state of physical suffering. To serve these immediate medical needs, we are requesting $300,000 to conduct an interim medical assistance program until such time when our Comprehensive Health Plan is completed and a more definitive program can be developed. To effectuate this plan two medical administrators must be employed to coordinate this part of the program. Our tribal membership are scattered over seven counties in the Upper Peninsula of Michigan. Long winters and cold temperatures prevail and heavy snow fall and storms make it difficult to get to medical facilities. The larger cities are one hundred and forty miles distant from each other. Unemployment is 30% for the non-Indian population and 80% for the Indian population. Professional medical personnel is lacking in most of the rural areas and the entire Upper Peninsula is economically depressed. All these factors contribute in some manner to difficulties of our tribal members in getting adequate medical attention.

Cost: $300,000

In summation, I hereby request that your committee give this proposal the utmost consideration and thank you for this opportunity to appear to speak to you today.

NATIONAL INDIAN ACTIVITIES ASSOCIATION

STATEMENT OF RON JOHNSON, EXECUTIVE DIRECTOR, THE NATIONAL INDIAN ACTIVITIES ASSOCIATION

Senator HATFIELD. Now, Mr. James Allen, Ron Johnson and Charles Trimble.

Mr. JOHNSON. I am Ron Johnson, executive director of the National Indian Activities Association. Mr. Trimble could not be here. He has provided a letter of support for this organization.

Senator HATFIELD. Both his and your complete statement will be placed in the record. If you will just summarize it at this time, I would be very pleased to hear from you.

INDIAN ATHLETICS PROGRAM

Mr. JOHNSON. I would first like to make it known that Jim Thorp was a very important man to our people. That Billy Mills is an important man to our people, Sonny Sixkiller. But there are many more. We have a young lady named Angelita Roselle who is No. 1 in the United States in table tennis. She is representing the United States in Israel, but she needs some money to be able to get there and these are the type of people that we want our people to know, that there is success in Indian people.

I would like to read my statement pertaining to the extracurricula educational opportunities for American Indian youth. The amount of funds requested from the people of the United States——

Senator HATFIELD. What page are you starting on?

Mr. JOHNSON. I have a separate——

Senator HATFIELD. Oh, I see, you are highlighting. OK. Go ahead.

Mr. JOHNSON. The amount of funds requested from the people of the United States for the projects is in an amount of $453,600 and the program will become attached to the annual budget of the Bureau of Indian Affairs.

We have a few minutes to present a very complicated and encompassing plan of extracurricula educational opportunities to the American people and the Congress of the United States.

Rather than attempting to discuss the complicated rationale for the plan and all of the associated benefits, I would briefly state the problem we are seeking to solve in our approach to that problem. I am sure that the Members of Congress are familiar with the increasing rates of alcoholism, suicide, unemployment, horrible housing, health and nutrition which has been said to be the characteristic of my people.

Past approaches and program attempts made by the U.S. Government have not solved these problems. It seems that unless drastic action is taken soon, Indian people will find their numbers vastly reduced through natural attrition and high mortality rates among the youths of its ranks.

The problem is held by the National Indian Activities Association to be one of education. Our people cannot identify with Indian culture or American culture. Traditional educational approach and opportunities provided to him have degraded his past background as an Indian and there are decided conflicts in what Indian youths learn within

the classroom and their experiences back home. The high dropout rates and feelings of inferiority characteristic of tested Indian youths provide stumbling blocks in his motivation for self-development.

Indian culture, as currently arranged, limit his effective identity and participation. They show discrimination is a very real aspect in his encounter with the American system and the logical alternative being taken, unfortunately, by Indian youth is drop out of society altogether. The mature youth has more to lose than gain when he stays within either the Indian society or the American system in the form of mental hurt and anguish in attempting to achieve.

The educational system has not provided any direction to him. The National Indian Activities Association proposes a radical departure from the traditional approaches taken to Indian education and, instead, suggests that the process should be made a part of the total life of the Indian youth. In order to do this, incentives must be offered to bring the youth into the activity. This is where Indian activities come into play. By offering the youth a set of activities which he can effectively identify on a reward system for participation, he effectively participates.

On the other hand, activities in social interaction process are such that the youth learns his inner potential for success and he is confronted with other persons of similar backgrounds with whom he readily associates and who give input into how well he is associating and performing. In the process, the youth learns a skill, is motivated to perform, can take pride in his or her actual performance and this spills over into the other activities of this person's life. They become more self-confident, take greater pride in other learning situations. At the same time there is a sense of community which provides identity. Persons who exceed expected performance standards are promoted through systems of rewards and incentives. These persons become more models for the youth who now gages his performance and success in terms of the leader. The result is that an otherwise unmotivated person is now conditioned and educated to aspire to heights of success beyond that which he thought was otherwise possible. Within the proposed plan the youth is penalized if he or she resorts to more destructive pursuits related to alcoholism, drug abuse, crime or undesirable personal habits. While the person is participating within the staged activities, the American system is educated relative to Indian performance and the result is less likely prejudice that the youth may encounter when he or she enters the employment market.

Specifically related to the program is the aspect of technical guidance and the related ability of local Indian communities to achieve maximum use of planning and implementation of existing resources. Dollar for dollar spent, it is felt that the plan will offer substantial returns in the form of future development of human resources and reduction in social welfare expenditures necessary for public rehabilitation of the individual who was incorrectly educated.

Thus, through this plan the American Indian youth will realize a better quality of existence in living arrangements through essentially his own potential for development and the American people will realize returns on expended tax dollars. Therefore, we urge the honorable Congress to render serious consideration of this plan hereby submitted.

Senator HATFIELD. Thank you very much.

Mr. Johnson, you incorporate here in your full statement the specific expenditure proposals, do you?

Mr. JOHNSON. Pardon?

Senator HATFIELD. Do you incorporate in the full statement that I have here the specific plans for how you expect to expend these moneys?

Mr. JOHNSON. Yes. I have a full proposal that I submitted.

Senator HATFIELD. Thank you very much.

[The statement follows:]

1974

Extracurricular Educational Opportunities For American Indian Youth

The National Indian Activities Association hereby respectfully submits to the Members of the Senate and the People of the United States, in cooperation with, and on behalf of the American Indian People and their young Indian People, a plan which will substantially further the objectives of the Indian People and the People of the United States of achieving Self-Sufficiency of the American Indians through the method of Self-Determination implemented by Indian People. The Proposed Plan of Education being submitted by the National Indian Activities Association will substantially further the education of 40,000 Indian youth between the ages of 5 and 18 during the first year of the project, directly, increasing this by 47,000 Indian youth for each additional year of the project. In addition, an equal number of Indian youth will be indirectly impacted; for a total of 80,000 affected Indian youth, and more, during each year of the project. The amount of funds requested from the People of the United States for the project is in an amount of 453,600 dollars. And the program will become attached to the annual budget of the Bureau of Indian Affairs.

The problems and needs of Indian People and their youth have been documented from time-to-time within a diversity of studies having objectives ranging from narrow to comprehensive. Each of these sources cites a different set of underlying statistics and causes for the maladies attributed to the Problems of the American Indian and their said inability to adapt and conform to the American Cultural System. However, most researchers agree with the following observations:

* The rising use of alcohol and drugs, particularly, among Indian youth--and proportionally increasing mortality rates associated with the use of same,
* The accelerating rates of suicides and accidents among Indian People; and, again, with the largest increases being among Indian youth,
* The high and rising crime and arrest rates among Indian youth and adults; and, again, with the major portion of this attributed to the use of alcohol,
* The perpetuation of the "cycle of poverty" and unemployment attributed to Indian People; with the associated dependency upon public welfare and grossly inadequate access to nutrition, housing and health,
* The high mortality rates which reduce the life expectancy of Indian people substantially below that of the People of the United States,

The just mentioned conditions and others are seen to be a logical outcome of certain basic causes which directly impact Indian youth, within their living experiences and the educational process and opportunities available to the American Indian. Among these are the following:

* An educational process provided to Indian youth which has failed to offer these people an identity; and in the process, has destroyed the identity provided by Indian Culture. A lack of identity, pride, motivation and initiative to continue the life-long process of mental and physical development is said to characterize the position of Indian People and their young. This is reflected in the following observations: which have been made by the Congress and academic researchers, and where indicated, have been shown to deviate in a negative direction substantially beyond the same traits attributed to the larger population of the United States, by a considerable magnitude, thereby, giving considerable cause for alarm concerning the future continued existence of Indian People in this country:
  1. low average Indian educational levels and a lack of basic skills provided to Indian People by the Government,
  2. Achievement levels of Indian youth which have been shown to fall progressively farther behind that of the more advantaged American student counterpart, giving cause to academic failure greatly.
  3. Typical feelings of intellectual inferiority and inability expressed by Indian youth; who have been measured to rank below those of any other minority group of youths tested in this country,
  4. Extremely high rates of academic dropouts among Indian youth which in some cases are said to reach 100% of the youth population,
  5. An inability of the current system of education provided to Indian youth to motivate these persons in some cases to even learn the English language,

* Other causes of problems later in the adulthood of the Indian youth are said to stem from the following, aside from the educational process

as it directly impacts Indian youth: 1) racial discrimination and an intolerance of Indian cultural differences among members of the larger set of the People of the United States, 2) An inability of Indian youth to identify with either the culture of the American Indian, or, with that of the American System, 3) a perceived lack of purpose, individual social disorientation and inability of Indian youth to see beyond the day-to-day contingencies imposed by the immediate environment; along with, 4) an inability to respond to the normal incentives of Society in a productive manner, 5) The lack of knowledge, expertise and skills available to Indian People in sufficient quantities at the local level which would enable them to make the most efficient use of existing resources for the education of their youth, 6) an inability of Indian youth to utilize existing social institutions effectively, in the course of their development, normally available to other members of American Society, due to the fact that the youth lacks economic, physical and mental resources normally given to other American youth; yet are lacking in sufficient relative quantities to Indian youth.

The logical reaction of the American Indian youth to all of these perceived shortcomings and disadvantages is one of antagonism toward the white culture along with a tendency toward individual isolation and self-destruction. In short, the American system of education has not provided Indian People with a means of adapting to the demands of a changing cultural and socio-economic environment which demands certain performances of the individual, in terms of job participation, motivation for achievement and social cooperation. Realistically, this may result in the continued and accelerated future extermination of an entire ethnic group of People through natural conditions, short of immediate and measurably effective public and governmental intervention.

The National Indian Activities Association's Proposed Program Response

The program being presented to the American Indian Youth, via the requested support of the United States Congress and the Bureau of Indian Affairs, has as a primary objective of reversing the above stated conditions attributed to Indian People over the course of time. It is designed to impact substantial numbers of American Indian youth and eliminate the basic causes of an impinging socially-destructive process. The elements of the plan include: 1) imparting and reinforcement of Indian cultural identity to Indian youth between the ages of 5 and 18 years, through Indian activities, 2) the provisioning of a system of identity role models for Indian youth; in the form of persons with whom they can successfully identify; and with whom that element of identity motivates and awards excellence in personal development and achievement, 3) a set of Indian activities which discourage and eliminate the use of alcohol, drugs, crime, and social disorientation, in addition to activities which 4) encourage productive social interaction, productive academic and employment accomplishment, instill identity, pride and dignity, 5) guidance to the parents of Indian children in the efficient and productive usage of existing extracurricular resources and planning at the local level of Indian Peopleand their communities, and 6) guidance which will lead to the more efficient functioning of existing program opportunities and the productive use of public expenditures at the local level, the regional, statewide and national levels, 7) provision of opportunities within the existing American institutions which would provide the opportunity and incentives of Indian youth to demonstrate their unique accomplishments before the American People, 8) provision of a system of educating of American People of the unique and beneficial aspects of American Indian culture and heritage; thereby, informing Americans and providing increased opportunities for achievement of excellence by Indian youth, 9) a system which will provide leaders and identity, regardless of where the Indian person resides; and one in which he may speak of in proud terms.

The proposed program will be a national outreach service which will have as its primary target group, the disadvantaged American Indian youth residing in the United States and Alaska. It offers a mean of researching and identifying the needs of unique local Indian youth in terms of extracurricular educational programs. Community participation is promoted in the identification of those needs. And the programs to be planned on behalf of Indian youth will promote education (and incentives against) the harmful use of alcohol, drugs, and the ill effects of harmful physical habits. A diversified range of services will be made available to Indian people which include the following: local activity

plans for Indian youth, counseling, agency coordination, special events made available to Indian youth for productive participation, training and educational services, a data collection services library, equipment and supplies for the more effective use of existing extracurricular programs at the local level, the staging of regional, statewide, national and local events which appeal particularly to the needs of the target population; and a means of demonstrating to the American People, the successful outcome of the project in terms of solving the problems of Indian youth and motivating these persons in substantial numbers to participate productively within society. The beneficial outcomes of the project are contained within the plan being submitted to the Bureau of Indian Affairs and the Congress. And these are substantial indeed in terms of the efficient and productive use of public expenditures; and the elimination of human suffering and Indian problems.

Past Performances of the National Indian Activities Association

The NIAA is composed of Indian People, and extensive experience has enabled the applicant to gain a veritable knowledge of the needs and aspirations of Indian People. The applican is charter as a non-profit corporation; with a central office located at Seattle, Washington. Services are currently distributed throughout the Nation by a system of regional representatives, working under the guidance of a central office, providing expertise and guidance to Indian People. The NIAA Board of Directors is comprised of American Indians, who are elected by the local Indian communities throughout the Nation. And the staff is dedicated, conscientious and professionally-oriented people, who bring to NIAA, an efficient and effective administrative organization. Access is maintained at the local level in addition to representatives and staff and board visits via direct communication to several hundred Indian news agents.

Since representatives of the various Indian tribes and communities gathered at Reno, Nevada in 1973 to organize the National Indian Activities Association, more than 25,000 Indian People have participated within NIAA sponsored and organized activities and events. And, it can be shown that without the assistance of the NIAA, many of these People would not have been able to otherwise organize activities and participate within their desired activities. Special arrangements have been made by NIAA with American institutions to afford Indian People entry and participation that would not otherwise have been possible, due to income, mobility, physical disadvantages, social bias, and a whole host of other impairments. Private sponsors and foundations have been pursuaded by NIAA people to contribute to local programs and Indian opportunity. Supplies and equipment that would not otherwise have been available to Indian communities for activity sponsorship have been gathered by NIAA personnel.

Because of the National Indian Activities Association, the following accomplishments of Indian People have been made possible:

* The American image of Indians has been improved through provision of cross-cultural information and education,
* Greater unity exists between communites of Indians and other Americans,
* A greater sense of awareness and increased pride and self-esteem has motivated participants to reach new levels of excellence in performance and personal habits,
* Participants have acquired training and skills not otherwise available; have found a sense of identity, purpose and community. And these People will be among the future leaders of the Indian community during future years. At the same time, they will lead a more worthwhile and productive life, as a result of their educational interactions among other persons similar to themselves.

In addition to the extracurricular educational plan submitted with the initiation of the Congressional Budgetary Hearing, the National Indian Activities Association plans to provide the following elements to its program planning:

* a 1977 International Olympic Games Event
* Training classes for outstanding Indian youth
* An International Exposition of Indian Talent & Culture.

Thus, the National Indian Activities feels that its past record of performance on behalf of the American Indian speaks for itself. And, with the cooperation of the Congress and the American People, the NIAA contemplates a substantial future impact upon the achievement of Self-Sufficiency and Self-Determination of all American Indian People.

CHEHALIS INDIAN TRIBE, WASHINGTON

STATEMENT OF MELVIN L. YOUCKTON, CHAIRMAN, CONFEDERATED TRIBES OF THE CHEHALIS RESERVATION, WASHINGTON STATE

ACCOMPANIED BY:

LORRAINE GOLDMAN, SECRETARY; ARNIE YOUCKTON, TRIBAL MEMBER

Senator HATFIELD. Next, Mr. Youckton. Good morning, sir.

Mr. YOUCKTON. Good morning. My name is Melvin Youckton. I am chairman of the Chehalis Tribe in Washington State. We are here requesting some funds——

Senator HATFIELD. Would you introduce your colleagues with you?

Mr. YOUCKTON. On my left is Lorraine Goldman, tribal secretary. On the right is my son who came along.

Senator HATFIELD. We are happy to have you here this morning.

FISHING RIGHTS OF NONTREATY INDIANS

Mr. YOUCKTON. We thank you for the time you have allotted us to listen to our fishing problems in Washington State.

The Chehalis Tribe is a nontreaty tribe, not a party to the Judge Boldt decision, yet severely damaged by the impact of neighboring tribes who have expanded their off-reservation fishing rights into traditional Chehalis tribal areas. The reason we are saying that is because for many centuries our people have served, and where we said we are the only tribe on the Chehalis River, now we have neighboring tribes coming and fishing saying that that is their accustomed fishing grounds.

On the second part, the reason we are asking for the money we are requesting, we need an anthropologist, biologist, legal aid, enforcement. For an anthropologist the need is for research to see how our tribe was established and what rights we still have.

The reason we are not a treaty tribe, our people signed a treaty in 1852, but it was not ratified.

Senator HATFIELD. Like the Siletz Indians in Oregon?

Mr. YOUCKTON. Yes; the 1852 treaty was the same as the area we are existing in right now.

In 1855 Governor Stevens came through and treatied with our people, but our people would not sign the treaty because they wanted us to move to the coast, which our people did not want to do. So they never did sign a treaty. We were established by executive order in 1854 making our current reservation with the fishing rights that we have right now.

In 1974 came along the rule on treaty Indians, and we petitioned STOWW, the Bureau of Indian Affairs, Northwest Fishery Commission, and we have gotten no response out of either organization. For conservation, we practiced it for centuries, but right now it does not seem very good on our part for a nontreaty tribe. There is no basis for us to get into the court decision because all these decisions seem to stem on treaty tribes.

This time we are asking for this amount of money to keep abreast with treaty tribes so that we can sit down at tables as equals and talk things over and come to some kind of agreement on the problem that we have.

Senator HATFIELD. I appreciate very much your being here this morning. I can fully understand your problem. We have similar tribes in our State, and with the Judge Boldt decision, we have some very difficult problems that have been unresolved for many, many years coming to a head.

I have asked our chairman of the Indian Review Commission, Senator Abourezk of South Dakota, to hold a hearing in the Pacific Northwest to undertake some review of this particular problem, because it is not going to drift away. It will have to be resolved.

I appreciate your interest in this and your particular unique status.

Mr. YOUCKTON. Also, is this hearing in the Northwest going to be in the near future?

Senator HATFIELD. We are hoping that it can be scheduled this spring sometime, perhaps May or June.

Mr. YOUCKTON. Do you see any objection to this budget coming through, or do you need more information——

Senator HATFIELD. Until we get to the point of markup, I can see no questions at this time. But we may get back to you for additional information if we need it.

I think I have a pretty good grasp of your problem, as I say, parallelling it with some of our own problems as your next-door neighbor. I will certainly do my best.

Mr. YOUCKTON. Another reason, on this enforcement, we tried to hire a river patrol to keep our fishermen within our own reservation. We used CEDA and every other funding agency we had, and we cannot keep a person on full time because of this.

Senator HATFIELD. Thank you very much.

[The statement follows:]

STATEMENT OF MELVIN C. YOUCKTON

The Chehalis tribe is a non-treaty tribe, not a party to the Judge Boldt decision, yet severely damaged by the impact of 'neighboring' tribes who have expanded their off-reservation fishing rights into traditional Chehalis tribal areas.

Our recent requests for Fisheries Development services, such as (1) Anthropologist; (2) Biologist; (3) Legal aid; (4) Enforcement; and (5) Documentation of current and future fishing programs from organizations, such as: (1) Small Tribes of Western Washington; (2) Northwest Indian Fish Commission; (3) Bureau of Indian Affairs: (A) Washington, D.C., Central Office; (B) Portland Area Office; (C) Western Washington Agency (Everett); (D) Sub-Agency (Hoquiam).

Has been fruitless.

We hereby submit and request line item funding for the Chehalis tribe in the amount of $85,000.00 for Fisheries Development.

Your current funding to the above service organizations responsible for our Chehalis Fisheries Development is poorly administered. We have measured the past services delivered to us, the current administrative attitude, and are distrustful of future commitments.

We can only rely upon your objective concern to assist us in this evolving, unfulfilled, need of our tribe.

Sincerely,

MELVIN L. YOUCKTON,
Chairman.

BUDGET—FISCAL YEAR 1977, LINE ITEM REQUEST

1. Anthropologist	$10,000
2. Biologist	20,000
3. Legal Aid	20,000
4. Enforcement	18,000
5. Documentation	17,000
Total	85,000

INDIAN HEALTH BOARDS

STATEMENT OF CHARLES A. DEEGAN, JR., DIRECTOR, INDIAN HEALTH BOARD OF MINNEAPOLIS, INC.

ACCOMPANIED BY:

DON ARAGON, CHAIRMAN, SEATTLE INDIAN HEALTH BOARD

MICHAEL D. MAHSETKY, DALLAS INTER-TRIBAL CENTER HEALTH PROJECT/CLINIC

MONA BEARSKIN, PROGRAM COORDINATOR, AMERICAN INDIAN HEALTH SERVICE OF CHICAGO, INC.

THOMAS MOSES, BOARD MEMBER, CENTRAL OKLAHOMA AMERICAN INDIAN HEALTH COUNCIL

JUANITA CONNORS, DIRECTOR, THE INDIAN FREE CLINIC, INC., HUNTINGTON PARK, CALIFORNIA

VICTOR NAHMABIN, ASSISTANT DIRECTOR, NORTH AMERICAN INDIAN ASSOCIATION OF DETROIT, INC.

ALFRED GIMA, M.D., AND RAY GRANDBOIS, EXECUTIVE DIRECTOR, MILWAUKEE INDIAN HEALTH BOARD, INC.

URBAN INDIAN HEALTH NEEDS

Senator HATFIELD. I believe Mr. Deegan is next.

Mr. DEEGAN. Senator Hatfield, I want to thank you for this opportunity. I have with me today some of the urban health projects that our efforts in attempting to define the health needs of urban Indians and also to find ways to meet those needs, which in most cases are using existing resources, attempting to get Indians to get into existing clinics, existing hospitals. Some of us are doing it by ways of having store-front clinics.

Senator HATFIELD. We have all of your statements here, and they will all be placed in the record. So if you will speak on behalf of your group today and summarize what your basic problems are, we will be happy to hear from you.

Mr. DEEGAN. I would like to have each of the projects tell you of their project verbally.

Mr. ARAGON. I am Don Aragon, and I am chairman of the Seattle Indian Health Board, chairman of the board of directors.

We are here to testify on behalf of ourselves and to support the other Indian projects here. We have a full comprehensive medical and dental clinic plus alcoholism and social outreach in our area. We have three requests that we ask of this subcommittee. We want to clarify the language in the appropriations. The Health Service is

interpreting the language as restricting the funds to direct health care programs. Second, we want you to instruct the Indian Health Services to develop a performance and evaluation criteria for the urban Indian programs.

Thank you, Mr. Chairman.

Senator HATFIELD. Thank you.

Mr. MAHSETKY. I am Mike Mahsetky with the Dallas Inter-Tribal Center Health Project/Clinic. I am requesting $185,000 for direct health care service to native Americans of the Dallas-Fort Worth area. We serve 18,000 people, two-thirds of whom are children who desperately need medical care. They are going to Indian0cl800it0,00 hospitals in Oklahoma and New Mexico for health services.

We have out of the 37 census tracts in the Dallas area that are declared medically underserved, 14 of the areas are populated by Indian people. My only request is that we be allocated money for direct health care services.

Thank you.

Ms. BEARSKIN. I am Mona Bearskin. I am speaking on behalf of the American Indian Health Service in Chicago.

We are requesting $165,000 for direct services. We have a population of 16,000 to 20,000 American Indians in Chicago. There are no vital statistics available on the Indian community in Chicago. We are providing free and low-cost medical care to our Indian community. Fifty percent of our clientele are medically indigent and have no funds to cover medical care. We need more money to develop more programs for our people.

Thank you.

Mr. MOSES. I am Tom Moses, a board member of the Oklahoma City Urban Indian Health project.

The project was started approximately 3 years ago, and is now serving approximately 10,000 persons per year. We have a base funding of $98,000 from IHS, of which none goes to direct medical care.

Our projected expenditures for fiscal year 1977 will be $300,000, of which we plan to implement total medical care programs and expand on our primary services.

Ms. CONNORS. I am Juanita Connors of Indian Free Clinic in Huntington Park, Calif.

We have a complete medical clinic that operates 4 days a week. We have medical clinic, dental clinic, prenatal clinic, pediatrics clinic, nutrition counseling for the pediatrics and the prenatal patients, and the special diabetic patients. We have served in the area of 3,035 returning visits, and we have served in the area of 2,214 new patient visits. These are people coming for all of the services listed here.

We serve the American Indians of Los Angeles and the surrounding regional areas. We also serve other ethnic people of the San Antonio Health District. No one is refused service or turned away. We do not restrict our services to Indians alone. Our services take in all people of all ethnic races.

The clinic has been in operation with funds from—some funds from areas, agencies at the State and Federal level, and some are the Greater Los Angeles Agency of California, which is a community action project.

Thank you.

Mr. NAHMABIN. My name is Victor Nahmabin. I am assistant director of Detroit American Indian Center.

I am here to request funds to develop an Indian health planning program. And the amount of funds I am asking for is $400,000.

The population in the Detroit area of the 1970 Census is 16,854. However, after a recent survey by the Michigan Commission on Indian Affairs, it was found that they came up with an estimate of 30,000 Indian people, with 5 percent being on the four reservations in the State of Michigan, and 45 percent in the rural area, and 50 percent being in the urban area, with the highest concentration of many people being in the Detroit area.

I think you are well aware that Detroit is one of the—it was declared a disaster area by HUD, and there are a lot of health problems that exist in the city of Detroit. We are attempting in every way to help solve those problems for our people. We have so far set up a clinic by utilizing our CETA grant, and we have a volunteer doctor and nurse that do come in.

We get free medical supplies and drugs and prescriptions from the World Medical Relief, Inc. However, this is insufficient, and this is why there are problems in that area as how to reach and identify and expand our clinic, which is operating on a shoestring right now.

I want to thank you gentlemen for allowing me to testify on behalf of the Detroit American Indian population. Thank you.

Dr. GIMA. My name is Al Gima, and I am associated with Milwaukee Indian Health Board. I am a physician. I am certified in the area of preventive medicine, and I want to emphasize the particular need that these projects, as well as the Milwaukee project, is trying to fulfill.

As I see it from my perspective, it is an attempt to fulfill the need for primary care which is the underlying need at the current time, especially in the urban settings. The primary care functions of the Milwaukee Indian Health Board, as well as these other urban projects, is characterized by the following three points.

First, to provide first contact care, and also to provide continuity of care for many of these urban Indians. Finally, to provide a coordinating function for other health and social services, as well as to provide a channel for secondary as well as tertiary care in these urban areas.

I emphasize again that primary care by Indians for Indians is the first step to gaining access to the quality care which is usually available in many of these urban areas. But it is a problem of access, and I think this is the function that these projects will serve.

Mr. GRANDBOIS. My name is Ray Grandbois, and I am director of Milwaukee Indian Health Board.

We are requesting $721,000 as a line item in the Indian Health Service budget. This figure was arrived at based on the Indian Health Service resource allocation which was approved by the Health Services Administration.

Since we are so short on time, I will forego everything I was going to say and basically tell our philosophy, which is that Indians must participate in their own health delivery system. And the Federal Government through treaty responsibilities should maintain some type of relationship with the people of the tribe rather than just the people who are on the land, the reservation proper.

We also feel very strongly that referral systems must include some type of minor diagnostic and treatment capabilities.

Thank you.

Mr. DEEGAN. Senator Hatfield, the story we are trying to tell you today, basically is, that although we are aware that there are various health services in urban areas designated to serve the needs of the medically indigent, what we are trying to tell you is, that the doors are closed to health care services for urban Indians.

We are not here to lay blame at the feet of anyone, but we are here to tell you that cultural barriers, financial barriers, a lack of consumer education, these kinds of things, the inability to use the system, cause the Indian population in urban areas to be outside of the world of health care.

You have heard mention that one of the things we feel should be involved is that Indian people should be involved in the delivery side of health care.

Although Minneapolis also is asking for an additional $200,000 to continue accessing the urban Indian health care by means of using physicians and dentists, I feel that generally speaking this year if there was a way to do it, that an additional $2 million for the urban programs this year would be adequate. There is currently $3 million now being appropriated annually for these types of activities, and we think that a minimum of $5 million could be used very well in demonstration to show that when we are involved in the delivery of health care to our own people that we can do better, we can change the basic data that at the current time is a very dark picture.

Senator HATFIELD. Is your $5 million figure a total figure that incorporates all of these various projects?

Mr. DEEGAN. No; the figures they have projected to you are their projections on an individual basis.

Senator HATFIELD. But do you have a compilation of all of these projects and all the ones that have to do with urban Indian——

Mr. DEEGAN. No; other than the fact that there are 13 now.

Senator HATFIELD. Can you get us a compilation?

Mr. DEEGAN. Yes; we can get you a compilation.

Senator HATFIELD. Otherwise, I would ask you a very embarrassing question, that is, to rank all these projects in priorities. I do not think you want to do that. So could you give us a compilation of these, and perhaps there are others that are not here today that we should know about.

Mr. DEEGAN. Yes; there are others.

Senator HATFIELD. I think it is important to know about these specific ones as illustrative of the basic need, but I would like to get for the committee a total compilation if you could. That would be very helpful.

Mr. DEEGAN. Yes; we will do that.

Senator HATFIELD. Thank you very much. I appreciate you ladies and gentlemen being here today.

[The statements follow:]

1983

STATEMENT OF CHARLES DEEGAN, JR.

Mr. Chairman, members of the committee, I appreciate this opportunity to appear before you today.

My name is Charles Deegan Jr. I am the Director of the Indian Health Board of Minneapolis, Inc. I am a member of the White Earth Band of Chippewas and have resided in the Minneapolis area for the past 20 years. On behalf of the Indian Health Board of Minneapolis Inc., I am requesting an additional $200,000 from this committee to expand and further develop the activities of the Indian Health Board of Minneapolis.

Presently, the Indian Health Board receives from this committee of Interior Department and Related Agencies $150,000 a year to define unmet health care needs of American Indians in the urban area, and to engage in resource development. The additional request of $200,000 will address the following:

1) $50,000 to develop an American Indian Dental Health Training Program

2) $50,000 to develop a model information system

3) $100,000 to expand community medical outreach to include St. Paul and expanding activities in the Minneapolis area

In total, the Indian Health Baord of Minneapolis Inc. is requesting $350,000 for the continuation and expansion of defining unmet health care needs of American Indians in the urban area, and engage in further resource development. The city of Minneapolis and Hennepin County are currently providing monies for the direct medical and dental services upon the Indian Health Board's demonstration of serving a medically indegent population. The appropriations of this committee enabled this documentation of need possible.

The Indian Health Board currently operates a primary health care facility locate at 2217 Nicollet Avenue South Minneapolis, Minnesota. This facility offers basic primary medical health care services and comprehensive dental care services on a 5 day, 40 hour a week basis. For the past year, March 1975 through March 1976, there have been 4,829 medical outpatient visits and 2,455 dental outpatient visits. Through our Community Health Workers (CHW's) outreach program, approximately 4,000 personal encounters made via home visits or providing transportation to health care facilities has occurred. These totals represent 11,727 personal encounters or approximately 43 patients seen per day. The medical clinic averages 17 patients per day while the dental clinic averages 10 patients per day. Our CHW program of outreach represents 15 personal encounters per day. In addition to the 11,727 personal patient encounters made through the medical, dental, and CHW outreach, the Indian Health Board receives and estimated 10-15 phone calls per day for information or referral services.

The Indian Health Board has determined that in matter of direct costs for patient care, the following represent an average cost per patient visit.

a) medical visit $16.72/patient

b) dental visit $22.00/patient

The year 1975 represents a series of accomplishments for the Indian Health Board. It was the first year that the Indian Health Board was able to persuade Hennepin County to address the need of the American Indian indigent population of Minneapolis. The County Commissioners have been willing to address the documented needs of the Indian community, and without the work of the committee, this would not have been possible.

There is a definite need to continue this type of development. For example, the State of Minnesota has appropriated monies for American Indians with no established county residence to receive health care services. It was through the effort of the Minnesota Council of Churches Joint Rleigious Legislative Committee (JRLC) that secured passage of this particular bill. Of the many

sources that the JRLC used to help secure passage, a report made by the Indian Health Board documenting migratory patterns of the State's Indian population provided an integral source of background information. The monies appropriated for this particular population will be available to counties to help offset their losses, however, this money may not be available until 1977.

The Indian Health Board operates and maintains a dental clinic which is equipped to provide comprehensive services. The program presently is subsidized by City Revenue Sharing Community Development Block Grant under the Department of Housing and Urban Development. This money currently pays for one full time dentist, one full time dental assistant, supplies, rent and costs for rental equipment. The overall administrative and resource development activities for the dental clinic are supported by monies appropriated by this committee.

Am important aspect of the Indian Health Board of Minneapolis, coupled with defining and addressing health care needs of American Indians in the urban area, is the training of American Indians in the allied health care professions. The Indian Health Board has approached designated agencies which advocate health manpower training, however, no funds were available. In order to address this current need, the Indian Health Board is requesting $50,000 for manpower development to more fully utilize and develop manpower resources.

The Indian Health Board has participated in the CETA Program. The purpose of this program is to provide employment opportunities for disadvantaged especially those with an interest but no opportunity for training in the allied health care professions. The Indian Health Board endorses the concept of CETA, however, the existing methods adopted by the Department of Labor is inadequate. Major difficulties in reporting systems, receiving payments, and cut backs to three participants has wearied the Indian Health Board to the point of discontinuing our participation in this program. It is our strong recommendation that existing Department of Labor Funds be earmarked for American Indians in allied health training with Urban Health Projects as sponsors.

The Indian Health Board employs one full time Family Practice physician specialist and one part time Pediatrician. Both of our physicians have teaching appointments with Hennepin County General Hospital which enables our participation in a Family Practice and Pediatric Residency Program. Currently, we have 2 Family Practice residents in the program which are supported by foundation monies. The purpose of this program is twofold: 1) to offer exposure to young physicians to the inner city health clinic; and 2) upon completion of this exposure,a pool of interested physicians would be available for recruitment into inner city health clinics much like the Indian Health Board Clinic.

Since the advent of our Pediatric Program in July of 1975, the Indian Health Board incorporated a food supplement program for expectant mothers, children, and infants known as WIC. To date, there have been 37 infants, 76 children, and 24 mothers enrolled in the program. Only 12 have terminated since its beginning. For the entire year of March 1975 through March 1976, there have been 34 deliveries, and presently, we have a total of 21 expectant mothers.

Of these new deliveries and expectant mothers, each person is offered participation in the WIC program and our Family Planning Program. Although the Indian Health Board receives no federal, state, or local monies for family planning, we have a total of 83 women participating in active family planning. 57% of these women have chosen oral contraceptives in their family planning program. The remainder use other forms of contraception. Of the women currently participating in the program, 56% must rely on salesman's samples because they have no way to pay for the services.

In November 1975, the first workshop of the National Family Planning Forum for American Indians was held in Minneapolis, Out of this forum came several recommendations: 1)educational programs for Indian teens and parents must be developed to meet their family planning needs; 2)whereas many Family Planning and MCH projects have or will curtail vital services to Indian people due to reduced funding levels, a negotiated formula percent of any state health funds

be set aside for Indian Maternal and Child Health Projects, The Indian Health Board endorses these recommendations, however, in an attempt to address the present need, a joint effort with the Minneapolis Public Health Department concerning family planning is operational. Because of the Indian Health Board's demonstration of its capacity for effective outreach to the Indian community, the Minneapolis Public Health Department requested that the Indian Health Board employ one CHW to perform family planning promotional outreach directed toward Indian residents. To date, 40 Indian persons have participated in this joint family planning effort sponsored through the Minneapolis Public Health Department.

The Indian Health Board is currently involved in the development phase of an Health Maintenance Organization (HMO) feasibility study. The Indian Health Board has determined that there is a possibility for our clinic to become part of an existing HMO in the form of a primary outpatient health care facility for HMO enrollees. To date, the Indian Health Board has received one refusal to negotiate further elements of the development phase. However, negotiations with other existing HMO's in the area are in progress. Should this refusal trend continue in our further negotiations, serious consideration must be given to existing HMO's, Group Health Plans, and Health Insurance Programs concerning their willingness and capabilities to serve low income and minority people in any National Health Insurance Plan.

Since the initial phase of the development of the Indian Health Board, a data information service has been in use. However, due to the lack of flexibility in retreiving pertinent information, high incidence of recurring errors, and continual increase in costs, the Indian Health Board desires to develop a model information system. $50,000 is being requested. This development will include the training of American Indian personnel in the field of programming, data systems, and design.

In the spirit of the Indian Health Board in addressing and documenting health care needs of American Indians in the urban area, a community medical outreach program for St. Paul, and expanding activities in the Minneapolis area is planned. Based on census information, St. Paul has 1,906 American Indians. Increased funding for the development of this program is for $100,000.

STATEMENT OF DON ARAGON

Good morning Mr. Chairman. My name is Don Aragon. I'm a Shoshone from Fort Washakie, Wyoming and am here today as the Chairman of the Seattle Indian Health Board.

The Seattle Indian Health Board is testifying today in conjunction with other urban Indian health programs on the Department of Interior appropriations. We are asking for no new money for the Seattle Indian Health Board this year. Our request is for a continuation of our current funding level. You may recall that last year we asked for a $500,000 add-on to our allocation -- not as an increase in our overall budget, but to offset expected cuts in other areas of the HEW budget. You appropriated the $500,000 for us. We are here today to thank you for that and to tell you of our plans for use of the funds. However, we have not yet received any of the money. Apportionment of the funds was delayed because of a request by President Ford that the congressional add-ons be rescinded. We appreciate the congressional response to the rescission request. Fortunately, some of the legislation which the President hoped to terminate last year, such as 314D and the Regional Medical Program, was extended by Congress. We have gotten some money, but it has expired now and we have still suffered the loss of funds and our program has suffered. Staff who have left were not replaced; patient transportation has been cut drastically, as well as supplies. The harm done is not permanent and can be mended when we receive our appropriation.

Despite these problems, we have seen 10,000 patients in the last year. We have seen 14,260 visits in our medical clinic and 4,578 visits in our dental clinic. We have grown by 17% each month. Our patients, 60% of which are low income and 67% of which have no health insurance, receive quality medical, alcoholism and dental care, with social service support. These

patients are seen mainly by Indian providers. As you know, Indian people are reluctant to use most health care facilities because of the insensitivity and sometimes discrimination they feel they receive. The only practical way to provide acceptable health care to Indians is to have Indians treating their own people. We are proud of our four Indian mid-level providers in our medical clinic, as well as our Indian nurses, nursing assistants, medical and dental receptionists and dental assistants. In our clinic, most patients can be seen and treated by Indian people.

This year, our medical clinic moved to a new facility - the first floor of Building 10 on the Public Health Service Hospital campus. This facility, renovated for us by the Bureau of Medical Services in the Public Health Service, is more than three times larger than the old one. Funds for equipment and some furniture were acquired from two local foundations - Seattle Foundation and Boeing Employees' Good Neighbor Fund. Our patients are receiving faster and more pleasant service because of the increased space.

With the $500,000 add-on, we plan to replace the several staff who left during the year and could not be replaced. We will be able, once again, to provide transportation to patients who cannot get to our clinics. We will be able to provide more dental services and cut our waiting list (presently over 1,000 people). We will provide pre-natal care and complete our plan to affiliate with the City/County Health Department maternal and infant program. The management and efficiency with which we provide services will improve.

We continue to wait for the Indian Health Care Improvement Act and National Health Insurance. But we have continued our use of non-federal resources and our efforts to develop such resources. We are currently studying the feasibility of the Seattle Indian Health Board becoming a health maintenance organization. This year, we were designated as a regular 314E project which means we will receive funding on a three-year basis, rather than annually, for that program. The Seattle Indian Health Board has always tried to access local and state funds. As you know, however, there is a special relationship between Indians and the federal government. Local and state government too often cite that relationship in telling us we are not their responsibility. This presents difficulties for our getting funds from them even though we ask for no "special" consideration -- just the consideration available to all citizens. In addition, some federal funds, when passed on to local and state governments, exclude our population. For example, city block grants (HUD money) are for specific neighborhoods - geographic, not cultural. Indians in Seattle (see attached map) are widely dispersed throughout the metropolitan area. Thus, this HUD money is not available to us despite unique housing problems for Indians. Family planning money in Title XX goes through the state. We are told income verification and credit checks are necessary. If our patients thought they had to meet certain requirements and justify their income with documentation, the trust which we have worked so hard to build would be broken. If we did this, our patients would no longer use our clinic and services would be denied to Indian people again. Unless changes are made in these requirements, we will not be able to use this state money either.

Today, the Seattle Indian Health Board is asking Congress for three items. First, we want you to clarify the language in your appropriation with regard to the funding of programs to deliver direct health care. IHS is interpreting the language in the conference report for the 1976 appropriation add-ons as restricting funding for direct health care programs. However, there is no statutory restriction and Congress has never excluded IHS from the direct care aspects of the urban Indian health sphere. Access to health care by the urban Indian is greatly facilitated through the operation of urban Indian direct care programs. This policy also allows programs to provide necessary services without the unnecessary ties and extra costs of categorical grants.

The Seattle Indian Health Board, through its operation of primary care medical and dental clinics with social service support from our outreach department, continues to demonstrate the effectiveness of such a model in improving access to secondary care in the existing system. In our six years

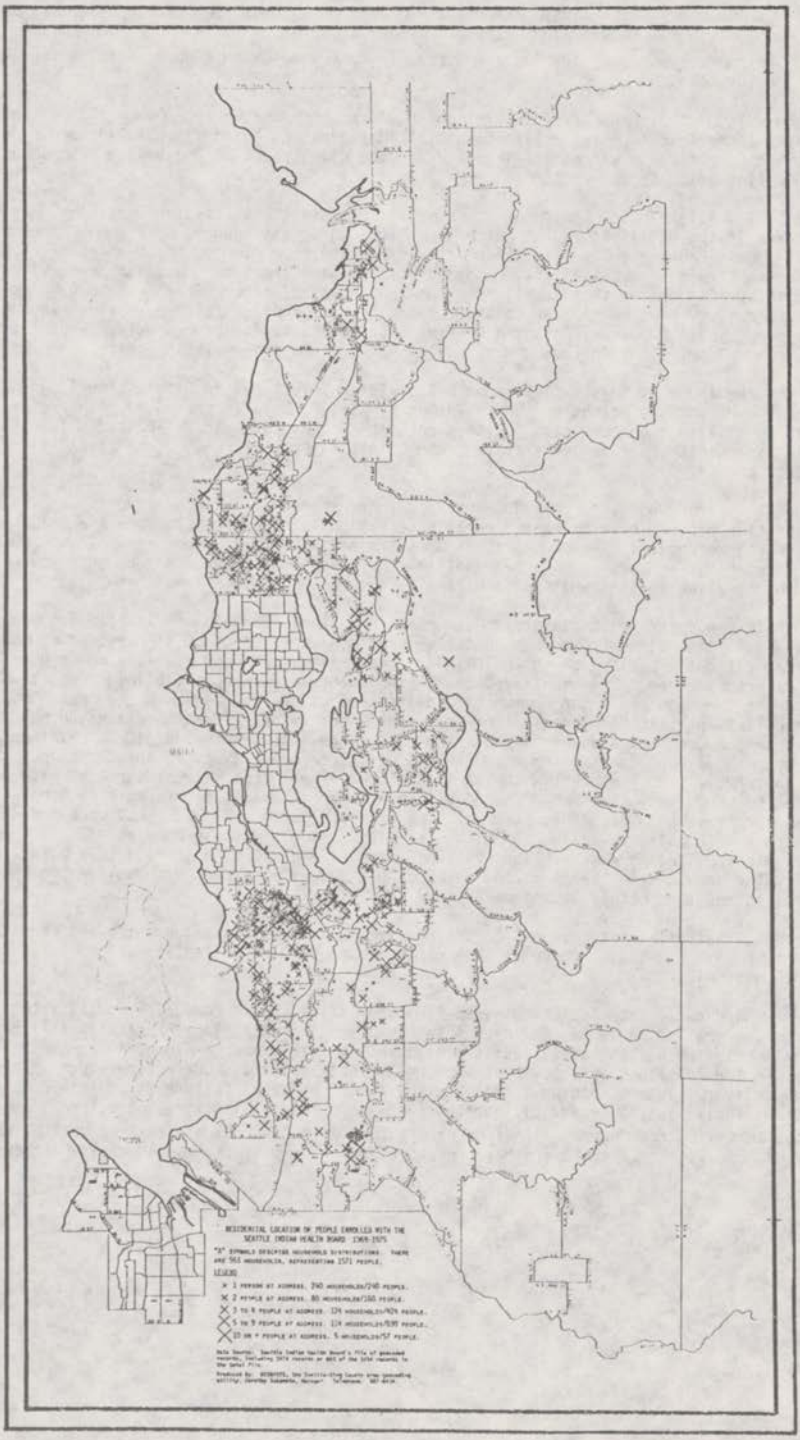
of operation, we have identified and served 15,000 patients, 87% of whom are Indian or Alaskan Native. Ten percent have been referred to specialized or in-patient care in Seattle's Public Health Service Hospital or other community hospitals. Thus, we are fulfilling the task we undertook to identify the urban Indian population. We are further identifying the full extent of their health care needs through the operation of a direct care program with full referral and follow-up capabilities which assures comprehensive care. We are proving that this concept is essential to our goal of improving the level of health of urban Indians.

Second, since we realize funds are limited and we need to get the maximum effect from dollars spent, we ask you to instruct the Indian Health Service to develop performance and evaluation criteria for urban Indian health programs. In this regard, the Seattle Indian Health Board has been developing the mechanisms for accountability for several years. While we have not completely erradicated all problems, our accounting systems and statistical reporting enable almost any type of relevant computation and analysis. These criteria will be helpful to Congress in appropriation deliberations in the future. At the Seattle Indian Helath Board, we do an excellent job of providing quality health care. We have nothing to fear from evaluation and look forward to an unbiased source's reporting of our success. But we do fear waste of scant dollars if Indian health care programs severally are not subject to performance criteria. Our third request is that you increase the appropriation for the other urban Indian clinics in Chicago, Dallas, Denver, Milwaukee, Minneapolis, Oklahoma City, Compton, Huntington Park and San Francisco. These clinics are trying to meet the needs in their cities, are doing well and need increased support.

As we have already stated, the Seattle Indian Health Board is not asking for an increase in our own appropriation this year. We hope in the future when we do need more money, you will have evaluation reports other than our own to support our excellent services and our needs. In the future, we hope to serve more Indian people. In the next five years, we want to expand our 24-hour coverage, explore the feasibility of providing optometric care to our patients, and provide extensive health education and screening in the community. While this goes beyond our reasons for appearing here today, we ask for your continued support in the future.

1988

1989


RESIDENTIAL LOCATION OF PEOPLE ENROLLED WITH THE
SEATTLE INDIAN HEALTH BOARD: 1969-1975
"X" SYMBOLS DESCRIBE HOUSEHOLD DISTRIBUTIONS. THERE
ARE 563 HOUSEHOLDS, REPRESENTING 2571 PEOPLE.
LEGEND
1 PERSON AT ADDRESS. 240 HOUSEHOLDS/240 PEOPLE.
2 PEOPLE AT ADDRESS. 80 HOUSEHOLDS/160 PEOPLE.
3 TO 4 PEOPLE AT ADDRESS. 124 HOUSEHOLDS/426 PEOPLE.
5 TO 9 PEOPLE AT ADDRESS. 124 HOUSEHOLDS/695 PEOPLE.
10 OR + PEOPLE AT ADDRESS. 5 HOUSEHOLDS/57 PEOPLE.

1990

STATEMENT OF MICHAEL D. MAHSETKY

Mr. Chairman, members of the Sub-committee, I thank you for this opportunity to speak before you today.

My name is Michael Mahsetky. I am a member of the Comanche Tribe. On behalf of the Dallas Inter-Tribal Center Health Clinic, I am requesting an additional $185,000 from the Sub-Committee to expand services and for the development of the health program of the Dallas Inter-Tribal Center Clinic.

The Dallas Inter-Tribal Center is a non-profit community organization servicing American Indians in the Dallas/Ft. Worth Metroplex. The Center was founded by a group of concerned American Indians who felt a need to offer their people social services which would ease the strain of urban living, combined with an atmosphere dedicated to preserving the cultural identity that is vital to the Indian way of life. Creative energy and determination have led to a successful community center which features a wide range of programs: CETA Manpower, Arts and Crafts, GED Education, Indian Alcoholism Counseling, Youth and Recreation, an Indian Heritage Library, and a free walk-in medical clinic.

In the remainder of this article, the Dallas Inter-Tribal Center Clinic's position on health care for the Metroplex Indian Community will be briefly presented. The discussion will include community health needs, the Dallas Inter-Tribal Center Clinic's role as a health care delivery system, the Clinic's need for funding, and plans for future growth.

Since the late 1960's, over 15,000 American Indians originally encouraged by a government relocation program have exchanged rural reservation life for residency in the Dallas/Ft. Worth Metroplex. The complexities of learning to operate within an urban system can be staggering, and severe poverty magnifies the readjustment problem for many: over 38% of the American Indian families in Dallas have an annual income less than $4,000.

The Clinic was the Dallas Inter-Tribal Center's initial program when it opened in July, 1971, and it continues to be the Center's most important component in terms of community participation. In response to the Clinic's popularity, the Center's all-Indian Board of Directors recently re-emphasized their commitment to develop the Clinic proportionately to serve the growing Indian community and its serious health needs. Since that time, the Dallas Inter-Tribal Center Clinic has made a determined effort to erase the barriers that keep American Indians from receiving quality health care in the city. Despite having to operate with no funding and a completely colunteer medical staff, the Clinic has established a strong rapport with the Indian community. Free medical services have been extended to 2,800 patients over 8,734 visits: an additional 575 referrals to other health resources have been made in cases requiring extended treatment. Currently the medical staff sees 60 patients during two Clinic sessions a week, with an average of 12 new patients registering weekly. The key behind the Clinic's proven ability to provide cost-effective services to the American Indian population is an emphasis on <u>delivering</u> health care, rather then merely make it available.

In 1974, the Dallas Inter-Tribal Center received a community development grant from the Indian Health Service for documenting health needs of American Indians in the Dallas/Ft. Worth Metroplex.

Surveys and health statistics gathered from the Dallas Indian community indicate that very few have received adequate health care in the city. American Indians rarely utilize the area's existing health facilities; for example, 40% have never had dental care in Dallas, despite the existance of a low-cost university dental clinic. Current research on health care delivery systems concludes that the low income person's failure to utilize existing medical facilities is caused by inadequacies within the institutional structures, and teams surveying the Metroplex Indians report that dissatisfaction with area health institutions runs high. Interviewers have documented many complaints from community members

concerning transportation problems, racial discrimination, sub-standard medical treatment and a general lack of staff concern at Parkland Hospital and other public health facilities.

Commonly expressed by community members are communication problems in obtaining the health services in Dallas. These problems include 1) incomplete treatment due to inadequate physician-patient communication 2) not obtaining treatment due to uncertainty of costs, 3) not understanding follow-up instructions 4) lack of warmth on the part of health professionals. One frequent comment is the strong preference for Indian health professionals. Since 28.0% of the present population migrated from reservation areas, 17.6% from rural areas, and 40.9% from small towns primarily in Oklahoma and New Mexico, Indian personnel were commonly available in health facilities. In particular, these personnel are understanding of the desire for combined Indian and modern treatment. The question asked as to kind of medicine preferred, "Indian, modern, or both", resulted with responses pf 1.0% preferring no medicine, 66.3% preferring modern medicine, 3.1% preferring Indian medicine only, 29.3% preferring a combination of both Indian and modern meidcine, and one family not responding.

The high frequency of upper respiratory, eye infections, ear infections, sore throats, and high blood pressure is in a number of situations due to the lack of preventive care or early diagnosis.

Though the DIC Clinic was established before the Indian Health Service Survey Grant, there was no long range planning because of the lack of comprehensive documentation of health needs. The IHS grant enabled staffing of personnel to concentrate their efforts on planning for a comprehensive health care agency, once this need assessment was completed. In addition this need assessment could be a valuatle contribution of information to the existing health resources to improve their service to the Indian community.

Their functions are to coordinate social service functions with public and private social welfare agencies. They facilitate all agency referrals and agency transfer of major service categories such as intake, counseling, transportation, information, case recording referral and follow-up.

(See Appendix)

In summary, the American Indian is reluctant to use the available low-cost health facilities for several reasons. Some being the long wait at these facilities, transportation to and from and the fact that the "low-cost" is still not within their means. The American Indian is coming into the urban areas from rural and reservations unprepared for the many faceted problems they face and are not able to cope with. Communication and identity of self in an alien setting are sometimes insurmountable, causing emotional and physical ills. Cultural and tribal differences are also important aspects to be considered when dealing with the American Indian individual. There are 84 different tribes represented in the Dallas Metroplex with each tribe having its own language, cultural and tribal differences. This is almost inconceivable to comprehend in the non-Indian world, nevertheless it does exist and must be considered in our communications with American Indian individual's needs in the areas of health and welfare. Dallas has 37 census tracts designated as MUA's (Medically Underserved Areas). American Indians reside in 14 of those tracts.

Thus, low utilization of Dallas area medical facilities has resulted in a broad scope of serious health problems for the American Indian community. Because of institutional variables, the Dallas Inter-Tribal Center Clinic has proven its ability to deliver efficient, high quality primary health care to the Indian community where other area medical facilities have failed. Adequate funding will enable the Clinic to build on its existing base and reach its potential value to the Dallas community in general and to Dallas' American Indian community specifically.

NATIVE AMERICANS AND HEALTH CARE

The following points[1] regarding the Native American population of Dallas reveal the importance of a community-oriented health care delivery system:

1. There are presently fifteen to eighteen thousand Native Americans in the Dallas area, representing nearly a hundred individual tribes. Those tribes comprising the majority of the community are the Choctaw (28.6%), Navajo (15.4%), Creek (7.2%), Cherokee (6.6%), Comanche (6.0%), Sioux (5.4%), Kiowa (5.4%), Apache (3.5%), Chickasaw (3.1%), Ponca (2.2%), Pueblo tribes (2.1%), Cheyenne (1.4%), Seminole, Chippewa, Shawnee, Arapaho, Hopi, and Papago. The Dallas Inter-Tribal Clinic serves a truly "inter-tribal" function, through keeping in communications with the dozen Native American organizations in Dallas and with tribal leaders in other states.

2. The Native American population of Dallas is increasing at a rapid rate, as 48% of the present population has migrated into this area within the past five years. New arrivals tend to be young adults or young families in search of employment opportunities. The majority of these families intend to remain in Dallas permanently.

3. As to "type of family home" before coming to Dallas, 1% have always lived in Dallas, 28% come from reservations, 18% are from rural areas. Acculturation difficulties are frequent for the 87% of the population from reservation, rural and small town environments.

4. The Native Americans migrating to Dallas tend to retain traditional cultural values. As to "degree of Indian blood", 2% have less than one-forth degree of Indian blood, 11% have one-fourth to a half degree Indian blood, 12% have a half to three-fourths degree of Indian blood, and the majority or 75% are counted as over three-fourths or full blood.

5. Among the difficulties faced by Native Americans in Dallas, a low educational attainment creates one of the largest barriers encountered in adjusting to the urban environment. Of male household heads, 1% have received no education, 5% have completed between grades 1-5, 13% have completed between grades 7-9, 39% between grades 10-12, 17% have completed one to two years of college, 5% between three and four years of college, 1% over four years of college, and 19% have completed vocational training.

6. The population is located primarily in Oak Cliff and East Dallas, with 51.1% residing in Oak Cliff, 24.2% in East Dallas, and the remainder residing in Northwest Dallas,

[1]Data were obtained through extensive survey efforts in 1975, funded by the Indian Health Service

West Dallas, South Dallas, North Dallas, and suburban areas. Attached is a map indicating the residence of an eight percent sample contacted during recent survey efforts. The DIC Clinic is located in Oak Cliff, the section of Dallas with the highest density Indian population. Direct health care is delivered to the entire Native American community, as 30% of registered patients reside in East Dallas, 53% reside in Oak Cliff, 4% reside in Ft. Worth, 2% reside in Irving, 3% reside in Arlington, 1% in Garland, and 7% in other suburban areas.

7. Commonly expressed by community members are communication problems in obtaining the health services in Dallas. These problems include 1) incomplete treatment due to inadequate physician-patient communication, 2) not obtaining treatment due to uncertainty of costs, 3) not understanding follow-up instructions, 4) lack of warmth on the part of health professionals. Those families migrating from reservation and rural areas are accustomed to Indian Health Service facilities which offer no-cost health care delivered by Indian personnel. In particular, these personnel are understanding of the desire for combined Indian and modern treatment. The question asked as to kind of medicine preferred, "Indian, modern, or both?", resulted with the responses of 1.0% preferring no medicine, 66.3% preferring modern medicine, 3.1% preferring Indian medicine only, 29.3% preferring a combination of both Indian and modern medicine and one family not responding.

8. Many families return to Indian hospitals in Oklahoma and New Mexico for the treatment of serious illnesses, due to lack of funds for treatment or communication problems with local health professionals. This delay in treatment is often causal to further complications. A total of 74.0% of individuals did not return to an Indian hospital in the past five years. Of those who did return, 11.7% returned one time, 6.5% returned twice, 2.1% returned three times, 1.3% returned four times, .5% returned five times, .3% returned six times, .5% returned nine times, 1.0% returned 10 times, .5% returned eleven times, .3% returned twelve times, fifteen times and thirty times each. Responses from Indian Health Service facilities indicate a large number of returns for deliveries.

9. The high frequency of upper respiratory, eye infections, ear infections, sore throats, and high blood pressure is in a number of situations due to the lack of preventive care or early diagnosis. The Dallas Inter-Tribal Clinic is currently meeting only a small proportion of the community's needs due to limited resources.

10. During survey efforts in 1975, suggestions were elicited from community members regarding the improvements of the DIC health care delivery system. As a result of this interaction with community members, clinic staff have been seeking funds for personnel and have planned the expansion of clinic hours with the initation of the WIC program (in conjunction with the City Health Department.) New programs have been planned in detail by the DIC Health Planner, several of these programs will be initiated in early 1976. In sum, the Dallas Inter-Tribal Center Clinic is rapidly expanding according to the availability of resources and the expressed needs of the Native American community.

FIGURE 1 : NATIVE AMERICANS IN THE DALLAS AREA
(Survey Sample)

150 or more individuals
75 - 149
10 - 74
0 - 9

CITY OF DALLAS

April 6, 1976

Mr. Michael Mahsetky, Director
Health Project
Dallas Inter-Tribal Council
336 1/2 West Jefferson
Dallas, Texas 75208

Dear Mr. Mahsetky:

Evaluating the results of our many meetings these past 18 months, I believe our two organizations have made an auspicious beginning in our joint pursuit of a more healthful life for Dallas' American Indian population.

I am pleased that the Dallas Inter-Tribal Council has sought out and gone more than half way to establish a close planning and working relationship with this official agency. With both of our organizations borrowing strengths from each other, surely the people you serve will benefit.

I endorse your efforts and look forward to future fruitful cooperation between our two agencies.

Sincerely yours,

E. Lowell Berry, M.D., M.P.H.
Director of Public Health

STATEMENT OF MONA BEARSKIN

Mr. Chairman and Committee members, I appreciate this opportunity to appear before you on behalf of the American Indian Health Service of Chicago, Inc. and urban Indian health programs as a whole.

My name is Mona Bearskin. I am a Winnebago-Sioux Indian. My family is originally from Winnebago, Nebraska however, I was born and raised in Chicago, Illinois.

I am here representing American Indian Health Service of Chicago, Inc. We are requesting an increase in funding level for FY'76 to one hundred, sixty-four thousand, five hundred, twenty-nine dollars ($164,529.00) for community development and resource development to increase opportunities for greater accessibility of existing health care resources for American Indians in our city, Chicago, Illinois.

During FY'75 American Indian Health Service of Chicago, Inc. was funded for eighty-seven thousand, eight hundred dollars ($87,800.00) to assess and define unmet health needs of the Indian population of Chicago. We are asking for an increase in funding level to the amount which we originally requested for FY'75's project.

The following information is submitted by American Indian Health Service of Chicago, Inc. to the Sub-Committee on Interior and Related Agencies to identify the need for expanded efforts and programs to effectively promote greater accessibility of existing health care resources for the Chicago Indian community. Although unmet health needs which we will identify here exist in Chicago, we believe that similar conditions exist in other urban areas across the country.

Although the 1970 Census indicates an American Indian population for the state of Illinois as 11,413, a study done by St. Augustine's Indian Center in the same time period, 1970, estimates that in Chicago alone the American Indian population is between 16,000 to 20,000. The Bureau of Indian Affairs in Chicago indicates 10 to 16,000 American Indians in Chicago based on the 1970 Census and the reports of the American Indian Center of Chicago.

Our organization is situated in the Uptown area where it is estimated that 90% of the American Indian population reside. The city of Chicago has designated Uptown as one of four Target Areas of their Model Cities program. Uptown and the other three Target Areas are characterized by gross poverty indices, among which is inadequate health care.

In the area of health care, Indian people do not receive adequate health care as do people of the majority community. In Chicago, American Indians are not represented in the health professions and are not included in effective and successful participation in health care delivery systems and institutions. In addition, there are no vital statistics collected by health delivery systems on American Indians, with the exception of Cook County's Burn Unit.

American Indian Health Service of Chicago organized to work to improve health care in our Indian community. We firmly believe that effective health care delivery for American Indians can only be achieved through our active participation in the planning and implementation of health care programs for our Indian community.

Our efforts this year have focussed on identifying unmet health needs through outreach work in our community. We have found that factors preventing access are transportation, cost, lack of knowledge, and cultural barriers. Our approach has been to supplement gaps within the existing system which are not being filled. We are performing to the optimum within the limitations of our situation. We are making the best use of resources by working with public schools, church groups, Department of Public Welfare, local health facilities, and private social service agencies. Although we have identified

existing resources which would serve to meet some of our needs, we find that expansion of our programs is essential in order to achieve an effective impact on the total situation.

We are working with Cook County Hospital to address the barriers to adequate health care. Our project has access to some free and some low-cost care for our community through a private clinic, Clarendon Medical Center. Cook County Hospital will reimburse Clarendon Medical Center the cost of care of medically indigent American Indians up to eighteen thousand, four hundred and fifty dollars ($18,450.00) for FY'75.

Clarendon Medical Center is staffed by two medical assistants of American Indian heritage. The physician, Dr. Robert Fields, has demonstrated a keen understanding of American Indian people. Our experience with American Indian patients who receive care at this clinic indicates that cultural sensitivity is an essential factor in the effective delivery of health care services to American Indians. After all, the practice of medicine is a social activity and medicine is a part of culture. The institution is integrated with other major institutional complexes.

Our referrals to this clinic have been characterized by satisfaction with the care, returns for additional treatment, and an increase in seeking health care for medical problems before acute conditions develop.

We are working closely with Cook County Hospital at the present time to increase their level of funding for medically indigent American Indians and to develop community health programs to provide either indirect or direct health care service geared to the needs of our people. We are very confident that through this effort and others we will develop more comprehensive programs for the coming year which will enable us to serve a larger portion of our population.

Through FY'75 we have averaged about 175 outpatient visits per month through Clarendon Medical Center alone. We have also provided 70 health related services per month in areas such as providing assistance in securing transportation, medical coverage through the state welfare program, etc. Our health education programs geared to the requests of our community members average between 200 to 300 participants per month. We are also actively instructing our contact with community members on patient's rights, available existing health facilities, the importance of preventive health care, etc. on an informal, daily, and on-going basis.

Our records on service contacts with our community members indicate a young population. Therefore, preventive health care programs need to be developed on an extensive basis for our community. 25% of our outpatient visits were in the pediatric ages for problems in well baby care, i.e. immunizations, counselling regarding feeding and/or development, asthma, complications of infections, i.e. otitis media, diarrhea, skin rashes, lung infections; 18% were for obstetrical reasons such as confirmation of pregnancy and pre-natal care, birth control counselling, urinary tract and vaginal infections, and problems related to anxiety-depression; 20% were geriatric patients (over 50 years of age) with problems such as diabetes, arthritis, obesity, hypertension and anxiety-depression; and about 32% represented persons falling between the pediatric and geriatric age groups with problems related to trauma either from an accident or inflicted by another person and were related to anxiety-depression reactions.

We feel that intensive efforts should be placed in certain areas of preventive medicine and chronic disease care:

Audiology testing and ear checks of pre-school children
Vision testing of pre-school children, as well as tonometry in adults and routine funduscopic exams in people with diabetes
Family counselling on methods of birth control
Pre-natal instruction classes as well as instruction in post-natal infant care and feeding
Routine evaluation for tuberculosis
Routine screening for venereal disease
Medical control of obesity, diabetes and asthma

These efforts will require additional programs and additional funding to cover the cost of these programs. However, our experiences have indicated that this is what is vital and necessary. We strongly feel that this is the best investment we can make in the future of health care for our community. To invest our efforts in preventive health care programs for our community now will prevent the high cost of extended care and services for acute illnesses and health problems.

We feel that we know our community's needs well enough to develop services which will improve our level of health and also have a strong impact on other disciplines such as employment, education, etc.

In conclusion, we feel that we have made a constructive beginning in FY'75 for providing some quality health care to our community. We will continue to develop our resources for our community and to develop our service programs for our community. We are hopeful that our testimony will generate the interest of your Committee and that you will act accordingly to help eliminate some of the critical health problems that face Chicago's American Indian community and urban Indians as a whole. The needs has been established and is visible, we now ask that Congress address itself to these needs by appropriating adequate funding to urban Indian health programs thereby insuring quality health care to all American Indians.

STATEMENT OF THOMAS MOSES

Access to health delivery resources and to Federal programs has, and is, the major factor which influences the health levels of Indian peoples of Oklahoma City. Improvements have been made during the past three years in gaining access to local hospitals and getting assistance from local practitioners, primarily because of the efforts of the Urban Indian Health program. However, the economics of providing or purchasing health care remains in the single host overriding factor. The following information is provided in the hopes that our testimony will generate the interest of your committee to help alleviate some of the critical health problems Indian people in Oklahoma City are faced with.

According to the 1970 census, Oklahoma City has the fourth largest urban Indian population with 13,000 people. More recent IHS estimates show the population has increased to approximately 20,000. The level of poverty among Urban Indians of Oklahoma now extends to approximately 50% of the total population.

Specific causes for the lower health levels among Indian people in Oklahoma City are related to; confusion, ignorance, and poor use of health resources. Poverty is also a major cause. Both non-Indians and Indians do not understand the IHS policy of not providing full services to urban Indian people. Many Indian people are referred to IHS, still, because people feel IHS and BIA provide all Indian's needs in terms of health care. Indian people accumulate large medical bills thinking IHS will cover the costs. Health education in terms of using existing resources and basically taking care of themselves remains a major challenge. Poor Indian people live a hand to mouth existence and are not necessarily concerned about basic education in preventive health care and many times let relatively simple illnesses become major illnesses requiring more extensive care.

Indian people do not seek help until a crisis or an emergency situation has arisen. Few use available resources and many do not know how to use health insurance policies that they have. Confusion exists within agencies and Indian elderly are being denied food stamps, medicare and old age assistance because of Inidna land holdings. According to Oklahoma Dept. of Institutions, Social and Rehabilitative Services (welfare) only 2.6% of the states total 11,300 elderly Indian people are participating in Old Age Assistance.

Less than 1% of the estimated 8,000 Indian people in Oklahoma County possibly eligible for assistance are using available services.

Problems identified included; lack of Indian people employed in health careers, gaining access to available health resources, and need for health education.

Goals: The goal of the Central Oklahoma American Indian Health Council, Inc. is to get people well and keep them well. To meet this goal and the needs of the Indian community the Health Council has undertaken the following objectives. (1) To provide primary medical care through a clinic for Indian people; (2) To work toward becoming an approvied training site for resident physicians, nurses and other health career related education programs. To recruit, train and orient Indian community individuals in the local program with the hope of encouraging them to seek more extensive training in the health field.

Accomplishment: Since the clinic first opened, the demand for services has increased steadily over the past three years. Patient visits have doubled every year, from 1200 to 2200 to 5200 for calendar year 1975. Patient referrals to local hosptials and IHS hospitals and other service facilities have also increased accordingly. During 1975, calls for medical services not provided by our clinic averaged 10 per day for dental, eye, ear, and emergency medical care. In addition, many calls and visits were made inquiring about how to receive help for paying medical care, both from hospitals, physicians, pharmacists and Indian people. In total, we have provided medical services to 5,200 patients, 3,600 referrals, and assistance and information on 1,200 other cases. A total of 10,000 cases during 1975.

To increase both the communities' awareness and interest we contracted with the Family Medicine Clinic, a teaching unit of the Oklahoma University Family Practice medical school for medical services and have had nursing students from the O.U. School of Nursing, Central State School of Nursing, Oklahoma State University School of Nursing, and St. Anthony Hospital's School of Nursing, work in the clinic for training purposes during the past years. Both of these experiences are paying off in that a conserted effort to recruit Indian students is being made and requests to lecture before various medical, dental and nursing, and social work classes are becoming more and more frequent. Through these efforts we are able to interest more people in working in Indian health and are providing clinical training opportunities for medical students while receiving our needed services.

In terms of costs we have been able to generate during 1975 a program totaling $350,000. Our base funding from IHS is $98,000. We've generated 2-1/2 times the initial investments in funds and equipment supplies and services. While the problem of access into local hospitals and federally funded programs has not been eliminated it has been decreased considerably.

Unmet Needs: Our goal to provide primary medical care for the Urban Indian Community will be difficult to achieve without adequate base funding. The present funding level of $98,000.00 is severely inadequate to provide the administration and resource development capabilty required to expand the program as planned. A five year plan has been developed to provide our program with some guidance in planning and focus on health needs. In addition, the restrictions placed on the expenditure of present funds does not allow for providing direct medical care. Based on the reports from the Oklahoma

City Area Office, there are now 5,500 patient visits per year being made at Shawnee Clinic, 5,200 here in Oklahoma City and an unknown number of people who need help but did not seek it. According to the 1970 census report and recent IHS estimates there are now 13,000 to 20,000 Indian people living in Oklahoma City. We estimate a total of 15,000 patient visits would be made to the clinic if it were open full time. Also as many as 52% of the children seen at the clinic need dental services which we cannot provide because of costs. To meet the projected needs of the Indian community in Oklahoma City we need both money and relief in the form of loosening federal regulations, so that we might access much needed programs such as dental, maternal and child care, child welfare, comprehensive community Health Service grants, Health Services development grants, etc. which are not now accessible because of barriers placed before us by state interest or policy.

Our projected needs in funding for the next two years requires a base funding level adequate for administrative and needed medical services. Our present estimates indicate a maximum base funding for FY 77 of $300,000 and FY 78 of $500,000 and $500,000 thereafter should be adequate. We expect to be able to provide all needed basic services with an annual base funding of $500,000 provided we can gain easier access to other existing federal programs for dental-maternal child health, pre-natal, education centers, etc. If we can't gain this access our base funding requirements will be much higher. Our five year plan calls for an annual budget of $2,000,000.00, 60% to 75% coming from other federal programs and private sources. As projected, our program is designed to meet two needs, one by the Indian community of Oklahoma City and one by the state in training family physicians and other related health professionals.

DAKOTA PLAINS INSTITUTE OF LEARNING, INC.

STATEMENT OF ENOCH L. LaPOINTE, EXECUTIVE DIRECTOR, DAKOTA PLAINS INSTITUTE OF LEARNING, INC., MARTY INDIAN SCHOOL

ACCOMPANIED BY:

GEORGE DRAPEAUX, CHAIRMAN, MARTY SCHOOL BOARD
S. CHRISTINE HUDSON, SUPERINTENDENT OF MARTY SCHOOL
LEO O'CONNOR, ACTING CHAIRMAN, YANKTON SIOUX TRIBE
MICHAEL O'REILLY, DIRECTOR, ST. PAUL'S INDIAN MISSION

Senator HATFIELD. Mr. LaPointe.

Mr. LAPOINTE. Yes, Senator.

Senator HATFIELD. We have a number of statements here which will all be included in the record. If you will proceed to highlight your proposal, I would appreciate it.

MARTY INDIAN SCHOOL

Mr. LAPOINTE. Yes; my testimony, Senator, is in the pile you have before you.

I am not going to testify. The people I have on my right are—to my immediate right is George Drapeaux from the Marty Indian School Board in Marty, S. Dak. The next person is Christine Hudson, our superintendent from Marty Indian School in Marty, S. Dak. On my far right is Leo O'Connor, tribal chairman of the Yankton Sioux Tribe.

The reason we are here, Senator, is to testify for the continuation of the Marty Indian School. George will give you a few highlights of our situation.

Senator HATFIELD. Fine. We will be happy to hear from you. If you would give us your highlight summary.

Mr. DRAPEAUX. Thank you, Senator. My name is George Drapeaux, and I am Marty School Board chairman of the Yankton Sioux Tribe, South Dakota. This statement is directed to the Subcommittee on Interior Appropriations. The amount requested is $852,252.

In 1923, Indian men from the Yankton Sioux Reservation went to Indiana and asked the monks at the monastery in St. Meinrad for a missionary to build a school to educate their children. From 1924 to 1975 Marty Indian School has been in operation as a mission school, owned and operated by the Benedictine Fathers.

Five years ago, March 1970, the Benedictine missionaries told the people of the Marty community on the Yankton Sioux Reservation that they would give the mission and its properties to them to conduct their own school or use the facilities as they desired. This was to be done as soon as it was determined to be the desire of the people and a feasibility plan was submitted.

In the past 5 years, the Indian people have organized, drawn up by-laws and a set of constitutions, and became recognized as a State chartered organization. This organization is known as Dakota Plains Institute of Learning, Inc., DPIL.

DPIL did a feasibility study regarding the facilities of the mission. They surveyed the community to ascertain the wishes of the people.

66-307 O - 76 - pt. 5 -- 16

They sought and researched possibilities of future funding to continue the operation of the school. They organized and effected the election of a reservationwide Indian school board.

The school board is also now becoming incorporated as a State chartered organization. They have assumed complete control of and responsibility for the operation of Marty Indian School. Being assured that if the mission were owned and operated by the Indian people, Federal dollars would be available to them for the operation of the school, the Marty school board requested the transfer of ownership of the school. On March 19, 1975, the legal transfer occurred. This gift included 10 large, well-constructed brick buildings, 1,700 acres of land, and properties of over $100,000 inventory value.

In accord with the theory of self-determination, then, the Marty School Board, through the Yankton Sioux Tribe, is asking for funds to continue the operation of the kindergarten through 12 school. The attached budget covers the basic operational costs for academic and supportive services.

Basic support funds were graciously granted the school in the amount of $578,100 for fiscal year 1976. But it is our understanding that we are not included in the Bureau budget for 1977. Title I moneys are already approved for supplemental services for the students that are in need of special educational services. The adult basic education State program funds the ABE-GED section of the adult education necessities. Other adult education programs are being requested under part C of title IV.

We consider Marty Indian School a necessity because it serves the special needs of Indian students. Records show that the dropout rate of Indian students in public school is high, well over 50 percent. Marty dropout rate is between 25 and 30 percent. The regular courses are taught at Marty and the educational level of the students is on a par with local public schools. The school maintains its annual State accreditation as a level I school.

Since classes are relatively small, students can and do receive more individual attention from teachers and tend to have more successful learning experiences than they do in public schools. The curriculum includes cultural studies, Dakota language, Indian history and literature. Indian teachers and administrators are sought for the school and given preference in selection.

Presently the superintendent and many of her staff are Indian. The school also employs more Indian people than any business on the reservation.

Another major factor pointing up the necessity of Marty as an Indian school is the quality and dedication of the faculty. In most instances, the teachers are at Marty because of their definite concern for, interest in, and love of the Indian people. This is a precious commodity and it is not an easy thing to come by. We feel that this fact is one of the important reasons that the students are successful in their school experiences.

The Marty School Board, in the name of the Yankton Sioux Tribe, therefore requests sufficient funds to continue the operation of this school for which they have so recently become totally responsible. They sincerely believe that the future well-being of their children lies in the success of their educational endeavors.

Thank you, Mr. Chairman.

Senator HATFIELD. Thank you very much. We appreciate your statement.

We have heard of the school, of course, in previous years, and we are familiar with it and appreciate what you are doing there.

Thank you very much for coming this morning.

[The statements follow:]

STATEMENT OF ENOCH L. LAPOINTE

Mr. Chairman and members of the committee. My name is Enoch "Buzz" LaPointe. I am the Executive Director of the Dakota Plains Institute of Learning, Inc., Marty Indian School, Marty, South Dakota. On behalf of Marty Indian School, the staff and students, I express our gratitude for this opportunity to testify before your Subcommittee on Interior Appropriations.

We are here to request monies for the operation of the Marty Indian School. Marty Indian School is an all-Indian controlled school located in southeastern South Dakota approximately 120 miles southwest of Sioux Falls. Marty is a boarding school drawing students from some fourteen tribes and fifteen states. Marty is owned by the Yankton Sioux Tribe.

Many people question the need for a boarding school such as Marty. Others question the need for Marty when there are public schools in the immediate area.

The Marty Indian School Board, the Yankton Sioux Tribe and staff and students at Marty firmly believe that there is a need for an education program that can meet the special needs of our Indian youth. These are needs that cannot be addressed by the local public schools on the Yankton Sioux Reservation.

The following are statistics that support our efforts at Marty. These same statistics also point out that there is a real need for Marty Indian School.

Marty Indian School

1. Number of boarding students - 195.
2. Number of day students - 85.

There are approximately 535 school age Indian youth on the Yankton Sioux Reservation. Of this amount 148 attend Marty Indian School while the 72% attend the public schools at Wagner and Lake Andes. 54 of the 148 students that attend Marty are in high school (9-12).

The following is a breakdown of the 535 Indian youth on the Yankton Reservation:

	Fall of 1975	Spring 1976
Wagner	230	192
Lake Andes	149	120
Marty	148	158
Total	535	470

Number of new transfers to Marty from outside the reservation boundaries, beginning 1975-76 school year:

Other Boarding Schools(includes BIA)	32
Public Schools	69
Total	101

Number of transfers from local public schools within the reservation boundaries at the beginning of the 75-76 school year:

K-8 25 9-12 22

Our Indian people see at Marty an education program that is geared to meeting the needs of our youth. They see a school that provides exemplary education standards while possessing the following qualities:

1. A school setting free of racial prejudice.
2. Respect for differential family backgrounds.
3. No prejudgements made on another person based on economic affluence.
4. An atmosphere of social pressure.

When one looks at the figures of the local public schools with a large enrollment of Indian youth, one is appalled to see that the dropout rate is severe in the 7th grade. Usually, the reason given

for this is that the Indian student has very poor reading or math skills so he drops out. We know that this is a good basis for the justification of a reading and math program.

We, at Marty, believe that a certain phenomenon occurs in an Indian child at about age twelve or younger. Dr. John Bryde of the University of South Dakota also believes in this. His research points out that the reason for this dropout rate and poor academic achievement in our Indian youth can be attributed to the crossover phenomenon. This occurs when the following factors are present: (1) social awareness (2) acculturation (3) socio-economic pressures (4) heritage factor (5) tribal customs (6) religious values and (7) concepts of life. These factors influence the loss of individualism and destroy one's self image and concept.

At Marty the Indian student is not faced with these factors. An atmosphere is provided whereby the student can progress and achieve. We believe that there is a definite need for Marty Indian School.

There are 230 Indian students attending the East Charles Mix public school system. Of this amount only 25 are in high school and 205 are in grade school. The total enrollment is at Wagner 940 students. Many of our Indian students leave the public school at around the 7th grade.

Educational Philosophy

We believe that Marty should provide the atmosphere that is acceptable to all Indian students so that quality education can be offered based on cultural values that will make it possible for them to take their place in society as fully developed human beings.

We believe that each Indian student should have the opportunity to attend an Indian school where there ia a common understanding based on individual differences and cultural values.

We believe that students are individuals and deserve to be treated as such.

We believe that the educational experience of the student be an individualized-humanized educational experience based on continuous pupil progress, a non-graded school organization which is accomplished through flexible groupings and an evaluation system of pupil progress designed to reinforce the positive accomplishments at all levels and areas of endeavor.

We believe the entire community has a role in the design and implementation of the educational expectations.

Marty must continue. We are requesting that monies in the amount of $852,252 be earmarked for Marty Indian School for fiscal year 1977.

We must become a line item on the Bureau of Indian Affairs education budget. Only in this way can we be assured of a continuous program at Marty.

STATEMENT OF GEORGE DRAPEAUX

This statement is directed to the Senate Subcommittee on Interior Appropriations. The amount requested is $852,252.

History

In 1923, Indian men from the Yankton Sioux Reservation went to Indiana and asked the monks at the monastery in St. Meinrad for a missionary to build a school to educate their children. From 1924 to 1975 Marty Indian School has been in operation as a mission school, owned and operated by the Benedictine Fathers.

Progress

Five years ago, March, 1970, the Benedictine missionaries told the people of the Marty community on the Yankton Sioux Reservation that they would give the mission and its properties to them to conduct their own school or use the facilities as they desired. This was to be done as soon as it was determined to be the desire of the people and a feasibility plan was submitted.

In the past five years, the Indian people have organized, drawn up By-Laws and a set of Constitutions, and become recognized as a state chartered organization. This organization is known as Dakota Plains Institute of Learning, Inc. --DPIL.

DPIL did a feasibility study regarding the facilities of the mission. They surveyed the community to ascertain the wishes of the people. They sought and researched possibilities of future funding to continue the operation of the school. They organized and effected the election of a reservation-wide Indian school board.

The school board is also now becoming incorporated as a State chartered organization. They have assumed complete control of and responsibility for the operation of Marty Indian School.

Transfer

Being assured that, if the mission were owned and operated by the Indian people, federal dollars would be available to them for the operation of the school, the Marty school board requested the transfer of ownership of the school. On March 19, 1975, the legal transfer occurred. This gift included ten large, well-constructed, brick buildings, 1700 acres of land, and properties of over a hundred thousand dollars inventory value.

Proposal

In accord with the theory of self-determination, then, the Marty School Board, through the Yankton Sioux Tribe,

is asking for funds to continue the operation of the K through 12 school. The attached budget covers the basic operational costs for academic and supportive services.

Basic support funds were graciously granted the school in the amount of $578,100 for fiscal year 1976. But it is our understanding that we are not included in the Bureau budget for 1977.

Title I monies are already approved for supplemental services for the students that are in need of special educational services. The adult Basic Education state program funds the ABE-GED section of the adult education necessities. Other adult education programs are being requested under Part C of Title IV.

Justification

We consider Marty Indian Sch-ol a necessity because it serves the special needs of Indian students. Records show that the drop out rate of Indian students in public school is high, well over 50 per cent. Marty drop out rate is between 25 and 30 per cent. The regular courses are taught at Marty and the educational level of the students is on a par with local public schools. The school maintains its annual State Accreditation as a Level I school. Since classes are relatively small, students can, and do, receive more individual attention from teachers and tend to have more successful learning experiences than they do in public schools.

The curriculum includes cultural studies, Dakota language, Indian history and literature. Indian teachers and administrators are sought for the school and given preference in selection. Presently the superintendent and many of her staff are Indian. The school also employs more Indian people than any business on the reservation.

Another major factor pointing up the necessity of Marty as an Indian school is the quality and dedication of the faculty. In most instances, the teachers are at Marty because of their definite concern for, interest in, and love of the Indian people. This is a precious commodity and it is not an easy thing to come by. We feel that this fact is one of the important reasons that the students are successful in their school experiences.

Conclusion

The Marty School Board, in the name of the Yankton Sioux Tribe, therefore, requests sufficient funds to continue the operation of this school for which they have so recently become totally responsible. They sincerely believe that the future well-being of their children lies in the success of their educational endeavours.

STATEMENT OF S. CHRISTINE HUDSON

This statement is directed to the Senate Interior Appropriations Subcommittee. The amount requested is $852,252.

Personal Concern

I am a Rosebud Sioux Indian and a product of the school at St. Francis on the Rosebud Reservation. Marty has been my home for over 30 years. I have worked in just about every position there is at the school. I have seen Marty grow and develop both in physical size and in the extension and expansion of programs. It is my concern that the school remain an institution of high quality education for Indian children and that it maintain its integrity and dignity as an establishment dedicated to the good of the Indian people.

Indian Control and Ownership

I have had opportunity to work very closely with the Indian people on the Yankton reservation in their efforts to obtain control and ownership of Marty school. Much time has been spent in planning, organizing, and training so that they would be knowledgeable regarding the responsibilities of operating an educational institution. It has been my pleasure to be a part of the effect of this development.

Now that the Indian people do have control of their school it is so important that they be able to afford the quality education that will make it possible for their children to better their lives and be self sufficient.

Funding Status

A year ago we came before your subcommittee to petition funds for the support of the school. We did receive a grant amounting to $578,100. We had understood that Marty would automatically be included in the Bureau of Indian Affairs educational monies. We now find that this is not the case. We need your support again for special appropriations for basic support funds for fiscal year 1977.

School Program

In our educational program at Marty we are trying to implement a type of education that will motivate the students. We are aiming to make the classes meaningful and relevant. We have also set up our system on an individualized basis in all major subject areas. This makes it possible to accept students any time during the year. It is not necessary for the students to lose valuable time out of school.

We have relatively more freedom in our curriculum than most public schools do. We have a faculty that is ready to try any method that might be successful for the students. They are innovative, well-qualified academically, and generous and dedicated.

Another factor that lends itself to the satisfaction of the students is that at Marty they are not a minority. They meet and associate with other Indian students, and do not have to be concerned about the fact that they are Indian. At the same time the school includes activities away from the school in an effort to accustom the students to the American mainstream.

Records of Graduates

In June, 1975, Marty welcomed former students and graduates back to Marty for a Jubilee celebration. It was an encouragement to see so many of the former students who have grown up to be beautiful people--well adjusted to life, raising good families, supporting their communities, holding good jobs, and in general a real credit to their school.

The studies and records of the school show some very outstanding successes numbered in the graduates of the school. We think this should be continued and even improved with the school under the control of the parents of the students.

Conclusion

We then request funding for fiscal year 1977 amounting to $852,252, to operate and maintain Marty Indian School. We thank you for the time you have given us and for your consideration of our cause.

TOTAL PROPOSED BUDGET

1976-1977

Administration	$ 77,394
Secondary	190,169
Elementary	140,089
Dormitory Program	203,277
Food Service	61,600
Plant Management	179,723
TOTAL BUDGET	$852,252

STATEMENT OF LEO O'CONNOR
ACTING CHAIRMAN
YANKTON SIOUX TRIBE
WAGNER, SOUTH DAKOTA 57380

Greetings to the Senate Subcommittee on Interior Appropriations. My name is Leo O'Connor, Acting Chairman of the Yankton Sioux Tribe located in the southeastern part of South Dakota.

Our reason for testifying before you today is to request from you the amount of $852,252 to administer and operate Marty Indian School for fiscal year 1977.

On March 19, 1975, a legal agreement was signed between Blue Cloud Abbey and the Yankton Sioux Tribe transferring St. Paul's Indian Mission, lands, and buildings, to the Yankton Sioux Tribe, an educational complex worth seven to eight million dollars. Also, there is 1700 acres of farming and grazing land.

Presently, there is an elected all-Indian School Board that is functioning within the South Dakota School Laws assuring Indian control. Marty Indian School is accredited through the South Dakota Department of Public Instruction.

The Yankton Sioux Tribe supports both public school education and a special education system geared to meet the needs of our Indian youth who cannot succeed in a public school environment. BOTH OPTIONS MUST BE OPEN FOR OUR YOUTH!

It is not unrealistic to expect 30-40% of our Indian children to accept and even excel in the traditional American system of education, but what about the remaining 60-70% who live in different home environmental conditions so applicable to reservation life? They simply live in utter frustration, dropping out of school as quickly as he or she becomes of age or size to defy those who would force them to continue, often the male becomes an alcholic or is channeled into a correctional institute. The female fares no better and often has children with unknown fathers. The end result is that they remain uneducated, disillusioned and poverty ridden. Community life within the Indian world cannot and will not be appreciatively enhanced under continuing circumstances.

It therefore becomes essential that an educational process be developed that will complement this era of Indian self-determination. We cannot expect acceptance or force upon the Indian people all the complexities of present day governmental processes without advancing those techniques necessary to assure success. There must be a system developed that will provide education to our children. There needs to be a facility where an individual can participate with his peers in a learning process, whether it be an unwed mother, an adult with a fourth grade education, a child with severe emotional problems or a homeless child.

For more than one year there has been a great amount of interest and effort toward a transition of the St. Paul's Indian Mission School to a tribal operation, tailored specifically to serving the Indian people, serving not only this reservation but also students from other reservation as allowed. The maximum capacity is 300 students. The overall capacity could be expanded by 20% with minor modifications. The school is presently serving Indian children from as far away as California and Oklahoma.

Marty is also the livelihood of 20-30 families who reside on the reservation. Marty is currently the largest employer of Indian people on or near the reservation. It is the desire of our Indian people, specifically, those on the Yankton Sioux Reservation, that Marty con-

tinue as an educational institution tailored to meet the educational needs of the Indian community. That is, an educational program geared to meet the needs of all, from the child in kindergarten to that of the adult.

It is evident that the church cannot support us. We need your help. If we do not have your financial support we will be forced to close our doors.

Statistics show that many of our youth cannot make it past the 7th and 8th grades in the public system. They become "drop-outs" or "pushouts". This is not true of Marty Indian School.

Marty is a success and graduates 25 to 30 Indian students per year. This has been happening since 1924. Marty has thus become a landmark in Indian education. Our local public school system has graduated only six Indian students within the last five years.

There is a great need for Marty, both academically, in the classroom and vocationally.

We have the facilities and the expertise, but we do not have the money. In fact, our Superintendent of Marty School and four members of her faculty are American Indians.

The Bureau of Indian Affairs has assisted us with technical assistance and a $10,000 "Buy Indian" contract.

We believe in self-determination for our people. We are doing this through assuming control of our education programs. We need your assistance. Without it, we cannot continue. We are requesting your help in the amount of $852,252.

Leo O'Connor
Acting Chairman, Yankton Sioux Tribe

STATEMENT OF FR. MICHAEL O'REILLY, O.S.B.
DIRECTOR, ST. PAUL'S INDIAN MISSION
CHAIRMAN, DAKOTA PLAINS INSTITUTE OF LEARNING, INC.
MARTY INDIAN SCHOOL
YANKTON SIOUX AGENCY
MARTY, SOUTH DAKOTA 57361

Mr. Chairman and members of the committee. My name is Fr. Michael O'Reilly, O.S.B.. I am presently Superior of St. Paul's Indian Mission and Chairman of the Dakota Plains Institute of Learning, a non-profit Indian Education Corporation.

On behalf of the Yankton Sioux Tribe, Marty Indian School, it's students and staff, I express our gratitude for the opportunity to present this testimony before this committee. I am doubly appreciative of this opportunity to make a point for Indian Education and the placement of the responsibility for it.

From a historical perspective, Indian Education, as the tool for socializing the American Indian and transmitting to him the values and culture of the dominate society, began with the establishment of Jesuit mission schools in Florida in 1568. The goals of this period were to "christianize and "civilize" the heathen". From this time until the present, the goal of the "Indian Education" has been not so much to educate him as to "change" him. This goal did not basically change when the Federal government assumed the responsibility for Indian Education when the Government established "treaties" as the primary method of dealing with the Indian "problem". The first treaty signed with a specific provision for education - a provision to provide the tribe with teachers "in the arts of the miller and sower" was signed in 1794 with the Delaware. Similar provisions were the common elements in treaties for the next 80 years. While the goal of both the missionary period and the treaty period of "Indian Education" remained the same - namely to "civilize" the Native Americans, the difference was that the missionaries acted primarily from an altruistic motive - the government thought more in terms of controlling and possessing Indian lands. If any members of the committee would have the time and the desire to further document or investigate the above history of "Indian Education" I refer you to the Special Subcommittee on Indian Education pursuant to Senate Resolution 80 of the first session of the 91st Congress known as Senate Report No. 91-501. This report is titled, "Indian Education: A National Tragedy-A National Challenge".

My friends and members of this committee, I am here to call you to that challenge. History will show that the Government educational policy led to the Dawes Severity Act of 1887, which was designed to "dissolve" the Indian land base. This ushered in what is known as the "Allotment Period" which furthered the loss of an Indian land base by 90 million acres. This was particularly devasting to the Yankton Sioux people, with whom I am presently associated. The Yankton Sioux people were left with virtually no control over their lives, lands or education. Recognizing their needs, several leaders

journeyed in 1924 to Southern Indiana to request the full-time services of a "Black Robe" who ministered to them on occasion. After great hardship and by "camping out" on the monastery door until they received the services of Fr. Sylvester Eisenman, O.S.B., they were successful in their objective. Responding to the needs of his people and of the times Father Sylvester built an educational complex for the Indian people that was second to none. It was, however, at least in part motivated by the same altruistic vision of the early missionary period of Indian education, namely to "Christianize" and "Civilize" the Indian people. He did, however, from the very beginning, envision and tell the Indian people that someday it would be controlled and operated by their own people.

My friends and members of the committee, this brings us to the reality of your present challenge and situation. Your own congressional study, to which I have referred as well as a special report produced by Far West laboratory for Educational Research and Development, published in February 1970 under the title "Who Should Control Indian Education" recommends that "Indian Education" be given back to the people who have a primary interest in the educational process - namely, the parents of Indian children and the local Indian community.

The religious community with which I am associated recognized the desire of the Indian community to have control over the institutions which govern their lives. Therefore, in April of 1970, they passed a resolution and put into effect a policy to transfer the ownership and control of the four educational complexes of North and South Dakota, which we were operating at that time, to the local Indian people.

In July of 1971, I was commissioned to St. Paul's Indian Mission to assist the local Indian people to facilitate this transfer of control and to help them tie down the obligations of the Federal Government, ensured by past treaties, to finance Indian Education. We have been successful in the first instance. On March 19, 1975 a legal memorandum was signed between Blue Cloud Abbey, the legal Corporation of which St. Paul's Indian Mission is a subsidiary Corporation and the Yankton Sioux Tribe transferring St. Paul's Indian Mission Educational complex and 1700 acres of agricultural land to the Yankton Sioux Tribe. On July 1, 1975 the property was actually transferred by Quit Claim Deed.

I have not been so successful in getting the Federal Government to live-up to its committments. Last year I appeared before this Committee, with careful scrutiny of the necessary program to fulfill the minimum requirements to provide the essential care and education of the three-hundred Indian students at Marty Indian School, a boarding and care institution for neglected and deprived Indian children from kindergarten to 12th grade with an estimated running cost of $830,590.00 a year. We appeared with the idealistic hope that the Committee would accept the knowledge and experience of the people, who face the day to day realities. We were disappointed. After much hassle, fear and frustration, Marty Indian School did receive an award of $578,100.00 of the $830,590.00 requested and necessary to meet minimum requirements.

It was necessary for our religious community to authorize the granting of over $150,000.00 to Marty Indian School. Having previously granted them seven million in buildings and furnishings plus 17,000.00 acres of land. The community feels strongly it is now time for the Federal Government to live-up to it's responsibility to fully fund the school. I am afraid that they will not authorize any further expenditure for Marty Indian School. Therefore, unless this committee recommends the full $852.252.00 requested for Marty Indian School, you will be severely hampering the efforts of the local Indian people to control their own education.

My friends and members of the committee, I respectfully submit that past government policies which "dissolved" the Indian land and economic base, Treaty Rights which guaranteed education, and your own governmental studies and recommendations on Indian Education demands that you approve the budget submitted by Marty Indian School.

I appreciate very much the opportunity to submit this testimony to your committee.

NATIONAL ADVISORY COUNCIL ON INDIAN EDUCATION

STATEMENT OF LINCOLN C. WHITE, EXECUTIVE DIRECTOR, THE NATIONAL ADVISORY COUNCIL ON INDIAN EDUCATION

ACCOMPANIED BY STUART A. TONEMAH, ASSISTANT EXECUTIVE DIRECTOR

Senator HATFIELD. The last witness today will be Mr. Lincoln, the National Advisory Council on Indian Education.

Mr. White, we have your full statement here and the figures, which will be incorporated in the record. Please proceed to summarize your statement.

INDIAN EDUCATION ACT

Mr. WHITE. Thank you, Senator.

My name is Lincoln White, and I am a member of the Mohawk Tribe. With me today is Mr. Stuart A. Tonemah, who is assistant executive director.

As director of the National Advisory Council I am responsible to report to the public that this presidentially appointed committee has a vast responsibility. Its responsibility is to represent American Indians and Alaskan Natives in the advocacy role that really covers 575 different tribal groups and communities throughout the territorial limits of the United States.

Approximately 440,000 students are served by Indian education programs. The list on page 1 quickly points to the diversity and kind of representation that is evidenced by the council. Many different tribal groups are so noted.

It is noteworthy to notice the last name on that listing, Mr. Joseph Upicksoun, who comes from Point Barrow in Alaska. Of course, we have people going all the way to the East in New York State.

On behalf of the council and its legislative committee I present a request for a $222,000 increase to the National Advisory Council's 1977 budget which is presently set at a level of $230,000. And I might say parenthetically it has been at this level for the last year, and the first year level was $220,000.

This $452,000 budgetary request would allow the council to fulfill most of its advisory and operational responsibilities as per statutory requirements. This is one of the few national advisory councils that have this dual responsibility, to act as both as advisors, and to conduct operational activities. These are so noted on that page.

I will skim over these quite rapidly. We must, of course, advise the Commissioner of Education——

Senator HATFIELD. We know that. Why do we not skip over to where you want the additional money. I think that would be more pertinent. We are familiar with these other ones.

Mr. WHITE. No. 2 is a very important area. Additional moneys would assist the council to provide greater assistance in the review of applications. A very pertinent point is that the council has just completed a 6-day review of proposals under parts B and C of the Indian Education Act of 1972. We found a dire lack of moneys. There was $63 million in requests and only $16 million to be distributed.

Our best estimates at this time indicate that between 60 and 65 percent of the tribal communities that made requests will not be able to be funded.

We need money to evaluate the programs and projects. We need money, as evidenced by No. 4, to provide technical assistance to the cooperating school districts, the LEA's and the Indian tribal groups.

We obviously need more additional staff, and that is noted on the next page, to assist the council to provide more technical assistance to advise the Commissioner as to development of criteria and regulations for these programs.

Near the bottom of that page it is so noted that the national council is authorized to contract. To date in its 3-year experience, it has this authorization but does not have the funding to do so.

Senator HATFIELD. I note that in the travel and per diem, you have a $54,000 requested increase. First of all, describe the additional requirements that you see.

Mr. WHITE. The additional moneys are requested for consultants, and for travel and per diem will be moneys used by the council to conduct additional full council and subcommittee meetings throughout the United States. We meet regionally in Alaska, and in various parts of the country. We met in Seattle and Bismarck, and various parts of the country. We have to increase that kind of activity.

Senator HATFIELD. Can you submit to the committee some material as an example of a conference, what the conference does? When you speak of conferences of this kind, I do not think we have a very clear picture of what these conferences really do—what purpose they serve.

If you could just give us a copy of whatever is a resume of some particular conference as illustrative of these conferences, then we can make a better judgment on the value and the requested increase.

Mr. WHITE. We would be pleased to present copies of the first and second annual reports to the Congress. We are at a point now where we are submitting our third annual report which will describe in detail the kinds of activities that the Council has been engaged in and intends to engage in.

Senator HATFIELD. Thank you very much, Mr. White. Gentlemen, we appreciate your visit.

[The statement follows:]

Mr. Chairman and Members of the Sub-Committee:

My name is Lincoln White and I am the Executive Director of the National Advisory Council on Indian Education whose priority as a Presidentially appointed National Advisory Council is to represent American Indians and Alaskan Natives in an advocacy role directed to improve the quality of federal educational services for their children and adults.

The National Advisory Council on Indian Education membership is highly representative of the American Indian and Alaskan Native population as is indicated by this listing:

Ellen Allen - Kickapoo
Title IV Director Civil Rights
Powhattan Unified School District No.510
Powhattan, Kansas 66527

Dr. Will D. Antell - Chippewa
Assistant Commissioner of Education
State Department of Education
709 Cedar Street
St. Paul, Minnesota 55101

Theodore George - Clallam
Regional Program Director
Office of Native American Programs
HEW, Arcade Plaza Building
Mail Stop 620, 1321 2nd Avenue
Seattle, Washington 98101

Ann Coleman Glenn - Choctaw
Attorney-at-Law
Oklahoma Indian Affairs Commission
4010 N. Lincoln Blvd.
Oklahoma City, Oklahoma 73105

Genevieve D. Hooper - Yakima
Director Yakima Tribe Education Division
Route 3, Box 3223
Wapato, Washington 98951

Sue L. Lallmang - Tonawanda Seneca
Consultant
1011 N. Pelham Street
Alexandria, Virginia 22304

Patricia A. McGee Yavapai
President
Yavapai-Prescott Tribe
P.O. Box 1401
Prescott, Arizona 86301

Rep. Daniel Peaches - Navajo
House of Representatives
House Wing, State Capitol
Phoenix, Arizona 85005

David Risling - Hoopa
Professor, University of California at Davis
2403 Catalina Drive
Davis, California 95616

Clarence Skye - Sioux
Administrative Assistant
Social Security Administration
HEW 819 Central Ave., P.O. Box Box 2347
Great Falls, Montana 59403

Fred Smith - Seminole
Consultant
3300 North State Road 7
Box J760
Hollywood, Florida 33021

Geraldine B. Smith - Zuni Pueblo
P.O. Box 396
Zuni, New Mexico 87327

Boyce Timmons - Cherokee
Consultant
2725 Walnut Road
Norman, Oklahoma 73069

Karma W. Torklep - Lumbee
Ramah Navajo School Board
P.O. Box 248
Ramah, New Mexico 87321

Joseph E. Upicksoun - Eskimo
President, Artic Slope Regional Corp.
P.O. Box 566
Barrow, Alaska 99723

66-307 O - 76 - pt. 5 -- 17

On behalf of the Council and its Legislative Committee, I present a request for a $222,000 increase to the National Advisory Council's 1977 budget which is presently set at $230,000. This $452,000 budgetary request would allow the Council to fulfill most of its advisory and operational responsibilities as per following statutory requirements. Only a few National Advisory Councils have this dual responsibility - advisory and operational.

The National Advisory Council on Indian Education performs the following functions as mandated by Congress in the Indian Education Act of 1972, Title V of P.L. 92-318.

(1) advise the Commissioner of Education with respect to the administration (including the development of regulations and of administrative practices and policies) of any program in which

Indian children or adults participate from which they can benefit.

(2) review applications for assistance and make recommendations to the Commissioner with respect to their approval:

(3) evaluate program and projects carried out under any program of the Department of Health, Education, and Welfare in which Indian children or adults can participate or from which they can benefit, and disseminate the results of such evaluations;

(4) provide technical assistance to local educational agencies and to Indian educational agencies, institutions, and organizations to assist them in improving the education of Indian children;

(5) assist the Commissioner in developing criteria and regulations for the administration and evaluation of grants made under section 308 (b) of the Act of September 30, 1950 (Public Law 874, Eighty-first Congress); and

(6) to submit to the Congress not later than March 31 of each year a report on its activities, which shall include any recommendations it may deem necessary for the improvement of Federal education programs in which Indian children and adults participate, or from which they can benefit, which report shall inculde statement of the National Council's recommendations to the Commissioner with respect to the funding of any such programs.

With respect to functions of the National Council stated in clauses (2), (3), and (4) of subsection (b), the National Council is authorized to contract with any public or private nonprofit agency, institution, or organization for assistance in carrying out such functions.

This $452,000, 1977 appropriation request is predicated on the dire need for these additional services so that the Council can better meet its responsibilities. Nearly three years of Council activity and experience validate the need. The annual reports to Congress also reflect the reasons for additonal funding.

An additional $222,000 would provide these additonal services:

(1) Two additional staff to provide the needed on-site (tribal reservation and community) training and technical service, suggest at least a GS 9/12 level, preferably Indian personnel.

(2) Travel expense and other contingent funds for the added two staff members.

(3) Additional travel and consultant monies to allow the Council and Staff to increase the member of full Council and Committee meetings, on-site visitations and to conduct training sessions, tribal and regional workshops and the general needed technical assistance that the Title IV programs and projects need so urgently.

(4) Would allow the Council to contract for additional research activities, evaluations and monitoring services with Indian organizations and other agencies. This would minimize the fact that many of the special, unique educational needs of American Indians and Alaskan Natives are being dealt with in a vicarious fashion, not with the personal on-site contacts deemed essential.

(5) Would provide monies needed for a better dissemination of research, evaluative and general educational materials that can improve the educational services for Indian people.

(6) Would provide funds to allow the Council to fullfill its full statutory responsibility to advise the Congress, the President, and the Office of Education with respect to all federal educational programs for American Indians and Alaskan Natives. It should be noted that the Council and Staff should travel extensively in the attempt to promote the identification and the expression of the special and unique educational needs of its constituency.

(7) Would provide needed funds for the Council and Staff to establish stronger working relationships with Indian officials, with the national Indian education organizations and agencies and to form strong liaison relations with special commissions such as the American Policy Review Commission, P.L. 92-580.

The Council feels that this request is justified in that it will allow American Indians and Alaskan Natives to exercise their self-determination prerogatives in a much more desirable manner.

I am willing to answer any questions and to provide additional information.

	OBJECT CLASS	CURRENT BUDGET	CHANGE	PROPOSED BUDGET
11:00	Personnel Full Time	$84,759	+$38,772	$123,531
	Consultants (Council Members)	$37,500	+$30,000	$67,500
12:00	Personnel Benefits	$17,058	+$7,728	$24,786
21:00	Travel & Per Diem (Council & Staff)	$65,883	+$54,000	$119,883
24:00	Printing & Reporduction	$8,000	+$10,000	$18,000
25:00	Other Services Contractual (research & evaluation) Central Payroll Costs Conference Charges	$13,800	+$80,000	$93,800
26:00	Supplies, Materials & Equipment	$3,000	+$1,500	$4,500
	Totals	$230,000	+$222,000	$452,000

The National Advisory Council on Indian Education further recommends that the total funding for P.L. 92-318, "Indian Education Act of 1972" be increased from its present level of $57,055,000 to $207,952,000 as per this breakdown:

Part A	50% Authorization	$180,000,000
Part B	50% Authorization	$17,500,000
Part C	50% Authorization	$4,000,000
Part D	NACIE	$452,000
Part D	Office of Indian Education	$2,000,000
Part E	P.L. 93-380, 1974 Amendments	$4,000,000
	Total	$207,952,000

SUBCOMMITTEE RECESS

Senator HATFIELD. The subcommittee will stand in recess until 1 p.m.

(Whereupon, at 11:45 a.m., the subcommittee was recessed to reconvene at 1 p.m. the same day.)

(AFTERNOON SESSION, 1 O'CLOCK, TUESDAY, APRIL 13, 1976)

NONGOVERNMENTAL WITNESSES

OPENING REMARKS OF SENATOR STEVENS

Senator STEVENS [presiding]. Good afternoon. The hearing will resume for the taking of testimony from nongovernmental witnesses on matters pertaining to appropriations for the Interior Department and Related Agencies.

As I understand, the schedule of witnesses is crowded and important bills are being taken up on the Senate floor which may cause interruptions in these hearings. Because of this, I must again ask each witness to keep his summary remarks to 5 minutes or less. This is important if we are to hear all witnesses who have asked to appear before this committee today.

Please remember that all prepared statements will be printed in the record in full. It is not necessary to read the whole statement. We would ask you to speak to the points you wish to emphasize and that will make a better hearing and make it easier for us to recognize your particular important points.

When your name is called, will you please present copies of your prepared statement to our staff and take the seat at the witness table.

The first witness this afternoon is Donald Gott of the Hardwood Council from Chicago, Ill.

FINE HARDWOODS-AMERICAN WALNUT ASSOCIATION

STATEMENT OF DONALD GOTT, EXECUTIVE DIRECTOR, FINE HARDWOODS-AMERICAN WALNUT ASSOCIATION, CHICAGO, ILL.

FOREST INVENTORY AND HARDWOODS UTILIZATION

Mr. GOTT. Senator Stevens, thank you for allowing me to appear. I have given the staff 15 copies of my full statement and I will do my very best to summarize within the time allowed.

I am Donald Gott, executive director of the Fine Hardwoods-American Walnut Association, Chicago, Ill. In addition to representing our own membership, I am representing the Hardwood Council for an industry which is vitally interested in the research programs of the Forest Service.

The Hardwood Council was founded in 1963 to create a composite force to enjoin and plan for the betterment of the hardwoods industry with a single and united voice. The Council is made up of 20 hardwood trade associations involving over 2,000 manufacturing companies with an average of 100 plus employees. Obviously, this Hardwood Council is vitally interested in two research programs of the U.S. Forest Service.

First, forest surveys—they provide the only source of information on the Nation's renewable forest resources. They have been slipping farther and farther behind the planned 10-year cycle because of increased costs and they now average approximately 17 years. The increased requirements of the Renewable Resources Planning Act of 1974 will increase this cycle still further unless, that is, more funds are provided. The council does, therefore, recommend an additional $6,445,000 be included in the 1977 Forest Service budget to accelerate and expand these vital surveys.

I have a breakout of that request by station:

The North Central Station, $803,000; the Pacific Northwest, $1,558,000; Intermountain Station, $760,000; Rocky Mountain, $381,000; Northeast, $827,000; Southeast, $821,000; Southern, $879,000; and very importantly, the Forest Products Laboratory of Madison, Wis., $415,000.

This funding includes: First. Enlarged field crews which require salaries, living expenses, travel and equipment. Second, prolonged computer time for automatic data processing. While I may seem to skim over this lightly, it is fully explained, Senator, in the full statement.

Second, while the Hardwood Council strongly supports the entire research program to extend timber supplies, we obviously are especially interested in that portion dealing with improved hardwood specialization.

For the past several years we have been aware of a growing problem in this Nation and we are not paying enough attention to and not making full use of our hardwood forests. We have relied too much on softwood timber, even though more than half the forest land in this country is in hardwoods, primarily in the East. Therefore, increased timber supplies are necessary to meet the projected increased demands for wood at reasonable prices.

Two approaches are needed, improved utilization of our abundant hardwood resources and speeding the growth of key softwoods. We are especially interested in the hardwood portion of the program.

We do recommend that an additional $4 million be provided to the Forest Service in 1977 for this much-needed research. Of this amount, $2,100,000 would be available for hardwood utilization research. With your permission, I have this breakout to give you.

In the southeast station at Asheville, N.C., $235,000 is recommended for utilization which can be defined as evaluation of systems approaches, tree parts and end use. Reduction of sawing and processing waste. Reduction of energy in drying of wood and hardwood resource analysis.

At the southern station in Alexandria, La., $285,000 is recommended for the same purpose which includes to strengthen the present program which is the characterization of chemical, physical, and mechanical properties of Southern hardwoods and bark. To develop new uses for products from Southern hardwoods such as a structural flakeboard which has yet to be developed.

Third, to develop an efficient energy system for wood industries using wood and bark residues for fuel.

At Auburn, Ala., $100,000 for engineering consisting of the design of harvesting and transportation systems to efficiently handle the mix

of sizes of stems and branches of many species from many sites which are currently being left in the woods.

At northeast; namely, Morgantown, W. Va., $350,000 for engineering which includes tremendously better methods of logging on steep slopes, included in which techniques of skyline logging developments.

North Central at Houghton, Mich., $200,000 for engineering including acceleration and expansion of research necessary to develop and test equipment and systems for economic extraction, transportation, and processing of hardwood tops, limbs, dead timber and low value thinnings.

At Carbondale, also under North Central, the marketing needs are due to ownership by individuals for the most part and which are small holdings, there is need for detailed economic information on the availability and marketing of wood and wood products and to develop improved methods and procedures to move these materials successfully to market. This is $230,000.

Last, but not the least important, is the $700,000 at the Forest Products Laboratory at Madison for the purposes of three problems. One, pulp and paper making processes are not designed to utilize effectively many of the hardwood species. Two, considerable waste of high value hardwoods in sawing and drying processes of furniture manufacturing. Lastly, the possibility of hardwoods providing a source of chemicals now derived from petroleum based products.

Mr. Chairman, if there are no questions, that is my summary and I believe I stayed within the time limit.

Senator STEVENS. You did very well and thank you. We appreciate your contribution and that of your council. And we will give it our consideration, Mr. Gott.

Mr. GOTT. Thank you, sir.

[The statement follows:]

Chairman Byrd and Members of the Subcommittee:

I am Donald H. Gott, Executive Director of the Fine Hardwoods-American Walnut Association, Chicago, Illinois, representing the Hardwood Council for an industry vitally interested in the research programs of the Forest Service. The Hardwood Council was founded in 1963 to create a composite force to enjoin and plan for the betterment of the hardwoods industry with a single and united voice. The Council is made up of 20 hardwood trade associations involving over 2000 manufacturing companies with an average of 100-plus employees. Obviously, this Hardwood Council is vitally interested in two research programs of the U. S. Forest Service.

I would like to comment on both these Forest Service research programs: first, Renewable Resources Evaluation and second, the Research Program to Extend Timber Supplies.

The Renewable Resources Planning Act of 1974 requires the Forest Service to provide an assessment of all forest and rangeland renewable resources every 10 years. This will mean obtaining detailed information on such resources, including timber, forage, wildlife habitat, water and recreation opportunities, on approximately 1.5 billion acres.

The Forest Survey conducted for many years by the Forest Service is the only reliable and comprehensive source of statistics on the Nation's timber resource. Originally planned for a 10-year cycle, these surveys have slipped farther and farther behind because of increasing costs. At current funding levels, the average is now approaching 17 years nationwide. Obtaining detailed data for resources in addition to timber will lengthen this cycle further.

It is more important today than ever before to evaluate and assess our timber resource at frequent intervals. Timber removals for products and removals resulting from land clearing for agriculture, transportation systems and urbanization have accelerated in recent years. Technical changes in harvesting and processing of timber are rapidly altering the timber supply and demand outlook. If we are to plan wisely for the optimum use of our forest resource in the face of rapid change, it is imperative that we conduct more frequent timber surveys.

The renewable resource data obtained are used at all levels of government in planning and also provide crucial information for industrial investment decisions. The reinventory cycle must be reduced to a minimum of 10 years nationwide, with 5-year cycles in many critical areas. Also needed are better methods for providing nontimber resource information. To reduce the timber inventory cycle and to develop and apply techniques for assessing nontimber resources will require additional funds above the present annual base funding for Forest Resources Evaluation.

The Forest Service has units conducting research on Renewable Resources Evaluation at almost all of its Experiment Stations. These units have the scientific capabilities and structure to accelerate the development and testing of techniques for inventorying and assessing nontimber renewable resources and the ability, with increased funding, to reduce the timber inventory cycle. The rate and scope of providing periodic assessments of all forest and rangeland renewable resources will be directly related to the annual funding level. I strongly recommend that an additional $6,445,000 be included in the 1977 Forest Service research budget above the present level of funding to accelerate this essential effort.

While the Hardwood Council strongly supports the entire research program to extend timber supplies, we are especially interest-

ed in that portion dealing with improved hardwood utilization. For the past several years, we have been aware of a growing problem in this Nation. We are not paying enough attention to and not making full use of our hardwood forests. We have relied too much on softwood timber, even though more than half of the forest land in this country is in hardwoods, primarily in the East.

Softwood timber was and is an extremely valuable resource. It has excellent technical properties for specific uses, and it will continue to be in strong demand for construction. But we are overdependent on softwoods, and at the present demand rates, shortages of reasonably priced wood will develop within a relatively short period of time. This would have a serious impact on homebuilding and force us to use more energy-demanding substitute materials at higher cost. The irony of this situation is that while the softwoods are being overused, we have a substantial underutilization of hardwoods. While some of the reasons for underutilization of hardwoods are based purely on tradition, there also are some valid technical reasons why we do not make better use of them.

We need to develop new technology for efficient removal of timber products from the eastern forests so that we can make use of the whole tree. We need systems for extracting hardwood timber from a variety of land forms, including steep slopes that are susceptible to logging damage with some conventional methods. Forest landowners want assurances that their land will not suffer permanent damage, and timber operators need methods and equipment that will permit them to operate competitively with a fair profit margin. Skyline and other logging systems need to be tested in the East, and their impact on soil, water, and wildlife needs to be assessed, along with impacts on forest land esthetics.

A second major area needing research is in wood processing and practices. We need new processing methods to improve the yield of material used for its beauty or for its fiber content. We need new methods for extracting from hardwood chemicals that now come from oil. Along with the need to make better and more complete use of this raw material, we need to reduce the amount of energy required in processing. In short, these lines of research can make substantial reductions in costs and energy requirements, and at the same time, extend supplies of timber.

It is well known that there are huge quantities of residues left in the forest and at the mills and plants. Research must develop new and economical ways to capture what we now call waste. Some of the possibilities, such as livestock feed from wood waste, are fascinating and are theoretically possible, but are awaiting scientific technology to become a practical reality. Finally, this new technology must also be accompanied by research efforts in economics and marketing to insure that information developed can be effectively and rapidly put to use.

Research to improve the harvesting of the hardwood resource will result in more economical methods of not only harvesting but transporting and marketing the total hardwood resource. The physical-mechanical and chemical properties of the resource must be determined and the availability of all forest, urban, and salvageable wood-based resources characterized.

Increasing hardwood utilization resulting from an accelerated Forest Service research effort will develop hardwood building products for construction, provide practical techniques for increasing hardwood pulp yields, develop greater utilization of bark and wood for petro-chemical substitutes, provide economic analyses for commercial-scale operations to utilize other chemicals, improve yields

and reduce energy costs in the production of appearance products, develop technology to produce ties and pallets from recycled materials and to extend the service life of these products, and to develop technology to meet the fuel and total energy needs of the forest industry through wood residue combustion, so that this industry may be energy self-sufficient.

Fortunately, the Forest Service has a number of outstanding laboratories with the scientific capabilities of mounting an accelerated hardwood research program in (1) Forest Products Utilization; (2) Forest Economics and Marketing; and (3) Forest Engineering. The Forest Products Laboratory, the Northeastern, Southeastern, North Central, and Southern Forest Experiment Stations all have unique talents for solving significant parts of this important program. The rate at which problems are solved will be directly related to the annual funding level.

We recommend that $4,000,000 over the present base be made available to the Forest Service in fiscal year 1977 for research to extend timber supplies. Of this amount, $2,100,000 would be available for improved hardwood utilization.

Senator STEVENS. Birgil Kills Straight, the Little Wound School Board from South Dakota. Are they here?

Patrick Lefthand, Confederated Salish and Kootenai Tribes of the Flathead Indian Reservation.

CONFEDERATED SALISH AND KOOTENAI TRIBES, FLATHEAD RESERVATION, MONTANA

STATEMENT OF NAIDA LEFTHAND, DIRECTOR, CULTURAL STUDY PROGRAM OF THE CONFEDERATED SALISH AND KOOTENAI TRIBES OF THE FLATHEAD RESERVATION, MONTANA

ACCOMPANIED BY:

PATRICK LEFTHAND

GERALD SLATER, PRINCIPAL OF THE TRIBAL ALTERNATIVE SCHOOL

R. ANTHONY ROGERS

INDIAN CULTURAL AND TRAINING PROGRAMS

Ms. LEFTHAND. Senator Stevens, my name is Naida Lefthand and I am accompanied by Patrick Lefthand and Gerald Slater. I am the director of the cultural study program of the Confederated Salish and Kootenai Tribes of the Flathead Reservation, Montana.

Mr. Slater is the principal of the Tribal Alternative School on the reservation. We are here to request funding for the cultural preservation and training programs which are of great importance to our Tribe. They will be for the total amount of $239,520 for fiscal year 1977, in the Indian education programs of HEW.

The Confederated Salish and Kootenai Tribes are in a unique and frustrating position, as we have become the minority population and landowners on our own reservation. From the beginning of the Homestead Act, the Salish and Kootenai people have been pushed into the marginal lands as the more aggressive white man took over the prime lands and through sheer numbers began to control the educational systems on the reservation. The frontier ethic that envisioned the Indians as savages without a sophisticated philosophy, religion, or even an understanding of life itself still exists in the minds of many white residents.

Change in attitude can only happen through understanding and understanding through education. We envision the development of an authentic curriculum that can move in the direction of developing a meaningful understanding, at least among the younger residents and the school personnel of the reservation.

There are eight school districts on the Salish-Kootenai Reservation. Over 1,200 Indian students attend the public schools. All controlling boards of these institutions are white-dominated. The non-Indian boards do not understand enough or care enough to make the necessary financial commitment to the development of authentic Indian curriculum. Consequently, the reservation has a 63 percent dropout rate of Indian students by grade 12. This lack of success by the Indian student adds support to the criticism by the non-Indian. The non-Indian orientation of the school fails to provide study and curriculum necessary to retain the Indian student and move the non-Indian student toward a meaningful understanding of the Indian culture.

The new Montana constitution requires that all State schools preserve the cultural integrity of the native American people. This long overdue action has given the legal impetus to start cultural programs but has not supplied the State resources to facilitate or implement them. Now, when the schools look to the Indian people for the needed materials for these programs, we will be unable to supply them for lack of State funds and the inadequacy of tribal resources.

The Indian political pressure in Montana is insufficient to obtain State funds and, therefore, in order to preserve our cultural heritage, we must turn to our trustee, the Congress of the United States.

The first program which requires funding in the amount of $105,100 is the cultural preservation program. The goals of this program are to record the oral history, bibliographies, and legends of the older Indians; to preserve the Indian language by producing a complete dictionary and the lesson plans for the schools; and to develop and produce a directory of knowledgeable Indian people who can interpret the materials in true fashion and serve as consultants for the ethnobotany project and the teacher-awareness program. It is critical that we be able to continue these programs as those who still possess this knowledge are quite old. For example, since last year when our cultural committees began to record information, 7 of the 40 elders who contributed have died. Of the remaining 33, most are so old they may live only a few more years. Our tribal council funded us $185,000 last year, but lacks the funds for continuation. The second program is ethnobotany. The Indian people have a tremendous amount of knowledge regarding plants. We would like to share this knowledge, but lack the funds to develop them. We need students to give a good background in science so they may go on to become doctors and dentists. This program will also help whites understand and value Indian knowledge and tradition.

The third program is the cultural awareness teacher training program. In 1973, the Montana Legislature mandated that all teachers in schools on or near Indian reservations must complete 6 credit hours in American Indian studies. We feel this training must be done with the help of the Indian people so that it will be presented in the true fashion. It must be done locally so that it will—to begin solving the educational problems that now exist.

I know you will hear many requests for funds for programs. We feel strongly that an attempt to preserve culture and language—is not made known, it will be too late and we will no longer be an Indian tribe.

Our older Indians will move on and teachers will have received training with no Indian input.

Senator STEVENS. Thank you very much.

Do the rest of you have statements to present?

Ms. LEFTHAND. Not at this time.

Senator STEVENS. You have a good program. We are familiar with it and we will do our best. Thank you very much.

Ms. LEFTHAND. Thank you, sir.

[The statement follows:]

STATEMENT OF NAIDA LEFTHAND AND GERALD SLATER
CONFEDERATED SALISH AND KOOTENAI TRIBES
OF FLATHEAD RESERVATION

Mr. Chairman, my name is Naida Lefthand and I am accompanied by Gerald Slater. I am the Director of the Cultural Study Program of the Confederated Salish & Kootenai Tribes of the Flathead Reservation, Montana. Mr. Slater is the principal of the Tribal Alternative School on the Reservation. We are here to request funding for the cultural preservation and training programs which are of great importance to our Tribe. They will be for the total amount of $239,520.00 for fiscal year 1977, in the Indian education programs of HEW.

The Confederated Salish and Kootenai Tribes are in a unique and frustrating position, as we have become the minority population and land owners on our own Reservation. From the beginning of the Homestead Act, the Salish and Kootenai people have been pushed into the marginal lands as the more aggressive whiteman took over the prime lands and through sheer numbers began to control the educational systems on the Reservation. The frontier ethic that envisioned the Indians as savages without a sophisticated philosophy, religion, or even an understanding of life itself still exists in the minds of many white residents. Change in attitude can only happen through understanding, and understanding through education. We envision the development of an authentic curriculum that can move in the direction of developing a meaningful understanding, at least among the younger residents and the school personnel of the Reservation.

There are eight school districts on the Salish-Kootenai Reservation. Over 1200 Indian students attend the public schools. All controlling boards of these institutions are white-dominated. The non-Indian boards do not understand enough or care enough to make the necessary financial commitment to the development of authentic Indian curriculum. Consequently, the Reservation has a 63% drop-out rate of Indian students by grade 12. This lack of success by the Indian student adds support to the criticism by the non-Indian. The non-Indian orientation of the school fails to provide study and curriculum necessary to retain the Indian student and move the non-Indian student towards a meaningful understanding of the Indian culture.

The new Montana Constitution requires that all state schools preserve the cultural integrity of the Native American people. This long overdue action has given the legal impetus to start cultural programs but has not supplied the state resources to facilitate or implement them. Now, when the schools look to the Indian people for the needed materials for these programs, we will be unable to supply them for lack of state funds and the inadequacy of tribal resources. The Indian political pressure in Montana is insufficient to obtain state funds and, therefore, in order to preserve our cultural heritage, we must turn to our trustee, the Congress of the United States.

1. CULTURAL PRESERVATION PROGRAM

The first program which requires funding in the amount of $105,100.00 is the cultural preservation program. The goals of this program are to record the oral history, bibliographies, and legends of the older Indians; to preserve the Indian language by producing a complete dictionary and the lesson plans for the schools; and to develop and produce a directory of knowledgeable Indian people who can interpret the materials in true fashion and serve as consultants for the ethno-botany project and the teacher-awareness program. It is critical that we be able to continue these programs as those who still possess this knowledge are quite old. For example, since last year when our cultural committees began to record information, 7 of the 40 elders who contributed have died. Of the remaining 33, most are so old they may live only a few more years.

2. ETHNO-BOTANY PROGRAM

Our second request is for $88,670 to fund the Ethno-botany Program.

Due to the distortion of a biased presentation of history, the white-dominated culture has failed to realize the value and

significance of Indian tradition and knowledge. For example, one-third of the world's most important economic plants are of Native American origin; of the thirteen (13) major food plant staples, six (6) were domesticated and cultivated by Native Americans. Through their own form of agriculture over centuries Native Americans have developed some three hundred races of grain that are suitable for very diverse environments. The distinguished geneticist, George Beadle, describes this as a "tremendous accomplishment".

Perhaps only today their tremendous knowledge of plants is beginning to be recognized. For example, Ms. Munro, a nutritionist from the University of Montana, estimates that the nutrient levels of a diet of roots, fruits, seeds, and wild game provides an average of six times the recommended daily allowance. She also states the possibility is real that the Native American diet provided ten times the vitamins, minerals, and proteins, as compared to the whiteman's diet. She further indicates there is need for further study to accurately determine the Indian diet and its nutritional value and compare this with the present diets. It would seem that as there becomes a greater realization of the importance of preventative medicine, a comprehensive and factual documentation of Native diets and their relationships to health will be most important.

Native Americans have also contributed substantially to the field of medicine. Over forty-two percent of the prescriptions in the United States contain a drug from natural plant sources, many of which were discovered and used by Native Americans.

It would appear that the average American belief that Native Americans were ignorant, primitive savages is quite unfounded; in fact quite the contrary, Native American people have rich traditions and much sophisticated and complex knowledge. Unfortunately, because of cultural conflict and extreme pressure for Indians to assimilate into the white culture, their knowledge is not being passed out.

The ethno-botany program would use this unique information to produce educational material, field manuals and teacher training-evaluation seminars.

3. CULTURAL AWARENESS TEACHER TRAINING PROGRAM

The third tribal request concerns the Cultural Awareness Teacher Training Program for which we ask $45,750.

Indian children in the public schools lead all other students in the areas of drop-outs, poor performance on standardized tests, negative attitudes toward school and education, low occupational and educational aspiration levels, high absenteeism, and poor work habits. Teachers come to teach on our Reservation with little preparation or knowledge of the special educational problems of Indian children. The Indian parents often had poor success in the same schools when they were children. This adds further to the problem our Indian children have in the schools.

The 1973 Montana Legislature, after much lobbying from the Indian educational leaders, mandated that all teachers in schools on or near Indian reservations must complete six credit hours in American Indian studies. The requirement has created great pressure from the state, but without concurrent funding, to develop any program to achieve this. Most of the teachers on the Flathead Reservation share the Indian communities' feelings that it is critical to have a local cultural training program developed through the advice and assistance of the Indian people themselves. The local program can only look to the federal government for funding, and it is for this reason we appeal to the Congress to add $45,750 to the fiscal 1977 budget for this program.

NATIONAL TRIBAL CHAIRMEN'S ASSOCIATION

STATEMENT OF WILLIE COLEGROVE, MEMBER, HOOPA TRIBE AND A LEGISLATIVE CONSULTANT TO THE NATIONAL TRIBAL CHAIRMEN'S ASSOCIATION

SELF-DETERMINATION GRANTS

Senator STEVENS. Mr. Chino, Mescalero Apache Tribe.

Mr. COLEGROVE. Mr. Chino could not be here today. I am Willie Colegrove, a member of the Hoopa Tribe and I am doing some work with the National Tribal Chairmen in the area of legislation.

We are here to testify today in favor of the special supplemental appropriation in the amount of $37 million for the Bureau of Indian Affairs and Indian Health Service to be utilized by the agencies to provide the planning assistance to local tribal governments in conjunction with implementation of Public Law 93–638.

At this time, the appropriation has been applied for by the Bureau of Indian Affairs for the present fiscal year. The original request that came to the office of Management and Budget from the Bureau of Indian Affairs was $25 million. The request that came to the Appropriation Committee from the Bureau of Indian Affairs was $10.25 million. It is our understanding now that this money is still in the committee and has not been released and has not been OK'd at this time. We are requesting that this $10.25 million be set back up to the original $25 million requested.

It is also our understanding that Indian Health Service had made an application to the Department of HEW to request Congress for a supplemental $12 million for the first year implementation of Public Law 638. The major portion of these moneys was to be used in section 104 of the act which dealt with the planning and process of strengthening local tribal governments.

At this time, the Bureau of Indian Affairs and the Indian Health Service through the dictates of Congress have provided rules and regulations for implementation of 638. They have set up special units within their division for 638. They have also set up some program activities that would be related to it in their field. However, as far as the tribes are concerned, virtually nothing has been done in the area of preparing the tribes to meet the agencies halfway.

The second part of the request that we are coming in with—we would like the committee to take a good look at the request coming in from the Bureau of Indian Affairs for the next year, fiscal year 1977.

They are asking for $32 million. Of that, $21 million would be used for associated costs or additional costs for contracting with the remaining portions to be lent out for grants to the tribes for planning and programing, for strengthening the tribal government and preparing them for contracting.

However, we believe that the money is not adequate and that there should be further investigation into what is required out in the field.

For Indian Health Service, in reviewing the President's budget, there is no line item budget in the Indian Health Service Budget for the fiscal year 1977 for the Indian Health Service to supplement the tribal governments. They are basically requesting that the committee

first take a look at—in the first area, take a look at the Indian Health Service request and bring that back up to the $25 million figure that was originally requested.

Also, that they ask the question of Health, Education, and Welfare why the appropriation request has not come up to the Congress at this time when Indian Health Service made the request back in September.

The tribal people consider Public Law 93–638 one of the most historical legislation since the reorganization acts of 1934 which tends to give the tribe much more participation in delivering services. We think also that if it is not done—for the tribes to not be prepared to accept the services, that they will be doomed for failure. We also think that if program delivery services coming from the Federal agencies to the tribes are not looked at and good feasibility studies done on it, that all we are doing is transferring the problem of the Federal Government to the tribe. And we don't especially care to be contracting problems.

Mr. Chairman, that is the request that we have that we would like the committee to take a look at.

Senator STEVENS. I think we did ask the Indian Health Service already about this. Hopefully, you will look at their responses that we will get.

As I understand it, you want to raise that $25 million for the BIA. Is there an additional request beyond the $25 million?

Mr. COLEGROVE. No. The $25 million—I would like to have the $10.25 million up to $25 million which was originally requested by the Bureau of Indian Affairs and cut down by OMB.

Senator STEVENS. And you are asking for $22.2 for Indian Health Services?

Mr. COLEGROVE. Twelve, for the supplement that they originally requested.

Senator STEVENS. All right. We appreciate it. We are glad to have your testimony in support of the tribal chairmen's association. Thank you very much.

Mr. COLEGROVE. Thank you very much.

[The statement follows:]

Mr. Chairman and Members of the Committee:

My name is Wendell Chino, Chairman of the Mescalero Apache Tribe and Chairman of the National Tribal Chairmen's Association. Seated with me today is Willie Colegrove, a member of the Hoopa Tribe and a legislative consultant to the National Tribal Chairmen's Association.

We are here today to testify in favor of a supplemental budget add-on appropriation in the amount of thirty seven million dollars for the Bureau of Indian Affairs and the Indian Health Service to be used during the present 1976 Fiscal Year to carry out the program intent of Public Law 93-638. Secondly, we would like to bring the committee's attention to the proposed Fiscal Year 1977 budget of the above mentioned agencies and request that an additional seventeen million dollars added to the Bureau of Indian Affairs' budget to be specifically used for grants to support the program efforts of P.L. 93-638. We further request that twenty five million dollars be added to the Indian Health Service Fiscal Year 1977 to be utilized in further implementation of the Act. Finally, we would like to support the requests of the Indian Tribal representatives who are testifying before your committee. It should be noted that the budget request as submitted by the Bureau of Indian Affairs does not reflect the true needs as requested by the Tribes. For example, the program budget request as presented by the Bureau of Indian Affairs, within the administration's constraints, for F.Y. 1977 indicated a need for $366,656,700; while, the actual program budget request prepared by the Bureau of Indian Affairs agencies in coordination with the Tribes amounted to $607,434,500. The difference between the two requests is $240,777,800. The Tribes that are testifying before this committee reflect only a small part of the total needs and should be given special consideration of their needs.

On January 4, 1975, President Ford signed S. 1017, the Indian Self-Determination and Education Assistance Act, P.L. 93-638, 88 Stat. 2203. In signing the bill, President Ford stated:

> My administration is committed to furthering the self-determination of Indian communities without terminating the special relationship between the federal government and Indian people.

The Act stated a major congressional finding:

> The prolonged federal domination of Indian service programs has served the retard rather than enhance the progress of Indian people and their communities by depriving the Indians of the full opportunity to develop leadership skills crucial to the realization of self-government and has denied to the Indian people an effective voice in the planning and implementation of programs for the benefits of Indians which are responsive to the true needs of Indian communities. P.L. 93-638, Sec. 2(a)(1).

Congressional intent in enacting P.L. 93-638 was "(i)n essence an effort to provide tribes with the means to implement tribal self-governing power by providing funding and procedures to achieve progressive development of tribal resources and institutions." Senate Report No. 93-762, March 28, 1974. If Tribal sovereignty is to be fully achieved, Indian tribes must begin to exercise fully their governing power. This can only be done by adequately financing the planning capabilities of the local tribal government.

Congress, recognizing the need to strengthen local tribal government, has consistantly advocated that prior to assuming responsibilities previously assumed by the federal government, Indian tribes must be prepared. Sec. 104(a)(1) and (2) provides for grants to enable tribes to be so prepared. Without adequate preparation, transfer of services from federal agencies to tribes can only result in failure. Furthermore, if the present delivery system is not effectively working, a transfer of this responsibility is only a transfer of problems from the federal agencies to the tribes. Studies to determine the feasibility of transferring services are required to insure long term success and progressiveness. If it is determined that a tribe does not have the internal management capabilities, training and technical assistance would be required to improve their capabilities.

66-307 O - 76 - pt. 5 -- 18

The Bureau of Indian Affairs has requested $10,250,000 million dollars from this committee to supplement the present Fiscal Year Allocation (1976) and that request is being considered by your committee. We hereby request that a total of twenty five million dollars be allocated to supplement the Bureau of Indian Affairs' budget with the major portion of the funds designated for preparatory type grants to tribal government, as described in P.L. 93-638, Sec. 104(1) and (2).

Indian Health Service has requested twenty five million dollars to supplement the Fiscal Year 1976 budget allocation for implementation of P.L. 93-638. However, the request has not been presented to this committee by HEW. We request that this amount be allocated to Indian Health Service, so that they can take the initial steps in implementing the programs as specified in the law.

For Fiscal Year 1977 we request that the Bureau of Indian Affairs budget for P.L. 93-638 be adjusted to forty nine million dollars in lieu of the thirty two million dollars requested by the Administration. It is our understanding that Indian Health Service has not presented a request for P.L. 93-638 implementation funds for the Fiscal Year 1977; therefore, we are requesting that twenty five million dollars be added to the Indian Health Service allocation for implementation of P.L.93-638

In conclusion, there is no question that the congressional intent in developing P.L. 93-638 has been to strengthen tribal governments; however, the implementation of the law is doomed to failure if the program is not adequately financed.

We thank you for the opportunity to address this body and urge you to give full consideration to our request and to give full consideration to other requests from tribal representatives who are appearing before your committee.

LOWER ELWHA TRIBAL COMMUNITY

STATEMENT OF GERALD CHARLES, SR., CHAIRMAN, LOWER ELWHA TRIBAL COMMUNITY, ACCOMPANIED BY MS. PATTIE ELOFSON.

Senator STEVENS. Gerald Charles, Sr. and those from the Lower Elwha Tribe in Washington.

FLOOD CONTROL ELWHA RIVER

Mr. CHARLES. Senator Stevens, we are glad to be here today because we have a very, very serious situation on our reservation back in the State of Washington, 8 miles west of Port Angeles. I have some documentation for the committee to look at and also two very important maps that I would like to have the committee take a look at. They more or less explain our situation.

First, Mr. Chairman, I would like to explain that we are a treaty tribe and there are three bands of the Clallam Nations. There are us, the Lower Elwha Tribe of Clallam, the Skykomish and Jamestowns who are recognized. There are really three bands of us and there is some confusion sometimes and I would like to go on record that we are independent Clallams.

The Lower Elwha request and appropriation of $800,000 is for flood control and flood plain management. Its reservation, on lands chosen by the United States, is 100 percent subjected to annual flooding, and is therefore undevelopable and unsafe for housing. Reservation unemployment is about 50 percent. EDA and HUD have funded, respectively, fisheries and housing projects. These are, however, jeopardized by future floods.

The tribe therefore proposes to consolidate the lower flood plain of the Elwha River under its management, construct a levee to contain the river in its present location and reduce flood hazard to 1 percent, and improve the area thereby protected for salmon enhancement, pasture, housing, recreation and other purposes. The county and State will also benefit. Existing Federal funding authorities and appropriations being inadequate for the combined consolidation and construction program proposed, the tribe appeals to Congress for special authorization and appropriation for the coming fiscal year.

The Lower Elwha tribal community respectfully requests a special appropriation of $800,000 to capitalize a general program of flood control and land management on the Lower Elwha Reservation. We bring this to your attention only because of the apparent inadequacy of current authorities to meet our community's needs. We have successfully sought assistance from several Federal agencies. The Corps of Engineers, though supportive of our program, have no funds to commit to new projects.

The Department of Housing and Urban Development advises us they are doubtful whether they have legal authority to finance our program. The Bureau of Indian Affairs' legal authority is too limited to finance the whole program, and its resources too small to finance adequately any substantial part.

Ironically, both the Economic Development Administration—through the Office of Native American Programs—and HUD have already capitalized tribal fishery development and housing stock aug-

already capitalized tribal fishery development and housing stock augmentation, respectively, and both of these projects are in jeopardy of loss should our plans for flood control fail.

The Lower Elwha Reservation comprises 372 acres scattered in 5 separate parcels on Angeles Point, near the city of Port Angeles, and on the flood plain and delta of the Elwha River. An additional 40 acres at the mouth of the river were purchased earlier this year with funds loaned to the tribe in accordance with the Indian Financing Act.

The reservation was purchased by the United States in 1937 to 1938 under authority of the Indian Reorganization Act, section 5, 25 U.S.C. 465. In its defense before the Indian Claims Commission, the United States argued earlier this year that the purchase of the reservation was gratuitous and the cost should be offset against the Elwha's claim for undercompensation in their 1855 cession of the north coast and interior of the Olympic Peninsula. The gratuity was small, if even a gratuity at all. The Elwhas were promised a reservation in their treaty, but the reservation created pursuant to that authority was allotted to individual Indians of another tribe before any Elwhas moved there. Moverover, the land purchased for the Elwhas at Angeles Point is not developable. It is entirely subject to annual floods, and devastating floods of unusual intensity have occurred several times since the reservation was purchased.

The tribe persuaded the Corps of Engineers to prepare a flood control plan in 1972, but the corps eventually withdrew on the theory that the projected benefit-cost ratio was too low. Since then, plans for tribal fisheries and housing development, federally financed, have dramatically swung the benefit-cost ratio in favor of flood control, but now the corps has no funds for a final study or for construction.

Protection of the fisheries and housing projects is essential. The Lower Elwha tribal community has more than 100 resident members, of whom 26 are employable but cannot find work. Every single home on the reservation is subject to annual flooding. Even among those who are employed, average annual income is just under $7,000. The tribe has no taxable base and no trust funds or other trust assets other than the lands on the flood delta.

The situation can only get worse. Natural population increase and the return of unemployed tribal members now residing off-reservation and preferring to restore their allegiance with the tribe will swell the resident community to more than double its current numbers by 1980, with no improvement in the economic, housing and safety conditions, which in the absence of flood control is inevitable, reservation unemployment will increase, and the already very limited ability of the tribe to maintain essential services will decrease. However, a bold plan of flood plain management would reverse this gloomy prediction.

With the assistance of Congress, the Lower Elwha tribal community proposes to: One, purchase all of the remaining undeveloped, nontribal land in the flood plain, some of which will be necessary for the location of the levee itself, some of which will be benefited from flood plain management; and two, construct a set-back levee—following the general plans and alinements developed by the Corps of Engineers in 1972—to reduce flood risk in the consolidated area from almost 100 percent to 1 percent.

Nearly all of the affected non-Indian landowners have been individually consulted, and are in support of this plan, whether they will be asked to sell, or will be benefited in their unsold estate. In addition, the tribe has informed Clallam County, within which the affected non-Indian lands are located, and anticipates shortly a letter of support from the county commissioners.

The cost of the project is estimated to be approximately $800,000. At prevailing market prices, the cost of land acquisition in the flood plain will be about $500,000. A maximum of 550 acres will be sought. Giving due weight to construction cost inflation and to provide for a reasonable margin of error in estimated cost, levee construction should be allocated $300,000. This is based upon the Corps of Engineers 1972 estimate of $124,500, and our own engineer's 1976 estimate of $250,000.

This is rather lengthy and Pattie has a few notes to follow up on.

Ms. ELOFSON. I would just like to say that a levee is necessary. We can't do anything with the land.

Senator STEVENS. Why won't the Corps of Engineers do it?

Ms. ELOFSON. No money.

Mr. CHARLES. They keep coming back saying there is not enough money there, but how can we get people down there? How can we build up a flooded area? This is why we have, Mr. Chairman, 19 homes down there and we are going to stay. We were put there and we will stay there. Our ancestors lived there back in the early days. We have 19 homes there and there are over 300 tribal governors buying homes that we want to come back on the reservation.

This is why we need more land, 550 acres, so that they will feel more safe, more comfortable to build homes and things like this on the reservation.

Right now, to be honest with you, I don't see how they sleep at night in the wintertime especially with the high tides and the northeast winds from the straits and the large river bed is there. It runs very swiftly.

Senator STEVENS. Where did you get your cost estimate of $800,000?

Ms. ELOFSON. It was combined from what the landowners—the price they are asking for their land and also from the study that the Army Corps of Engineers did in 1972. We have been discussing the matter with the Seattle office and it is an updated figure.

Mr. CHARLES. Mr. Chairman, we have done our homework. We have been working very hard on this for the past 2 years. We have two people working with us very closely out of the University of Washington, Mr. Christopher Bell, that has studied this river several years ago. The tribe had him do some research on the river.

We are also a member of the Small Tribes of Western Washington. They got Mr. Bell for us and he did some research on this river. We have really done our homework back home and have been talking to Congressman Bunker regarding this and we talk to everybody back home. It is just a need that we definitely need and we will come back here until hopefully some day we get it.

Senator STEVENS. This committee normally would not start a project like that, so I can't mislead you. It would be very difficult for us

to do it without a recommendation from one of these agencies involved.

Have you talked to BIA?

Mr. CHARLES. Definitely.

Senator STEVENS. I saw the telegram that you had. Has it come to Washington?

Mr. CHARLES. Yes. As a matter of fact, you will notice the support telegram——

Senator STEVENS. I read that.

Ms. ELOFSON. We have talked to Bureau people back here and we talked to the Army Corps of Engineers.

Mr. CHARLES. We had a 2½-hour session with the Chief Engineer of the Army Corps here in Washington, D.C. and we explained our program to him and we more or less wanted to get his support of what he thought if the tribe got the money and could subcontract with the Bureau. He really sat down and talked hard with the gentlemen.

I felt that we were getting the support. He said this is unusual, the time came for them, which we understand, but he said he doesn't really see why something couldn't be worked out. We feel very favorable.

Senator STEVENS. Well, we thank you very much and we appreciate your efforts. I hope you will continue to work with the construction agencies to see if one of them will request this money.

Mr. CHARLES. We sure will.

Ms. ELOFSON. I would like to add a comment. We also support the Affiliated Tribes in acquiring money for construction for the Chemawa Indian School.

Senator STEVENS. Thank you very much.

[The statement follows:]

The Lower Elwha Tribal Community requests a supplemental appropriation of $800,000 for flood control and flood plain management. Its reservation, on lands chosen by the United States, is 100% subjected to annual flooding, and is therefore undevelopable and unsafe for housing. Reservation unemployment is about 50%. E.D.A. and H.U.D. have funded, respectively, fisheries and housing projects. These are, however, jeopardized by future floods. The tribe therefore proposes to consolidate the lower flood plain of the Elwha River under its management, construct a levee to contain the River in its present location and reduce flood hazard to 1%, and improve the area thereby protected for salmon enhancement, pasture, housing, recreation and other purposes. The County and State will also benefit. Existing federal funding authorities and appropriations being inadequate for the combined consolidation and construction program proposed, the tribe appeals to Congress for special authorization and appropriation for the coming Fiscal Year.

The Lower Elwha Tribal Community respectfully requests a special appropriation of $800,000 to capitalize a general program of flood control and land management on the Lower Elwha Reservation.

We bring this to your attention only because of the apparent inadequacy of current authorities to meet our community's needs. We have successfully sought assistance from several federal agencies. The Corps of Engineers, though supportive of our program, have no funds to commit to new projects. The Department of Housing and Urban Development advises us they are doubtful whether they have legal authority to finance our program. The Bureau of Indian Affairs' legal authority is too limited to finance the whole program, and its resources too small to finance adequately any substantial part. Ironically, both the Economic Development Administration (through the Office of Native American Programs) and H.U.D. have already capitalized tribal fishery development and housing stock augmentation, respectively, and both of these projects are in jeopardy of loss should our plans for flood control fail.

The Lower Elwha Reservation comprises 372 acres scattered in five separate parcels on Angeles Point, near the City of Port Angeles, and on the flood plain and delta of the Elwha River. An additional 40 acres at the mouth of the River were purchased earlier this year with funds loaned to the tribe in accordance with the Indian Financing Act. The Reservation was purchased by the United States in 1937-1938 under authority of the Indian Reorganization Act, Section 5 (25 U.S.C. 465). In its defense before the Indian Claims Commission, the United States argued earlier this year that the purchase of the Reservation was gratuitous and the cost should be offset against the Elwha's claim for undercompensation in their 1855 cession of the north coast and interior of the Olympic Peninsula. The "gratuity" was small, if even a gratuity at all. The Elwhas were promised a reservation in their Treaty, but the reservation created pursuant to that authority was allotted to individual Indians of another tribe before any Elwhas moved there. Moreover, the land purchased for the Elwhas at Angeles Point is not developable. It is entirely subject to annual floods, and devastating floods of unusual intensity have occurred several times since the Reservation was purchased.

The tribe persuaded the Corps of Engineers to prepare a flood control plan in 1972, but the Corps eventually withdrew on the theory that the projected benefit-cost ratio was too low. Since then, plans for tribal fisheries and housing development, federally financed, have dramatically swung the benefit-cost ratio in favor of flood control, but now the Corps has no funds for a final study or for construction.

Protection of the fisheries and housing projects is essential. The Lower Elwha Tribal Community has more than one hundred resident members, of whom twenty-six are employable but cannot find work. Every single home on the Reservation is subject to annual flooding. Even among those who are employed, average annual income is just under $7,000. The tribe has no taxable base and no trust funds or other trust assets other than the lands on the flood delta.

The situation can only get worse. Natural population increase and the return of unemployed tribal members now residing off-reservation and preferring to restore their allegiance with the tribe will swell the resident community to more than double its current numbers by 1980, with no improvement in the economic, housing and safety conditions, which in the absence of flood control is inevitable, reservation unemployment will increase, and the already very limited ability of the tribe to maintain essential services will decrease.

However, a bold plan of flood plain management would reverse this gloomy prediction. With the assistance of Congress, the Lower Elwha Tribal Community proposes to:

1. purchase all of the remaining undeveloped, non-tribal land in the flood plain, some of which will be necessary for the location of the levee itself, some of which may be damaged, and some of which will be benefitted from flood plain management; and

2. construct a set-back levee (following the general plans and alignments developed by the Corps of Engineers in 1972) to reduce flood risk in the consolidated area from almost 100% to 1%.

Nearly all of the affected non-Indian landowners have been individually consulted, and are in support of this plan, whether they will be asked to sell, or will be benefitted in their unsold estate. In addition, the tribe has informed Clallam County, within which the affected non-Indian lands are located, and anticipates shortly a letter of support from the County Commissioners.

The cost of the project is estimated to be approximately $800,000. At prevailing market prices, the cost of land acquisition in the flood plain will be about $500,000. A maximum of 550 acres will be sought. Giving due weight to construction cost inflation and to provide for a reasonable margin of error in estimated cost, levee construction should be allocated $300,000. This is based upon the Corps of Engineers 1972 estimate of $124,500, and our own engineer's 1976 estimate of $250,000.

With the levee in place, the Lower Elwha Tribal Community would enjoy the following benefits:

1. No reservation housing, existing or planned, would be located in an area of greater than 1% flood risk. The Reservation would moreover qualify for federal loans for further housing construction.

2. Operation of the planned and funded tribal salmon hatchery and rearing system would become feasible, being safe from wash-outs from floods. The fishery is projected to generate up to $65,000 annual wages for Reservation residents. In addition, the same facilities will be used to process other stocks of salmon found in Elwha River, and to develop stocks disynchronous with stocks harvested in State waters, with the promise of more than doubling the initial wage product of the salmon hatchery and rearing system.

3. Flood management will render arable at least 600 acres of original reservation and consolidation lands. Utilizing byproducts of the fishery, the tribe will be able to develop a dairy or stock-raising program on improved pasture. Combined with the fishery program, this will mean at least ten more full-time jobs at or aboe current reservation income levels.

4. Flood management will also increase the attractiveness of Reservation lands for private investments such as small businesses and recreational subdivisions. Those developments which are not owned by tribal members, will nevertheless yield tax revenues to the tribal government.

With housing, safety and poverty problems alleviated, and a small but steady-state resources revenue, the tribe will have an opportunity as well to save

and reinvest capital for the further development of the Reservation without the need for future calls upon the United States.

Although the tribe will be the principal beneficiary of flood plain management, the County and State will also benefit.

1. Off-reservation landowners will be afforded flood relief from the tribal project; the increase in their land values will also result in increased property taxes for the County.

2. The tribe's salmon enhancement efforts will inevitably augment the State's non-Indian harvest of salmon; the tribe's primary harvest will be in fresh water, the bulk of the salt-water catch going to non-tribal fishermen. The Lower Elwha Tribal Community will manage its hatchery in cooperation with the State's Elwha River Hatchery, and use its control of the River and its flood plain to develop the best possible environment for all salmon stocks, tribal, State, and natural. The tribe will also preserve and improve the recreational potential (for sports-fishing) of the lower River. The State Department of Ecology has been consulted with on the tribe's flood management plans, and may render continuing assistance.

3. Augmentation of individual and tribal government incomes will decrease the need for social services currently provided by federally-subsidized State agencies, or by federal agencies.

We believe this proposed program will prove to be effective, thrifty, and progressive. It is the very least that will succeed in remedying the embarassing fact, that the United States placed an Indian community on a reservation incapable of supporting it and unsafe for habitation. The United States' past impact on this tribe, far from being consistent with trust responsibility, has been particularly devastating. The error can, however, be corrected through capital and technology.

Respectfully submitted,

GERALD CHARLES, SR.
Chairman
Lower Elwha Tribal Community

NAVAJO CRIMINAL JUSTICE COMMISSION

STATEMENT OF ROLAND C. DART III, CHAIRMAN, NAVAJO CRIMINAL JUSTICE COMMISSION

NAVAJO LAW ENFORCEMENT

Senator STEVENS. Mr. Dart from the Navajo Nation.

Mr. DART. Senator Stevens, my name is Roland Dart. I am chief of police for the Navajo Nation. I am also chairman of the Navajo Criminal Justice Commission. I am here on behalf of the police department and Chief Justice Virgil Kirk of the Navajo judiciary and Perry Allen, chief prosecutor of the Navajo Tribe.

We testified last year as to the increased BIA budget in the criminal justice area. We are very pleased to see the language in the appropriation report from this committee voiced our beliefs relative to how the money should be distributed to the tribes. However, my testimony today concerning this year, again it reflects back to the issue that we discussed last year. It appears that the appropriation language was not followed when the funds were distributed. The Bureau of Indian Affairs' program on the reservation consists of 14 special officers.

The police department of the tribe consists of almost 300 employees. Our budget projection for last year is $5.3 million, totally supported by the tribe. From the appropriation last year, we received $1.8 million for the police and court system. The prosecutor's office did not receive any. The total appropriation to the BIA area office is $2.69 million. There was $792,000 retained by area office. This is approximately 115 percent increase in their 1974–75 fiscal year budget, which again, is in direct opposition, I believe, of the intent of the committee language of last year.

Consequently, our testimony here concerns two areas. Both deal with the appropriation language. First, we would like more definitive language relative to how the money should be passed to the tribe to avoid the duplicative services existing on the reservation. The second portion of the language to reflect an objective criteria for establishing a formula for distribution. The Navajo police and court and prosecution system represents, perhaps, 20 to 35 percent of the total criminal justice system of Indian reservations in the United States.

I have 25 percent of the average daily inmate population in jails nationally. We have 33 percent of the civil and criminal cases in our tribal courts nationally. We have 25 percent of the actual police workload nationally on Indian reservations and yet we are receiving less than 8 percent of the total BIA appropriation.

Consequently, the first two issues deal with language, appropriation language. We would like to see a more equitable formula established and stronger language concerning how the Bureau of Indian Affairs should allocate the money and not hold it and administer it for the tribes at the area level.

The next two areas concern a victim's rights commission which was established by the tribe. This is a commission which will study victimization, study crime causes and assist victims of crime in gaining compensation and relief. It has specifically to do with the first article, the Treaty of 1868 which states, in part, that the U.S. Government

will compensate any Navajo who is victimized by a white person or another person under the jurisdiction of the U.S. Government. Both in terms of financial compensation as well as vigorous prosecution in cases where Navajo Indians are victimized.

It is our intent through the Victim's Rights Commission to implement this portion of the treaty which has been somewhat neglected over the last 100 years. We did not notify earlier—we had notified the Bureau of Indian Affairs of our intent, but lately, because we received Federal funding from LEA to implement the actual commission. Basically, we are putting the Bureau of Indian Affairs, Department of Interior on notice that they can expect claims being filed from this commission on behalf of Navajo victims.

The last area I would like to address concerns the ability of the criminal justice system on the Navajo reservation in Kayenta, Ariz., which is in the northern portion of the State near Monument Valley and the Peabody coal mining complex.

We illustrated in the written testimony maps indicating distances and various communities to illustrate our problem. We have an emerging community there of approximately 15,000 to 20,000 people in the service area of Kayenta. Yet, the closest criminal justice facility is 85 to 90 miles away.

I have 15 police officers stationed in Kayenta working out of a 20-by-20 stand building. We have no court services, no jail services, no rehabilitative services and no prosecutors services. Consequently, if we take delinquent youth into custody or adult offenders into custody, it is a 4 hour roundtrip to take them to jail and bring them before the court. It also places a great hardship on the families, witnesses and things of this nature. The tribe, with its own money, built a new facility at Crownpoint, N. Mex. To be quite frank, the tribe's resources are being exhausted and we find it very difficult to find funds for this criminal justice facility that we would like to build in Kayenta.

We have spent $10,000 already on an architectural design by Mr. Mart Varner Association, the foremost public safety architect of California. We have also secured approximately $200,000 from the Office of Civil Preparedness to offset construction costs for the emergency costs of the facility. We are requesting and add-on of $1.6 million to construct the facility at Kayenta.

Senator STEVENS. On your first point, we did instruct them to turn that money over to you and we will follow that through, again, I believe this year.

The second one, I don't read Article I the same way you do, but that is for you to have interpreted. Unless you have some followup on that, I assume we will just wait for the Department to react to your request for the victim's compensation concept.

The way I read it, it says that the Government of the United States shall proceed at once to cause the offender to reimburse the injured person for the loss sustained. I don't see that that is a claim against the United States.

Mr. DART. In the last sentence of the second paragraph where it relates to the Commissioner of the Bureau of Indian Affairs and his responsibility to vigorously prosecute and also to compensate for claims, there are two—I am not sure if it is district or appellant level concerned with the same issue.

Senator STEVENS. The court has held that the United States is the insurer?

Mr. DART. In my opinion, yes. But, again, this is part of the function responsibility of the victim's rights commission, to invoke this and find out exactly how it does protect us.

Senator STEVENS. This new facility, was it to be a Federal facility or tribal facility?

Mr. DART. It will be a combination of both. In the facilities we recently constructed, we have always made space for the Bureau of Indian Affairs special operations, but substantially, it would be a tribal facility.

Senator STEVENS. As far as the law enforcement aspect, is it a tribal facility?

Mr. DART. Yes, sir. Police, courts, correctional services and prosecution functions. It is a combined criminal justice facility.

Senator STEVENS. Are you asking for money to complete the facility?

Mr. DART. We are asking for money to construct the facility, completely, offset by the money we are receiving from the Office of Civil Preparedness for the emergency operations center. Part of the architectural fees are already out there from the tribe.

Senator STEVENS. I don't know what authority we would have to provide Federal money to build a tribal facility. We did not build any of the rest of those facilities; did we?

Mr. DART. I believe the ones built in 1959 came from Federal funds, Senator.

Senator STEVENS. Then they were then turned over to the tribe?

Mr. DART. I believe so or they were funded in part by the BIA on behalf of the tribe.

Senator STEVENS. We will inquire from the BIA what their attitude is concerning that.

Thank you very much.

Mr. DART. Thank you for your time.

[The statement follows:]

I. INTRODUCTION

Mr. Chairman and members of the Committee, my name is Roland C. Dart, III, and in addition to being Chairman of the Navajo Criminal Justice Commission, I am Chief of Law Enforcement for the Navajo Nation. I am here on behalf of the Navajo Police, Chief Justice Virgil Kirk of the Navajo Judiciary, and Perry Allen, Chief Prosecutor of the Navajo Tribe.

Together we comprise the criminal justice system of the Navajo Nation and are not a part of the Bureau of Indian Affairs. Organizationally, we answer to the Navajo Tribal Council.

I.A. Scope of Tribal Criminal Justice Services

I.A.1. Police Services

The Navajo Office of Law Enforcement (NOLE) consists of 264 police officers and 113 civilians (Proposed Fiscal Year 1977 Budget) with a proposed operating budget of $5.3 million dollars. The NOLE performs the following services:

> Highway Safety, Traffic Enforcement, Crime Prevention Services, Misdemeanor and Felony Criminal Investigation, Civil Defense, Rescue, and Jail Detention Services.

The Navajo Office of Law Enforcment is responsible for performing these services in an area encompassing 34,000 square miles (about the size of West Virginia) and with a population of approximately 146,000 Navajos, 20,000 non-Indians, and a substantial tourist population. Map 1 illustrates the geography of the Reservation.

I.A.2. Judicial Services

The Judicial Branch of the Navajo Nation consists of an Appellate Court, five (5) District Courts, and four (4) Circuit Courts. The courts have jurisdiction over civil, criminal, traffic and juvenile cases under the Tribe's Code. In this function, they act much the same as lower courts of states. The Judicial Branch consists of a Chief Justice, seven (7) Tribal Court Judges, six (6) Probation and Parole Officers, and twenty (20) support staff which are court clerks, deputy court clerks, and secretaries. The proposed fiscal year 1977 budget of the Judicial Branch is $668,975.

I.A.3. Prosecutor's Office

The function of prosecution is performed by the Chief Prosecutor of the Navajo Tribe. Thiss office is responsible for the prosecution of Tribal Code offenses and defends the Tribe in civil legislation where directed to do so. The proposed fiscal year 1977 budget of the Prosecutor's Office is $244,886. The staff of the Prosecutor's Office consists of a Chief Prosecutor, five (5) District Prosecutors, two (2) Investigators, and nine (9) support personnel which include secretaries, clerks and administrative staff.

I.A.4. Summary

The total propsed Fiscal Year 1977 Budget is as follows:

Navajo Office of Law Enforcement	$5,300,000.00
Judicial Branch	668,975.00
Prosecutor's Office	244,886.00
	$6,213,861.00

I.B. Scope of Bureau of Indian Affairs and Federal Law Enforcement Services

The Bureau of Indian Affairs Navajo Area Office, which has the responsibility for law and order in federal cases on the Reservation,

along with the Federal Bureau of Investigation, employs only 14 Special Officers with an approximate fiscal year 1975 budget of $331,400.

The Federal Bureau of Investigation has exclusive jurisdiction over major crimes on the Reservation but stations no agents on the Reservation. This is also the case in the field of narcotic violations and the Drug Enforcement Administration.

II. PURPOSE OF THIS TESTIMONY

During the month of May, 1975, I testified before your Committee relative to the Bureau of Indian Affairs Appropriations for Fiscal Year 1976. That testimony had to do with the manner and method the appropriations would be passed on to the Tribe. We were pleased and thankful that the language of the appropriations reflected our concerns. However, it appears that the intent of the appropriation language in both the Senate and House Reports is not being implemented by the Bureau of Indian Affairs.

Our testimony this year is of an even greater concern as it directly affects the quality of criminal justice services performed on the Navajo Reservation. Briefly, these four areas concern:

1. The language of both the House and Senate Appropriations Reports for Fiscal Year 1976 has not been implemented by the Bureau of Indian Affairs as it concerns the funding of Indian Criminal Justice Programs on the Navajo Reservation.

2. The formula utilized to allocate funds to Tribes for Criminal Justice Systems is wholly inequitable as it relates to the Navajo Nation.

3. A request for a one-time add-on appropriation for the construction of a Tribal Criminal Justice Facility in Kayenta, Arizona.

4. Implementing the Victim's Compensation clause of the Treaty of 1868.

We will address these areas below and I am convinced you will see the logic of our proposal in all cases.

III. THE PROBLEM

III.A. Adhering to the Intent of the Senate and House Appropriations Reports

The Interior Subcommittee of both the Senate and House Appropriations Committees stated in their reports for Fiscal Year 1976 the following:

Senate

"The Committee has approved an increase of $13.7 million for law enforcement activities in fiscal 1976 with the intent that this expanded program be operated in accordance with the Indian Self-Determination Act in every possible instance. Funds should go directly to the tribes that are ready, willing and able to administer their law enforcement programs. Functions of Indian police agencies and those of the BIA often overlap and cause unnecessary friction. The Committee directs that funding shall be made available directly to Indian tribes and not administered by the area office in their behalf."[1]

---

[1] Senate Report 94-462, Page 22, 1975

House

"To the maximum extent possible, overlap and duplication in law enforcement should be eliminated. This means that in many instances the most effective use of law enforcement funds is by contracting directly with the tribes for their own law enforcement program rather than building up the Bureau of Indian Affairs police force."[2]

The Navajo Area Office of the Bureau of Indian Affairs was allocated $2.6 million for Fiscal Year 1976 from the appropriation of $24.1 million nationally. The current budget level of the Bureau of Indian Affairs Law and Order function is approximately $331,400 in fiscal year 1975. However, they are apparently expanding their organization. They have held back $792,000 to fund their Law and Order Project which in the past has cost $331,400.

In March, 1976, we received word that the BIA Navajo Area Office received $2,600,000 for Fiscal Year 1976 and they were allocating it as follows:

Tribal Police	$1,450,000.00
Tribal Courts	358,000.00
Tribal Prosecutor	-o-
BIA Navajo Area Office	792,000.00
TOTAL	$2,600,000.00.

However, the budget for BIA Area Office law enforcement activities during fiscal year 1975 was only $331,400.

As can be seen, the Bureau of Indian Affairs Navajo Area Office is more than doubling its budget in fiscal year 1976 in direct opposition to the intent and directive of your Committee's reports.

RECOMMENDATION

Direct the Department of Interior through appropriate language in the Fiscal Year 1977 Appropriation Report to earmark fund allocations specifically in terms of amount.

III.B. Inequitable Funding

The Navajo Tribe created the Navajo Office of Law Enforcement in 1958 in response to a need to increase law enforcement services to its people due to the inadequacies of services performed by the Bureau of Indian Affairs.

Although the intent of the Tribe in doing this was commendable, it created a precedent which has proved to be an excessive economic burden to the Tribe beyond its capacity to support.

The Tribe's budget deficit has been equal to the cost of operating its law enforcement function.

Up to fiscal year 1976, no federal funds were allocated to the Navajo Tribe to support criminal justice services, except those necessary to operate the investigative functions of the Bureau of Indian Affairs, which is minimal.

It is our opinion that the funding of the criminal justice system is a responsibility of the federal government (Treaty of 1868) but that the administration of the system is a Tribal function (Indian Self Determination Act).

---

[2] House Report 94-374, Page 32, 1975

As a result of our efforts during fiscal years 1974 through 1976 the Tribe finally received funds from the Bureau of Indian Affairs to support the criminal justice system in fiscal year 1976 at a level of approximately $1.8 million. This is approximately 37% of the Tribe's total budget of $4.8 million in criminal justice in fiscal year 1976.

The Bureau of Indian Affairs received approximately $24,000,000 for law and order services on the Indian Reservation nationally in fiscal year 1976. Further, it is our understanding that the Department of Interior asked for an addition of $8,000,000 for fiscal year 1977 which we encourage and support.

However, the Navajo Tribe to date has only received $1,808,000 in fiscal year 1976 from the Bureau of Indian Affairs appropriation. This is 8% of the BIA appropriation. Below we offer a comparative analysis of this inequity:

Comparative Analysis[3]

Indians Nationally	Percent of National Factors on Navajo Reservation
Population	20%
Land Area	33% (About the size of South Carolina)
Civil Court Cases	36%
Criminal Court Cases	26%
Police Complaints on Reservations	37%
Average Daily Indian Jail Population	25%

RECOMMENDATION

We strongly urge this Committee to adopt language in the appropriations whereby the formula for distribution of funds be equitable by reflecting population and actual workload and appropriate the additional $8 million for the fiscal year 1977 budget over 1976's allocation.

III.C. Expansion of Tribal Criminal Justice Facilities

The Tribe has five criminal justice facilities which include police, court and prosecution staff with jail facilities located in the five major population areas of the Reservation. A map has been attached illustrating the locations which are designated with stars.

The last facility to be built was in Crownpoint, New Mexico, at an approximate cost of $1.1 million; totally from Tribal funds.

The area in question, Kayenta, Arizona, is circled in the map. This is a heavily populated area and growing rapidly. There are approximately 20,000 persons in the service area of Kayenta. This is the center of the Black Mesa Mining Operation and Monument Valley Tourist Area. The Navajo Office of Law Enforcement has a subdistrict located in Kayenta consisting of 15 police officers and three civilians operating out of a 20' x 20' stone building. However, no jail, court or prosecution facilities exist.

The closest criminal justice facility is in Tuba City, Arizona, which is a 150 to 170 mile round trip. Map 2 illustrates the distance relationships of the Reservation.

Consequently, officers must transport prisoners or juveniles for hearings to Tuba City. Further, witnesses and family members must also be

---

[3]BIA Statistical Abstracts and Tribal Research Data 1974-75.

subjected to this hardship. The actual driving time is two hours one way or four hours for a round trip. Approximately 5,000 court cases were handled in Tuba City from Kayenta.

This area is an emerging population center. The Tribe's capacity to fund the construction of such a facility is beyond its resources. At present, the Tribe has spent approximately $10,000 for a preliminary architectural plan conducted by a leading architect in public safety facilities. Further, we have been successful in securing approximately $200,000 to be made available by the Federal Office of Civil Preparedness of the "Emergency Operating Center" (Radio Communications) if the Tribe can obtain funds for construction.

The land for the facility has already been dedicated for this purpose. The architectural study shows a cost of $1.5 million if construction begins in early 1977 and an increased cost of $1.75 million if construction does not begin within two years of 1976.

RECOMMENDATION

The Navajo Tribe is requesting a line-item add-on appropriation for $1.6 million for the construction of a criminal justice facility in Kayenta, Arizona.

III.D. Victim's Compensation

The Treaty between the United States of America and the Navajo Tribe of Indians, called the Treaty of 1868 and ratified by Congress, states in Article I the following:

> "ARTICLE I. From this day forward all war between the parties to this agreement shall forever cease. The Government of the United States desires peace, and its honor is hereby pledged to keep it. The Indians desire peace, and they now pledge their honor to keep it.
>
> "If bad men among the whites, or among other people subject to the authority of the United States, shall commit any wrong upon the person or property of the Indians, the United States will, upon proof made to the agent and forwarded to the Commissioner of Indian Affairs at Washington City, proceed at once to cause the offender to be arrested and punished according to the laws of the United States, and also to reimburse the injured persons for the loss sustained."

This part of the Treaty has never been implemented and it is our intent to begin to compensate the victims of crime through the establishment of a Navajo Victim's Rights Commission. This Commission has already been established and at present we are securing a Law Enforcement Assistance Administration grant to develop the staff and process whereby Article I can be implemented.

RECOMMENDATION

Consequently, we are placing the United States Government, Department of Interior on notice that they can expect claims under this Section and that they should budget accordingly.

RAMAH NAVAJO SCHOOL BOARD, INC.

STATEMENT OF LAURENCE MANUELITO, EXECUTIVE DIRECTOR, RAMAH NAVAJO SCHOOL BOARD, INC.

ACCOMPANIED BY:

CHAVEZ COHO, MEMBER, RAMAH NAVAJO SCHOOL BOARD
JUAN MARTINE, MEMBER, RAMAH NAVAJO SCHOOL BOARD
SAM MARTINEZ, MEMBER, RAMAH NAVAJO SCHOOL BOARD

RAMAH NAVAJO SCHOOL

Senator STEVENS. Mr. Manuelito, Mr. Coho, Ms. Lorenzo, Ramah Navajo School Board.

Mr. MANUELITO. Mr. Chairman, before I begin, I would like to introduce the party that is here with me. Ms. Lorenzo was unable to be here, so these are members of the Ramah Navajo School Board. On my left is Mr. Chavez Coho, president of the school board and tribal councilman. On my right, my far right, Mr. Juan Martine, board member and on my right here is Mr. Sam Martinez, a board member.

My name is Larry Manuelito and I am a member of the Navajo Nation. I am executive director for the Ramah Navajo School Board.

It is a privilege for me to be here today to appear before this committee. I want to just briefly—also I would like to request that our presentation here be made part of the record.

Senator STEVENS. It will be.

Mr. MANUELITO. I also have a pictorial presentation I would like Senator to see. Since this committee was instrumental in funding the Ramah Navajo School Board in the past, I would like the committee to know what we have done with the money that you have appropriated in the past.

Senator STEVENS. I would be happy to look at it. Thank you.

Mr. MANUELITO. At the beginning of it is a history of how the school got started and half-way through construction begins. I believe with the help of Senator Montoya, the committee is well informed of the needs of Ramah and the committee in fiscal year 1976 was able to add-on $6 million to the bill. Of course, we had our problems on the House side and, as a result, we did get some funds and we are here again to request additional help since we are only on phase 3 of the construction at Ramah.

The first two phases built an elementary school, a high school and a reduced gymnasium. When the funds were first appropriated from Congress, the lowest bid that we got was $4.8 million, $2 million over what it was anticipated it would cost.

As a result, we had to not reduce the quality of construction, but we reduced the size of the buildings to accommodate the dollars that we received. We still have needs in the area of libraries, administration offices, an audio-visual facility.

We have a need in the area of cafeteria. We presently serve 600 kids in a room half the size of this room here. It was designed to be a home economics classroom, but we have been using it as a dining area and for that reason we have a need for that.

We also have a great need for housing. We don't have any houses in the community that our staff members can use to live in. Con-

sequently, we do lose a lot of staff members and it makes it very hard for us to recruit teachers.

Primarily, our emphasis is in that, although we presented our complete needs here, that would make the school project complete. We are asking Congress to assist us in establishing a formula that will help us bring this project to completion.

The breakdown costs are also our priority lists as well, and we would ask Congress if they were to give us additional funds to go according to the priorities established here.

Senator STEVENS. What are your priorities?

Mr. MANUELITO. Our priorities are the instructional media center, which includes library, administration and teachers planning area. And staff housing is our No. 2 priority. Our third priority is a cafeteria. There are other buildings needed, but we feel that these three here are our top priorities at this point.

We would request. There is an additional copy that I enclosed that is not a part of the original document. It lists two costs. One is if the moneys were appropriated this year what it would cost us to build those facilities. The other column is if it isn't, we would be back next year to request of you an additional amount. We have no control over construction cost increase.

I might add the new school you saw in the pictures there, we have operated that school for nearly 6 months this past winter without electricity and we finally got electricity 3½ weeks ago. The school is being developed in a very rural area and it is closed to Indian people. As a result, we have had to start from scratch and build a complete complex.

Senator STEVENS. This media center, that is your No. 1 priority?

Mr. MANUELITO. Yes, sir.

Senator STEVENS. Do you have a cafeteria now?

Mr. MANUELITO. We don't have a cafeteria.

Senator STEVENS. This is a school where we appropriated money directly to the school last year; didn't we?

Mr. MANUELITO. Yes, sir. And, again, I would like to request the same language be entered if money is appropriated again. The primary reason is we come every year because the Bureau insists that we are a private school and, as a result, cannot ask construction funds on our behalf. They give us operation money and we do contract under the new public law.

Senator STEVENS. Is this basically a high school now?

Mr. MANUELITO. It is also an elementary school. We have an elementary, a high school and we have early childhood, 2- to 4-year-olds. We have adult education. It is a community school, sir.

Senator STEVENS. What is your enrollment now?

Mr. MANUELITO. Kindergarten through 12 grade level, our enrollment is 500. We turned away 100 students from the neighboring community because we didn't have any facilities to put them in. Those kids now are not in school and are of school age.

Senator STEVENS. Is that your total enrollment—500?

Mr. MANUELITO. 500 and it is projected to go up, sir. We went from an enrollment of 150 students last year to 500.

One of the reasons why the Bureau of Indian Affairs decline to build a school in the community, they felt that we did not have

the number of students to support a school. We don't have a public school. The nearest public school in our county is anywhere from 65 to 100 miles one way. Half of those miles are on dirt road.

Senator STEVENS. How much have you invested so far in the school?

Mr. MANUELITO. We have invested $3.9 million dollars.

Senator STEVENS. That will be a pretty heavy investment per capita. It's about $7,000 per student before you are through.

Mr. MANUELITO. I think we have a good answer for that in that the comparative construction costs—if the same facilities were to be built in Albuquerque, it would be 45 percent cheaper. Since most of our supplies come from Albuquerque, that is 150 miles away. Even today we don't have any phone services to the school. For me to have a phone on my desk without making one phone call, per month it would cost me $60. That is a good reason why we don't have phone service. The closest phone to us is approximately 8 miles away.

Senator STEVENS. Have you established your priorities with your school board? In other words, is the media station of a higher priority than your snack bar?

Mr. MANUELITO. The media station is utilized as a teaching tool in the community. It was established—it is an education media station and it serves the community.

The kids also utilize the radio station in place of taking of speech classes and this type of thing.

Senator STEVENS. We will discuss it with Senator Montoya. The impact of this request is rather staggering.

Mr. MANUELITO. Mr. Chairman, I would just like to request that Mr. Coho make a brief comment.

Senator STEVENS. Surely.

Mr. Coho. Excuse me, Mr. Chairman. I need Larry Manuelito to interpret.

Mr. MANUELITO. I will briefly repeat Mr. Coho's comments, Mr. Chairman.

[Interpretation of Mr. Coho by Mr. Manuelito:]

Mr. MANUELITO. It is very true that the cost to build the facility in this day and age is very high. We waited many years for a school that was promised us. We continued to wait and were patient. Not until recently did we begin to do something for ourselves. Not until this happened did we begin to see a facility going up in our community. We want you to know and the committee to know that there is a real need here and that the dollars nowadays do not buy as much as the dollars in the past. We feel that if the Bureau of Indian Affairs lived up to its commitments 40, 50, 60 years ago, maybe we would not be here asking for such a large sum of money. When you divide all of those years into the dollar amount, it does not seem like a very large sum.

We would also like to thank you for the opportunity to testify before you. We would also like to thank the Senate for helping us in the past and we hope that you will continue to assist us.

Thank you.

Senator STEVENS. Thank you very much, gentlemen. We appreciate it. It is an interesting project. I am just not certain what we can do with costs of that size. But we will review it again in the committee. Thank you very much.

Mr. MANUELITO. I think it is a real example of Indian self-determination. We would like to invite yourself and the committee members to come and visit Ramah. Thank you.

[The statement follows:]

HONORABLE CHAIRMAN AND MEMBERS:

My name is Larry Manuelito and I am a member of the Navajo Nation. I am presently the Executive Director for the Ramah Navajo School Board, Inc., Ramah, New Mexico. With me here today are members of the Ramah Navajo School Board.

It is a privilege and honor for me to address you today. I welcome this opportunity of presenting this testimony on behalf of the Ramah Navajo people and its school board.

Ramah's history as a Navajo region goes back to the time before the Long March, but its consciousness as a community began after the return from Fort Sumner. The people were grateful to be back home. They were hopeful the government in Washington would quickly fulfill its promises in the Treaty of 1868, especially the one concerning providing teachers for the Navajo children. But for more than 100 years the people's hopes went unfulfilled. As a result, the local Navajo chapter passed a resolution in 1952 which said:

"Since our forefathers were in Fort Sumner, New Mexico over eighty years ago, we have been promised many times by the United States Government officials that we would have a school on our land to educate our children....

..."We have never had a chance to get a good education, therefore, we have no people here who are well educated and who can take the lead and talk for us among the whiteman."

The resolution went on to urge Congress to appropriate monies to build an adequate school for the Ramah Navajos. This resolution took 23 years to fulfill, and it was not fulfilled until Ramah Navajos took matters into their own hands and started their own school in 1970. That event triggered phenomenal congressional interest in Ramah with the result being Congress appropriating monies in 1973 for construction of a brand new elementary and high school complex in the heart of the Ramah Navajo community. But what was truly significant about the school was its value as a model for other Indian communities from across this country. The Ramah Navajo people had shown that Indians themselves can determine the timing and substance of the educational

reforms they want. Any Indian community wishing to do so was told it could have control of its own school. But almost immediately the promises by this Nation was running true to form. It became evident that the Bureau of Indian Affairs responsible for day-to-day supervision of Federal educational services for Indians had different ideas about how to educate Indians. We have attempted to channel our request through the Bureau of Indian Affairs budget system, we were told again that since we control our own school we do not have the right to ask the Bureau of Indian Affairs to submit request on our behalf for construction of an educational facility.

In the face of this opposition by the Bureau of Indian Affairs, this School Board and the Navajo community of Ramah again request your assistance in providing an equally educational opportunity for the Navajo youngsters in Ramah by appropriating Phase III construction request in the amount of $10,370 million in FY '77 to bring the Ramah project to its full completion. In light of the growing money problem, this seems like a large request. But I must add that for the past 108 years, the Bureau of Indian Affairs failed to live up to the obligation of the United States by not providing an educational facility in Ramah for the education of its community. A yearly request for the past 30 years for educational facilities have been denied by the Bureau of Indian Affairs for the community. Failure of Congress to make Phase III appropriation will stall this project at a point considerably short of completion.

In view of Ramah's pioneering efforts to achieve self-determination in education, it becomes incumbent on the Government to follow through on its commitments. If the Ramah school, an all-Indian controlled school should flounder for lack of adequate physical plant, it would be a serious indication that the policy and rhetoric of self-determination were hollow indeed.

Ramah is aware of the need for approaching Congress with a realistic proposal. We hope that by informing Congress of our total remaining needs, you can determine with us the best possible funding formula to bring this project to completion. I might add that further delay in appropriating funds to complete the project will only in-

crease the cost to construct necessary facilities. The Bureau of Indian Affairs Program of Requirements estimates for the total project cost made in 1971 falls within our request. We are not asking Congress for a hand-out, we are asking Congress to invest in our community. Therefore, the Ramah Navajo School Board respectfully ask that Congress appropriate necessary monies for FY '77 to continue construction of a needed educational facility on the Ramah Navajo reservation.

Walk in Beauty,

Laurence R. Manuelito
Executive Director
Ramah Navajo School Board, Inc.

CROW INDIAN RESERVATION

STATEMENT OF MICHAEL P. DOSS, PLENTY COUPS HIGH SCHOOL, CROW INDIAN RESERVATION

ACCOMPANIED BY MR. HEYWOOD BIG DAY

PLENTY COUPS HIGH SCHOOL

Senator STEVENS. Mr. Doss and the people from the Crow Indian Reservation, Mont.

Mr. DOSS. Good afternoon, Mr. Chairman. This is the second time that Mr. Big Day and I have had an opportunity to testify before this Senate subcommittee on appropriations.

I particularly would like to thank you, Mr. Dyer, the entire Montana delegation, including especially Senator Mansfield, for the opportunity to appear here today.

On my immediate left is Heywood Big Day. Mr. Heywood is a trustee of Plenty Coups High School, District No. 3. Mr. Big Day also has some children attending the high school and elementary school. I am the former superintendent of schools at Mancuso High School and I am at leave at the present time attending Harvard University where I am completing my doctorate degree in educational administration and organizational behavior.

On August 1 of this summer, I am returning to Mancuso, to Plenty Coups High School as superintendent of schools. I have prepared a summary statement for you today and in addition to the summary statement, there are several other supporting documents that I have included and I will specify them later on.

In order to make my testimony brief and to the point, I would like to first recap what Plenty Coups High School is all about.

Plenty Coups High School was created in 1974. It is a new public high school located on the Crow Indian Reservation. Ninety-five percent of the student population are of Crow Indian descent and 5 percent of non-Indian descent. The entire school board at the present time is comprised of Crow Indian parents. We have come before this committee before and received $100,000 planning grant for site acquisition and completion of architectural drawings for our Plenty Coups High School project.

It is a new high school that we are hoping to build. We have made site acquisition, we own the land and we have also completed the architectural drawings. I have here a graphic illustration of how our planning has developed over the past 4 years. The green dots that you see represented on this chart started with No. 1.

The first idea is to decide by the community to have a high school district. The blue dots are decision dots and those are the critical points where we stopped in our thinking and recapped everything and looked back to see whether it was feasible to go on with the project.

As you can see, there are activities, 1 through 13, that have already been completed. And there are events, A through J, which have been completed except for the final red dot here on the end which is the testimony that we are presenting here before you today.

The request we are asking for is in the amount of $3 million for actual construction of the new Plenty Coups High School complex.

Mr. Big Day, do you have anything you would like to say?

Mr. BIG DAY. Yes. I am a board member, as well as committee member. The Pryor people, I used to go to school that was 18 miles. It was about 2 years ago that it was created for this high school. We should educate our own people, our own kids. There is a lot of activities and the people are looking forward to having a new high school in the Pryor community. We estimate about—we figure about 150 kids. They are building a new road from the center of the Crow Reservation into the Pryor community. The Pryor community of parents sure appreciate it and it would be helpful to the Indians for educating our own children.

Senator STEVENS. Are you informed that this is still No. 4 on the BIA priority list?

Mr. Doss. Yes, sir.

Senator STEVENS. We denied the request for deferral of funds. If you are No. 4, you should already have the money to build your school.

Mr. DOSS. I was not aware of that.

Senator STEVENS. Mr. Dyer will check on the telephone and we will try to find that out and let you know.

How did you get the $3 million estimate when the estimate they had in September 1975 was $2.294 million?

Mr. Doss. I was not present when the updated estimate was made. However, in speaking with Mr. Falls Down, that was weighted in conjunction with the architect and the engineers who tried to work in an inflation percentage with regard to construction costs. They worked closely with Mr. Ralph Rose, Public Law 815 administrator in the regional office in Denver, Colo., and jointly arrived at that.

Senator STEVENS. We will check it and Mr. Dyer will let you know.

Mr. Doss. One final statement. Mr. Falls Down, the chairman of the board of trustees—this might be post facto if we already have the funds—wanted me to make the point that we are an isolated community and that we do not have an adequate tax base in order to build and construct our own school. The assessed evaluation of the entire district is only $800,000. That is the main reason we have to come to you and ask for money.

Senator STEVENS. Thank you very much.

Mr. Dyer will let you know the results of that phone call.

Mr. Doss. I did want to give you a copy of our first yearbook, "Warriors 1975," and also a copy of Pryor Clan History, a copy that Mr. Big Day and the children of this school worked on for quite awhile.

Senator STEVENS. We would be glad to have that for the committee files. Thank you for taking your time, gentlemen.

[The statement follows:]

CROW CENTRAL EDUCATION COMMISSION
P.O. BOX 413
CROW AGENCY, MONTANA
TELEPHONE 406/638-2631 EXT. 18

April 2, 1976

House & Senate Subcommitties On Appropriations
Washington, D. C.

Dear Sirs:

The Crow Central Education Commission, a unit of the Crow Tribal Council, which has overall responsibility for education in the Crow Indian Reservation, is at this time particularly concerned with the recently created Plenty Coups High School at Pryor, Montana.

About two years ago Big Horn County recognized the need for a high school in the isolated Pryor District and therefore created a new high school district for this area of the county and the reservation. For the current school year an abandoned old grade school building was partially renovated and used for class rooms and offices.

The need for a new high school building and related facilities is indeed very urgent. The Crow Central Education Commission fully supports and endorees any and all efforts in obtaining funding for this worthwhile project.

Sincerely

Joe Medicine Crow
Executive Director

David J. Stewart
Chairman, Board of Directors

This request has been initiated on behalf of Plenty Coups High School, District No. 3, Big Horn County, Pryor, Montana, for the construction of a new "Plenty Coups High School Complex", at a projected cost of $3,000,000.

At present, our Crow Indian children are attending a recently renovated "Government Indian Boarding School" constructed in 1900. This school is wholly insufficient to serve the educational needs of our students at this time. (SEE: Appendix #1, Accreditation Department, State of Montana) However, since District No. 3 was created in June, 1974, it was the only building available in which to house the new high school.

The agency to whom we have submitted our request is the United States Office of Education, Department of Health, Education, and Welfare. According to Dr. James Woofter, FOB-6, Room 2069, 400 Maryland Avenue, S.W., in his document entitled, Order Of Priority Indices and Funds Needed, Subsection 14(a) and 14(b), our District is identified as the following: (SEE: Appendix #2)

MT 75-C-5002
Pryor H.S.D. No. 3
Priority: 197.8

In addition, we have submitted all requested information pursuant to Public Law 815, via the Office of Education at the State of Montana and at regional offices located in Denver, Colorado. In Denver, Mr. Ralph Rose has been closely associated with our P.L. 815 request.

Of critical signifigance to Congress is the fact that we have arrived at the end of our "Plenty Coups Coups Construction Plan" as indicated by the Plenty Coups Pert Chart. (SEE: Appendix #3) Specifically, we have expended the $100,000 Federal appropriation for the purpose of site acquisition and development of architectural drawings. At the present time our site has been purchased and architectural drawings are nearly completed. As illustrated in the Plenty Coups Pert Chart, the only remaining event is "J", which refers directly to our request for construction monies here today. We have successfully completed all planning events from "A" through "I", and are now ready to commence the final construction phase.

On behalf of this Crow Delegation, and the children of the Pryor Community, we would like to sincerely express our gratitude for this opportunity to testify before your Subcommittee. Furthermore, we urge your assistance in the provision of the best "quality education" to all children attending "Plenty Coups High School" now, and in future years.

SENECA NATION OF INDIANS

STATEMENT OF ROBERT C. HOAG, PRESIDENT, THE SENECA NATION OF INDIANS

Senator STEVENS. Mr. Hoag, president of the Seneca Indians.

Mr. HOAG. Mr. Chairman, we appreciate the opportunity to be able to come before this committee and testify again on behalf of our Indian health program for our reservation. I have 15 copies and I also have 1 copy of the main proposal which we submitted last year. The inclusion of the different phases are also included in that red book that has been given to you. At this time, Mr. Chairman, I would like to go into my testimony.

SENECA HEALTH CARE

I am Robert Hoag, president of the Seneca Nation of Indians located in southwestern New York. I am here today to request the committee to include the Seneca Nation of Indians in the fiscal year 1977 budget appropriation for the Indian Health Service of the Department of Health, Education, and Welfare, in the amount of $928,000.

The Seneca Nation of Indians appeared before the committee a year ago with a proposal for funding a comprehensive health delivery system in the amount of $808,360.

At this time, I wish to express our sincere appreciation for your consideration in funding us $300,000 in the fiscal year 1976 Indian Health Service budget to begin our health care program. It is our understanding the Congress in its wisdom made this appropriation realizing the budget would not be passed until late in the fiscal year, therefore, providing only a part of the amount needed for our full-year program.

Our request today is to assure the initial amount of $300,000 be included for our continuing program into the base fiscal year 1977 Indian Health Service budget and to add $628,000 needed to bring our program up to a full year funding level.

The Seneca Nation has worked closely with the Indian Health Service in developing its program for the $300,000 appropriation. The tribe has structured the program according to the way funds were made available. This has been done in a three-phase program starting from scratch and building up to a full comprehensive program as it was originally designed. This approach is very desirable as it allows the tribe to grow with the development of the project.

As you may recall, the Seneca's were left out of the Indian Health Service's funded scope when it took over the responsibility of Indian health from the Bureau of Indian Affairs in 1955. Since then, the Senecas were provided a very limited amount of health services by the State of New York Department of Health, which consisted of 6 hours of medical clinics and 2 hours of dental clinics per week. The results from the limited amount of services has been fragmented and episodic crisis oriented care.

Based on this experience, the Senecas established its first priority on expanded outpatient care focused on a preventive oriented program. There are now clinics on each reservation open 40 hours per week, staffed with a nurse practitioner, records clerk and clinic aids

under the supervision of physicians from the nearby providers sectors. These physicians also staff the clinics for 3-hour sessions, four times per week to attend patients screened by the nurse practitioners. This system provides good utilization of professional time to maximize the effectiveness of the program. The clinics are supported with a referral system for acute cases needing extended care and to provide emergency coverage during the clinic off hours.

The program is developing mechanisms to reach toward the core of some of our basic health problems with community outreach services providing a good followup system and most important, a health education process.

We have also expanded our dental program over the few hours the State has been providing to 40 hours per week of clinics aimed at preventive care of the children. While data could not be collected in the 1975 Seneca health survey on the depth of the dental problems without examining each person, the professionals serving the State clinics have indicated the poor dental condition is one of the more serious health problems afflicting the Senecas. It is anticipated the extended services will help bring the situation up to a maintenance level.

These activities have been scheduled into the first two phases of the program. Phase I is for the period from the starting date to June 30, 1976. Phase II covers the so-called wedge or gap period from July 1, 1976, to September 30, 1976, while the Federal Government changes its calendar dates for its fiscal year.

The third phase is scheduled for the 1977 fiscal year from October 1, 1976, to September 30, 1977, and projects the program at its full funding level of $928,000. Phase III projects an expanded outreach care system and supports inpatient care which is practically nonexistent at this time. Some of the specialists to expand the outreach system will be mental health workers to help deal with alcoholism and substance abuse. Community health representatives to place the emphasis on extending health care into the homes and providing health education and environmental health technicians to conduct factfinding and develop plans to address the tribes' environmental health problems which have yet to be examined by anyone.

The Seneca administrative system will carefully monitor and evaluate the program's progress and always be striving for improvements. Another unique feature of this program is the coordination of bringing at least five bureaucracies together in a joint effort. These five groups are the Federal Government, State government, county government, Indian tribes and the private providers all working toward a common goal. With this support the Senecas can be promised success in reaching their health objectives.

We are very hopeful the committee will act favorably in funding our program to the full amount of $928,000 to assist the Senecas in turning their woeful health status around and meet our prime philosophic goal of raising the health status of the Senecas to the highest possible level.

Mr. Chairman, I have on my left our health director, Mr. Lionel John and on our right is the treasurer of the Senecas, Mr. Calvin E. Lay.

If you have any questions, we would be happy to answer them.

Senator STEVENS. You are asking us to add $628,000; right?

Mr. HOAG. Yes. For a total program of $928,000.

Senator STEVENS. Do you know there is a $300,000 line item in the budget that we don't identify. Do you believe you have $300,000 in there now?

Mr. HOAG. Yes, we do.

Senator STEVENS. I have to go and vote. I would appreciate it if you would consult with Mr. Dyer about that and when I return, we will go to Mr. Gibbs. Thank you very much, gentlemen.

Mr. HOAG. Thank you.

[A brief recess was taken.]

NAVAJO TRIBAL COUNCIL

STATEMENT OF GUY GORMAN, SR., CHAIRMAN OF THE TASK FORCE ON FEDERAL RELATION COMMITTEE ON BIA BUDGET FOR THE NAVAJO TRIBE

ACCOMPANIED BY MARLIN SCOTT, CHAIRMAN OF BUDGET AND FINANCE COMMITTEE OF NAVAJO TRIBAL COUNCIL

Senator STEVENS. Mr. Gorman.

Mr. GORMAN. Mr. Chairman, I am testifying for Chairman McDonald who could not be here today. I have also handed in some statements of the tribal officials that we would like put on the record.

Senator STEVENS. Thank you very much.

NAVAJO TRIBAL SERVICES

Mr. GORMAN. My name is Guy Gorman, Sr., Chairman of the task force on Federal Relation Committee on the BIA budget. During the course of these hearings you have heard or will hear the testimony of a number of people and organizations representing interests of the Navajo people. I am sure it is difficult for you to decide what, in fact, is our most important priority, and how Congress can help us, given the pressures of the Federal budget deficit, inflation, and an election year. Before attempting to do so, you might recall these facts:

One out of every five native American people lives on the Navajo Nation. Within the boundaries of the Navajo Nation lies one-third of the land area of all Federal Indian reservations. Our reservation is as large as West Virginia, and with the addition of land owned or held by Navajos outside the boundaries of trust land, the entire Navajo Nation is as big as the State of South Carolina.

Fulfilling basic human needs is essential. In fairness to the Navajo people, our tribal government has difficulty assigning priorities to basic human needs as would the governments of West Virginia or South Carolina if they were asked to do so. The analogy here goes no further, however, for the residents of those States have a per capita income far exceeding the Navajo figure of less than $800 a year.

But, the Bureau of Indian Affairs reminds us that funding is constrained and tells us that we must set priorities. They allow us to participate in an exercise called the band analysis process which forces us to choose. Will it be education, or the roads needed to get the children to school; will it be law enforcement, or an adequate court system; will it be housing, or enough water for our livestock and our people?

Every inadequately financed program competes with every other inadequately financed program. We have not been unwilling to attempt to set priorities, or to tighten our belts, in order to provide for long-term economic gain. Our goal is still self-sufficiency for the Navajo people.

This forum is the only forum where we can express our needs over and above the constraints of current BIA funding. It is also an opportunity to remind the elected representatives of the people of the United States of the treaty and other obligations to the Navajo people, and of the gross disparities between those obligations and the actual commitment of resources.

In my capacity as task force chairman, I am here to submit the written testimony of three tribal groups for your hearing record.

The tribe's division of water and sanitation has prepared documentation of the critical need to replace worn out construction equipment and the drilling of new wells. We recognize that the BIA has requested in this budget $930,000 for these purposes.

This figure represents about one-third of the annual cost to the tribe of conducting these programs. We urge the committee to support this request and to increase it to the level originally submitted by the BIA to the Office of Management and the Budget.

The tribal council's transportation and roads committee oversees the BIA road maintenance and construction programs, and has prepared a plan for maintaining and improving the nearly 8,000 miles of dirt and paved roads on the Navajo Nation. I submit their statement along with the request to the committee that Congress object to the President's budget deferral of some $86 million in BIA road construction funds. This money is desperately needed and should be released at once.

Finally, I would like to submit the statement of the Navajo Area School Board Association, which documents an intolerable situation with respect to the deterioration of BIA school facilities. This situation, which has not changed, was presented in detail to this committee 1 year ago.

Most of the dollars which come on the reservation do not remain there. The capital costs for creating an infrastructure which can support self-sustaining growth are high. Yet, as the pattern of the testimony before you shows, this social overhead capital, rather than improving steadily, is being allowed year by year to deteriorate.

This pattern of underfunding for school facilities, for roads, for wells and the equipment to construct and maintain them is certainly uneconomic. It is penny wise and dollar foolish to allow this deterioration.

Navajo tribal requests—for criminal justice, school facility rehabilitation, roads and transportation, and water resources development for fiscal year 1977 add up to millions of dollars. Needs in the public health area amount to millions more.

We recognize that present budget restraints on this committee will not allow you to appropriate all this money to meet our needs of the coming year. There is, however, one step that you can take which will not require the appropriation of a single new dollar.

Please make certain that the language of this appropriation legislation reflects the intent of the Congress that funds appropriated for

the BIA are spent in conformity with the principles of self-determination outlined in Public Law 93–638. That is, that tribal goals and priorities, and tribally established plans are to serve as the guidelines for allocation of funds within the Navajo area. There are still some Bureau officials, unfortunately, who believe that they, and not the Navajo people, have the right and duty to control our destiny.

This should not and cannot be tolerated by you as lawmakers, nor by us, the beneficiaries of these funds.

Thank you, Mr. Chairman, for this opportunity.

Senator STEVENS. Thank you very much.

Do you have a statement——

Mr. GORMAN. I have to my right Mr. Marlin Scott, chairman of the budget and finance committee. Mr. Scott has a statement.

Mr. SCOTT. Mr. Chairman and members of the committee. My name is Marlin Scott. I am chairman of the budget and finance committee of the Navajo Tribal Council.

I would like to again emphasize the importance of money in this budget for water resource development on the Navajo Reservation. This year the Navajo Tribe will have spent $2.8 million for water resource development. Water is the livelihood of our existence. A safe, ample and convenient supply of water is not only a matter of health and social welfare, it is also a vital economic resource.

The present low level of development of total water resources of the Navajo Nation compared to the rest of the United States is highlighted by the great amount of undeveloped, potential range of agricultural land. In the current status of water supply on the Navajo Nation, less than 25 percent of Indian homes have running water as compared to over 95 percent of the homes in the United States.

The Bureau of Indian Affairs has, for the first time, requested in the budget $952,600 for water resource development. This money will be utilized for the care of existing wells. It makes no provisions for any new, significant, major construction.

Therefore, the Navajo Tribe requests $2.8 million be funded. This additional $1,847,400 would be for the purchase of necessary construction equipment and the construction of wells, materials and parts. This request is an urgent one and I ask the committee to give it full consideration.

Thank you.

Senator STEVENS. Thank you, gentlemen.

We heard the request for law enforcement. We have the request now for roads. Who will present the request for the educational side of the Navajo?

Mr. GORMAN. Mr. Chairman, I think in the statement I mentioned that there is something like $13 million requested by the Navajo Area School Board Association that is also presented in the statement on the cost.

Senator STEVENS. Fine. Thank you very much. We appreciate that.

66-307 O - 76 - pt. 5 -- 20

HOPI TRIBAL COUNCIL

STATEMENT OF ABBOTT SEKAQUAPTEWA, CHAIRMAN, THE HOPI TRIBAL COUNCIL

ACCOMPANIED BY:

MILFORD SANDERSON, DIRECTOR, COMMUNITY EDUCATION PROGRAM

JAY W. BARNES, PRESIDENT, BLGY, INC., PHOENIX, ARIZONA

HOPI EDUCATION AND HEALTH NEEDS

Senator STEVENS. The Hopi Tribe, Mr. Sanderson, Mr. Barnes, Mr. Sekaquaptewa.

It is nice to have you with us, gentlemen.

Mr. SEKAQUAPTEWA. Thank you, Mr. Chairman.

My name is Abbott Sekaquaptewa. I am chairman of the Hopi Tribal Council and I have with me today on my left Mr. Jay Barnes, a consultant that we have engaged for the purposes we are here for today. On my right is Mr. Milford Sanderson, director of our community education program.

It is my pleasure, again, to be here testifying on behalf of the tribal council and I am here to testify today to establish the fact that there is a need for a supplemental appropriation for the Hopi Junior/Senior High School project in Arizona for which we have done some preliminary planning already. And, also in behalf of the Indian Health Service, a hospital at Keams Canyon.

Senator STEVENS. What is the amount of that request for the Indian Health Service?

Mr. SEKAQUAPTEWA. I would rather not go through a long reading of what I've got today. There is—rather that is contained in the documentation that is attached. I would rather just briefly discuss this in consideration of the time element.

We have a request here for the high school project in the amount of $450,000 to complete the design phases. We have completed the preliminary planning which has resulted in a need for the establishment of a high school to serve about 850 students today, not taking into consideration the growth rate which is established at about 2 percent per annum.

The thing that I would like to point out is that this is a long-standing need and in order—I am talking about the high school—in order to fulfill this long-standing need for that facility which we consider to be a very commonplace and a basic part of any education system in this country, which is not available at all to the Hopi students, I want to stress the fact that the supplemental funds are to complete the design phases, to complete the planning for the secondary educational facility, which is today nonexistent.

Facilities to have a comprehensive junior high school educational program are very inadequate, at best, and the result of that is the high school students are subjected to very extreme circumstances in order to be able to attend school at all. They are forced to leave home and go beyond the borders of the reservation, away from home to be able to attain what is basically an education right. Our students

are scattered in Federal high schools located not only in Arizona, but California and Nevada, some 300 to 700 miles away from their parents, just to be able to attend school.

Even those students who are attending public school on a day basis are required to travel one way 80 miles if they choose not to board for attendance at a public school a similar distance away.

This means that the junior high school students in their very formative years are actually being deprived of an educational program that is readily available to other students of their age including such things as vocational shops, musical libraries, and so forth, at a time in my opinion when no responsible school board could be expected to condone these kinds of situations.

We have established that the problems arising today among our students are directly attributable to the absence of parental involvement with them on their schooling on a daily basis. I think it is clear that it is impossible for parents to be able to provide adequate home guidance and support when the high school that their children are forced to attend is located so far away from their homeland.

A large consideration is the fact that the site of the high school on the reservation and the reservation itself is in a very remote area. This results, among other, things, in a much higher education cost. Material costs are higher because of the remoteness. Even trained labor is not readily available on the reservation which means that a lot of this has to be imported from off the reservation, resulting in still higher costs, even housing that would be required to house these people has to be a consideration. The remoteness, because of all of these considerations, is obviously going to make the cost quite a bit higher, which must be planned for.

On the health aspect of it, we are also aware that the Health Services of the Indian people in this country is quite significantly lower than that of any other ethnic group. The Keams Canyon Service Unit is a 38-bed facility accredited by the Joint Commission on Accreditation of Hospitals. It is staffed with 80 people.

However, these people also have to serve in field credits of which there are five. But these conditions, the existing situation is that our hospital is operating with only 63 percent of the staff that is needed to operate existing programs.

I submit to you this afternoon a resource allocation document, which, as I understand it, has been recognized by the Office of Management and Budget as the working tool.

Senator STEVENS. I looked through—I don't mean to interrupt you, but I have looked through the statement and read your presentation. We are familiar with that. But how much money do you seek for Indian Health Service?

Mr. SEKAQUAPTEWA. For this priority, $100,000, as I understand it from the service unit director.

Senator STEVENS. $100,000 directly to the service unit and $450,000 for the school. Is that right?

Mr. SEKAQUAPTEWA. That is right. This is not taking into consideration expansion of existing programs or any new programs.

Senator STEVENS. Do the other gentlemen with you have anything to add to the request?

Mr. SANDERSON. I think that the idea that the school is going to be located in an isolated area is going to escalate the cost of the school tremendously. We have been asked approximately what the total cost of the school would be or the budget. We have answered in the area of $11 million. They have also asked us how many students will this budget contain. We answer 850.

The next obvious question is how can you justify the cost per student. We feel it is important to indicate that the isolation factor is tremendous. Our closest supply depot, Whale Head, is 85 miles away from the reservation. The supply area is Phoenix, Ariz., 300 miles away. We have no public housing. Any workers who come out there will have to be furnished housing.

All kinds of power systems will have to be brought to the site to develop the project. We know that there is an escalation of cost, rising each month or each year. That needs to be considered. The work force that comes out there will need to probably receive pay beyond the regular amounts that they usually receive in urban centers, only because of the isolation factor.

So this cost per student is not necessarily a good rationale. One needs to know the details of why the costs are so high.

Specifically, we could break the costs down into two factors. One, the school would cost in the neighborhood of $8 million and the housing for the school staff, that is, teachers and administrators, would run approximately around $3 million. As I indicated before, there is no public housing, so any teacher we want to hire or administrator that we want to hire, we have got to almost guarantee them a house before we can begin to include them.

Senator STEVENS. Gentlemen, we will take your request under consideration.

We have a considerable number of requests for design money, as you know.

Has the BIA given you any priority as far as the school is concerned?

Mr. SEKAQUAPTEWA. We were No. 10 on their priority list last year and, of course, that is done on an annual basis and they have not released this year's priorities. But last year we were No. 10.

Senator STEVENS. Will this be a BIA school?

Mr. SEKAQUAPTEWA. Yes, it will.

Senator STEVENS. And the moneys are to be appropriated to the BIA?

Mr. SEKAQUAPTEWA. Yes. As a line item.

Senator STEVENS. Thank you very much, gentlemen. We will look into the request and take it up with the BIA.

[The statement follows:]

I. INTRODUCTION

Mr. Chairman and Members of the Subcommittee:

I welcome the opportunity to appear before this distinguished Subcommittee to present testimony on behalf of the Hopi Tribal Council and the Hopi Tribe. The request contained in this testimony is to be directed to the:

Agency: Division of Facilities Engineering
Bureau of Indian Affairs
U. S. Department of the Interior
P. O. Box 1248
Albuquerque, New Mexico 87103

Appropriation: Request for supplemental appropriation of $450,000 for design phase of the Hopi Boarding High School Project
Project No. W56-308/H51

The testimony which follows identifies the need for a supplemental appropriation for the Hopi Junior-Senior High School Project, which is to be located on the Hopi Indian Reservation in Arizona. This project has gone through the phases of site identification/assignment and educational program planning, and is now ready to enter into the design phase. The point of this testimony is to tell why it is essential that this project be continued in order to meet a dire educational facility need of the Hopi Indian Tribe.

II. STATEMENT

This testimonial statement details the Hopi Tribe's request for a supplemental appropriation to complete the design phase of the Hopi Junior-Senior High School Project on the Hopi Indian Reservation in Arizona.

The Hopi Tribe has completed the educational program planning for this facility, which has again confirmed the longstanding need for a Junior-Senior High School facility. In order to fulfill this need for a facility that is today commonplace and a basic part of the education system in almost every other community in the United States, a supplemental appropriation of $450,000 is needed to insure that the design phase of the project is completed and will result in a project that adequately meets this most basic need.

At the present time, secondary educational facilities on the Hopi Indian Reservation are non-existent. Facilities to contain a comprehensive Junior High School educational program are very inadequate and leave much to be desired from the standpoint of current educational standards. All of the Hopi High School students are subjected to extreme circumstances in order to attend any high school at all. All of them must leave home and go beyond the borders of the Hopi Reservation in order to attain this basic privilege. Hopi High School students are scattered in federal high schools located in Arizona, California, and Nevada, 300 to 700 miles away from the Hopi Indian Reservation. Even those students desiring to attend a public high school are subjected to living in a federal dormitory 85 miles away from home or to a bus ride, 70 miles one way, in order to attend school on a daily basis. Hopi Junior High School students, in their formative years, are deprived of the benefits of an educational program that should include Home Economics, Vocational Education Shops, Music, Libraries, etc., at a time when no

responsible school board can be reasonably expected to condone such a situation. These educational opportunities must be provided for our Junior High School youngsters near their home in order to properly prepare them for high school.

Many of the problems arising today that affect the educational progress of Hopi students are directly attributable to the absence of parental involvement in the educational process on a daily basis. It is impossible for Hopi parents to provide adequate home guidance and support when the high school their children are forced to attend, because of circumstances, are located so far away.

The site for the High School is in a remote area, which produces much higher construction costs. Material costs are higher and scheduling is more difficult. Trained labor in many of the trades is not available on the reservation and must be imported. Living units for the workers are not available on the reservation, and therefore must be provided by the builder. Living conditions, plus difficulty of recruitment of trades, causes much higher labor costs and therefore higher construction costs.

The construction of a Junior-Senior High School on the Hopi Indian Reservation will be a sound investment in the education of its young people. It will also allow for the development of closer relationships between the student, home and school, which will help to encourage our young people and foster the stability needed to enable them to be productive citizens in the future.

NORTHWEST PORTLAND AREA INDIAN HEALTH BOARD

STATEMENT OF DAVID LAMBERT, EXECUTIVE DIRECTOR, NORTHWEST PORTLAND AREA INDIAN HEALTH BOARD

ACCOMPANIED BY KESLEY EDMO, TRIBAL COUNCIL MEMBER, SHOSHONE BANNOCK TRIBE, FORT HALL, IDAHO

NORTHWEST INDIAN HEALTH NEEDS

Senator STEVENS. Next, Mr. Lambert, Indian Health Board, Oregon.

Mr. LAMBERT. Mr. Chairman, Mr. Sampson sends his regrets at being unable to be here. My name is David Lambert and I am executive director of the Northwest Portland Area Indian Health Board. Seated next to me is Mr. Kesley Edmo who is a tribal council member from the Shoshone Bannock Tribe, located in Fort Hall, Idaho.

I would like to briefly summarize the contents the document I have and ask Mr. Edmo to highlight his request which is contained also in this document. I believe the heart of the issue of that which we are concerned and perhaps the focal point of much of the testimony here today is contained in this document.

Mr. F. Keith Adkinson, assistant counsel to the permanent Subcommittee on Investigations of the Committee on Government Operations, U.S. Senate, testified on September 16, 1974, that "U.S. Government, by understaffing and underfunding the Indian Health Service, is causing medical injury to and needless death of Indians. In large measure this situation has been brought about by the budget officials in the Executive Office of the President and by the Office of the Secretary of Health, Education, and Welfare over a scope of years."

Mr. Chairman, the situation today, April 13, 1976, is no different. We are making a specific request relative to an addition to the line item budget for the Portland Area Office of Indian Health Service in the amount of $950,000 to take care of unmet needs in the area of dental, eyeglass and hearing aids.

The Northwest Portland Area Board, which is comprised of all of the tribes, a tribal organization representing all of the tribes in Oregon, Washington and Idaho, supports by their action the request of the Quinault Indian Nation in the amount of $59,782.75, and the request of the Fort Hall Shoshone Bannock Tribe, the alcohol request for $195,000 and the other concerns they presented which are part of the package request for dental, eyeglasses and hearing aids referred to earlier. We support the presentation by the Lummi Tribes requiring staffing at $433,147—and express once again the need for a Northwest Indian hospital. In this regard, Mr. Chairman, the Northwest Portland Indian Health Board is undertaking this year a feasibility study to examine all aspects of the issue and should have information to make a presentation to this committee next year. I would like to ask Mr. Edmo to present the information that he has. Mr. Edmo. Yes, we have additional copies. My name is Kesley Edmo and I am a council member from the Fort Hall Indian Reservation located in southeastern Idaho near the communities of Pocatello and Blackfoot, representing the Shoshone Bannock Tribes.

Through official tribal resolution, I am here to present to the Interior Appropriations Committee the health needs which are: Alcoholism

and drug abuse in the amount of $195,000. We also have attachment A which I will read. It has to do with Indian health statistics for calendar years 1972 to 1974—showing that there were 11 persons at Fort Hall service unit who died of cirrhosis of the liver and in connection with that we had three deaths last weekend and these were all alcohol-related incidents. The Indian Health Service statistics show that during the fiscal year 1974, 116 out of 546 accidents were alcohol related at the Fort Hall service unit. During the 3-year period, 1969 to 1971, a confidential suicide register kept by the Indian Health Service showed that there were 20 completed suicides during that time. The Portland area encompasses the statements of Oregon, Washington and Idaho. Eleven of the 20 completed suicides occurred on the Fort Hall Reservation. Of the 11, 7 suicides were associated with alcohol and the 4 others were associated with solvent sniffing.

During this same 3-year period, there was a total of 221 individual Indians that attempted suicide throughout the three-State area. Ninety-eight of the 251 attempts occurred on the Fort Hall Reservation. Of these 98 attempts at Fort Hall, 75 percent were associated with alcohol or solvent abuse.

I would like to relate some of the experiences that we have had on our reservation at Fort Hall. At the present time, Indians of our tribe are going from alcohol to spray paint. They sniff this and get high on it. It is very detrimental to their health. This is the first time that I have ever had the opportunity to appear before the committee here and I thank you for that privilege.

In the document here, we have all the things documented. The other things we had at Fort Hall that we are in need of are a comprehensive health coordination program and we have that attached. And I won't go into reading that. That was in the amount of $57,150.

Eyeglasses, $12,470; dental needs, $90,221; elective surgery, $145,674. The psychiatrist, that we have here at the bottom, would be the person who worked with the alcoholics. That would be in the amount of $40,000.

I would like to further state that on our reservation usually the older people don't get the advantages of having eyeglasses furnished them or the dental needs. We always take care of the younger people first.

Senator STEVENS. What is this elective surgery? I have been looking through the file to find the justification. What is the elective surgery amount, $145,674?

Mr. LAMBERT. Basically, Mr. Chairman, the elective surgery have surgery performed which is——

Senator STEVENS. I know what it is, but what type of surgery is involved?

Mr. LAMBERT. Perhaps Mr. Taylor who is here at the request of the tribe could assist in that answer, sir.

Senator STEVENS. I would like to have an explanation for the record of that. What kind of surgery is involved?

Mr. TAYLOR. Mr. Chairman, that type of surgery would be an individual that had a broken nose and had to go in for additional care.

Senator STEVENS. Attachment E talks about contract hospitalization. Is that the backup for the request for elective surgery?

Mr. TAYLOR. Yes.

Mr. EDMO. Each of these needs are important to the overall health of the people. There are 3,091 enrolled Shoshone Valley members and 860 Indians from other federally recognized tribes living within the boundary of Fort Hall Indian Reservation.

I would like to summarize my testimony to an add-on to Portland Area Indian Health Service budget beginning the fiscal year 1977 and request that the documentation be entered into the record.

Senator STEVENS. We will examine that. You have a lot of reprints of some of our own hearings. I don't think we want to reprint those. The staff will determine what will be printed in our actual hearing record and the rest of the documents will be kept in our files to back up your request.

I understand the request and we appreciate your presenting the testimony, gentlemen.

Mr. LAMBERT. Mr. Chairman, thank you. We realize these figures are well documented and it is our concern to underscore once again the desperate need that does exist and the need for funding to pick these items up. Thank you, sir.

Senator STEVENS. Thank you.

[The statement follows:]

NORTHWEST PORTLAND AREA INDIAN HEALTH BOARD

812 S.W. WASHINGTON STREET – ROOM 1103

PORTLAND, OREGON 97205

A.C. 503-228-4185

Mr. Chairman, Members of Congress and Guests:

The Northwest Portland Area Indian Health Board represents the collective health concerns of over 30,000 Federally recognized Indian people residing on or near reservations in the states of Oregon, Washington and Idaho. The Board is continually attempting to find viable solutions to the many and varied health need problems existing among the Northwest tribes and adds its collective and concerned voice to a number of health issues.

Mr. F. Keith Adkinson, Assistant Council to the Permanent sub-committee on Investigations of the Committee on Government Operations United States Senate testified on September 16, 1974 that "the U.S. Government, by understaffing and underfunding the Indian Health Service, is causing medical injury to and needless death of Indians. In large measure this situation has been brought about by the budget officials in the Executive Office of the President and by the Office of the Secretary of Health, Education and Welfare over a scope of years".

The Northwest Portland Area Indian Health Board is concerned specifically that Congress shall add to the Indian Health Service Budget the following for the Portland Area.

DENTAL, EYEGLASS AND HEARING AID NEEDS $950,000.00

In the report of the Committee on Interior and Insular Affairs United States Senate dated 12 November 1974 (p.69) it is cited in reference to Eye Care that "The delivery of eye care within the Indian Health Service is now grossly deficient. The population at risk is estimated at 188,600 - 88,600 adults and 100,00 children". Eye glasses are still largely purchased only for children. Many adults in the Northwest could be removed from welfare roles and otherwise become more productive if provided with much needed glasses. The above source states further that "This situation is catastrophic for adults, since the majority of Indian adults need glasses for reading and close work. Gainful employment is often hampered by the lack of glasses".

DENTAL HEALTH

Current resources of Indian Health Service according to Indian Health Service figures are capable of meeting less than half of the critical dental needs among the Indian population.

HEARING AIDS

Acute needs exist in this area which, due to insufficient funding remain unmet for thousands of adult Indians in the Northwest. Once again gainful employment may be severly hampered by this specific lack.

It is with great urgency that we respectfully request the Congress of the United States to hear this plea and add $950,000.00 in Contract Health Care funds to the Indian Health Service Budget for the Portland Area.

ALCOHOLISM FUNDING

Quinault Indian Nation	$ 59,782.75
Fort Hall-Shoshone Bannock Tribes	$195,000.00

The Northwest Portland Area Indian Health Board wishes to encourage Congress to respond favorably to these requests by the above Tribes who have submitted individual testimony and documentation for the Record.

The Northwest Portland Area Indian Health Board reminds the Congress of the United States "that alcoholism is one of the most serious health problems facing

Indian people today is a fact now clearly recognized by Indian leaders and by the Indian Health Service". (op.cit. p.72)

In the March 1974 GAO study, "Progress and Problems in Providing Health Services to Indians" it is stated that "According to Indian Health Service, alcoholism probably adversely affects more aspects of Indian life than any other health factor . . . ."

The Quinault proposal was requested last year and the Shoshone Bannock request was one of thirty-six approved by the National Institute on Alcohol Abuse and Alcoholism but was not funded because the National Institute on Alcohol Abuse and Alcoholism ran short of funding dollars.

Again, the Northwest Portland Area Indian Health Board requests Congress to hear and respond to these needs by adding these amounts to the Indian Health Service Budget.

LUMMI CLINIC STAFFING $433,147.00

The Northwest Portland Area Indian Health Board along with the Lummi Tribe wishes to publicly thank the Congress of the United States for not only responding to the request for funds to build the Lummi Clinic, but for its fast action in rescuing it from the Presidential "recission/deferral ash can".

We wish to enter into the Record our support of the Lummi request and proposal to provided adequate staffing for this facility according to the documentation entered into the Record by the Lummi Tribe and respectfully urge the Congress of the United States to provide adequate funding and positions for this clinic.

The remarks as found in the Report of the Senate Committee on Interior and Insular Affairs is appropriate (p.59). "Good health is a fundamental right . . . Good health among Indians is of particular concern to the Federal Government, for the Indian people, without adequate health status, will be unable to fully avail themselves of the many Federal economic, educational, and social programs available to them. Therefore, health services are the cornerstone upon which rests all other Federal programs for the benefit of Indians.

NORTHWEST INDIAN HOSPITAL

The Northwest Portland Area Indian Health Board wishes to state for the Record at this time the increasing concern for a Northwest Indian referral hospital. The Portland Area of the Indian Health Service is the only Indian Health Service area that does not have an Indian Hospital. Rapidly soaring costs for inpatient hospital care places even greater strain on Contract Health Care dollars, causing the outlay to expand from 2 million dollars in FY-74 to a projected cost of 3.6 million dollars by the end of FY-76 without expanding services or dealing with vast backlogs of unmet surgical procedures. Beyond this are the further unmet needs of those Indian people who, although eligible for services, are beyond the scope of Contract care priorities.

The Northwest Portland Area Indian Health Board is presently undertaking a study designed to demonstrate need and determine the feasibility of such an undertaking. It is our hope that the Congress of these United States will be deeply concerned with this question.

Respectfully submitted,

/S/ F. David Lambert
Executive Director,
Northwest Portland Area
Indian Health Board

/S/ Violet Hillaire
Legislative Health Committee Chairwoman,
Northwest Portland Area
Indian Health Board

Quinault Tribal Council

POST OFFICE BOX 1118 □ TAHOLAH, WASHINGTON 98587 □ TELEPHONE (206) 276-4446

STATEMENT OF NEED

Within the Quinault Indian Reservation there are two needs, first,the need for special money to assist the Alcoholic in obtaining treatment in a center within the State of Washington. Second, the establishment of a Halfway House within the Quinault Indian Reservation.

(1) At present the Quinault Alcoholism Program must use financial assistance from Public Health Hospital or Washington State Public Assistance. The problem with this type of funding is that these are people that money won't qualify them for this type of funding. We need our own money to assist these people for when this need of treatment arises. We must not refuse the people's needs, but must assist them on a "now basis".

By requesting special monies, we ask for the opportunity to assist our Indian people without going outside the reservation,but doing it from within.

(2) Our need is great for a halfway house, the village of Taholah is an isolated village, 45 miles from the nearest large city or town. Being so remote and isolated, we have very little housing for the recovering alcoholic. This village needs a living area for the recovering alcoholic, a place where he may be involved in a therapeutic atmosphere of living without alcohol. A place where he has good meals, clean surroundings and the fellowship of other recovering alcoholics.

We cannot adequately indicate the need for funding in these two areas for the need is so great. Indian people have suffered more than most people from the diseases of alcoholism. This is the reason for asking for special money to help recline this paramount problem.

QUINAULT INDIAN NATION
ALCOHOLISM ADVISORY BOARD

STATEMENT OF NEED

Within the Quinault Indian Reservation there are two needs for combating alcoholism: the need for special money to assist the alcoholic in obtaining treatment in an alcoholism rehabilitation center within the state of Washington, and the need to establish a half-way house within the Quinault Indian Reservation.

1. At present, the Quinault Alcoholism Program must use financial assistance from the Public Health Service Hospital or State Public Assistance to send patients to alcoholism treatment centers. The problem with this type of funding is that there are people who may not qualify. We need money within the Quinault Indian Reservation to be able to respond for people on a "NOW" basis as the need arises. By requesting this special funding we ask for the opportunity to help our Indian people not by going outside the reservation but by doing it from within.

2. Our need is great for a half-way house in the village of Taholah. Ours is an isolated community 45 miles from the nearest large city or town. Being so remote and isolated, this village has very little housing for the recovering alcoholic. There needs to be a live-in center for these people where they can come after they are released from alcoholism treatment.

BUDGET

1. Alcoholism Treatment		
20 slots @ $800.00		$16,000.00
2. Half-way House		
A. Salaries and benefits		25,775.00
House Manager	9,200.00	
Counsellor	8,525.00	
Cook	8,050.00	
B. Facilities		9,020.00
Building Renovation	3,000.00	
Rent and Utilities	1,920.00	
Consumable Supplies (including food)	1,800.00	
Fire Extinguishers	500.00	
Liability Insurance	300.00	
Miscellaneous	1,500.00	
C. Appliances		1,190.00
Range	400.00	
Refrigerator	350.00	
Radio	40.00	
Television	400.00	
SUBTOTAL:		$51,985.00
Administration @ 15%		7,997.75
TOTAL:		$59,782.75

TESTIMONY OF SHOSHONE-BANNOCK TRIBES
FORT HALL BUSINESS COUNCIL - P.O. BOX NO. 306
Fort Hall, Idaho 83203

I AM, MR. KESLEY EDMO, COUNCIL MEMBER FROM THE FORT HALL INDIAN RESERVATION, LOCATED IN SOUTHEASTERN IDAHO, NEAR THE COMMUNITIES OF POCATELLO AND BLACKFOOT, REPRESENTING THE SHOSHONE-BANNOCK TRIBES.

THROUGH OFFICIAL TRIBAL RESOLUTION, I AM HERE TO PRESENT TO THE INTERIOR APPROPRIATION COMMITTEE THE HEALTH NEEDS WHICH ARE:

1.	ALCOHOLISM & DRUG ABUSE	ATTACHMENT A	$195,000.00
2.	COMPREHENSIVE HEALTH COORDINATION PROGRAM	ATTACHMENT B	57,150.00
3.	EYE GLASSES	ATTACHMENT C	12,470.00
4.	DENTAL NEEDS	ATTACHMENT D	90,221.00
5.	ELECTIVE SURGERY	ATTACHMENT E	145,674.00
6.	PSYCHIATRIST - ONE (1) POSITION	ATTACHMENT F	40,000.00
		TOTAL	- $540,515.00

EACH OF THESE NEEDS ARE IMPORTANT TO THE OVERALL HEALTH OF MY INDIAN PEOPLE. ACCORDING TO OUR ENROLLMENT CENSUS THERE ARE 3,091 ENROLLED SHOSHONE-BANNOCK MEMBERS AND 816 INDIAN ORIGINATING FROM OTHER FEDERALLY RECOGNIZED TRIBES LIVING WITHIN THE BOUNDARY OF FORT HALL INDIAN RESERVATION.

I WOULD LIKE TO SUMMARIZE MY TESTIMONY TO AN ADD-ON TO PORTLAND AREA INDIAN HEALTH SERVICE BUDGET BEGINNING FISCAL YEAR 77 AND REQUEST THAT THE DOCUMENTATION BE ENTERED INTO THE RECORDS.

THE POLLOWING PROGRAM DESCRIBES EACH OF THE HEALTH NEEDS, THE PROPOSED PLAN AND THE COST TO IMPLEMENT THE PLAN:

1. ALCOHOLISM & DRUG ABUSE PROGRAM
2. COMPREHENSIVE HEALTH COORDINATION PROGRAM

THE FOLLOWING INFORMATION BASED UPON THE PORTLAND AREA INDIAN HEALTH SERVICE RESOURCE ALLOCATION CRITERIA DOCUMENT:

3. GLASSES
4. DENTAL
5. SURGERY
6. PSYCHIATRIST (MENTAL HEALTH) ONE (1) POSITION

UNITED SOUTHEASTERN TRIBES, INC.

STATEMENT OF ORVILLE MESTES, ALCOHOLISM PROGRAM DEVELOPMENT SPECIALIST, UNITED SOUTHEASTERN TRIBES, INC.

Senator STEVENS. Next, we have Orville Mestes from the Human Services Department, Tennessee.

ALCOHOLISM PROGRAMS

Mr. MESTES. Mr. Chairman, my name is Orville Mestes. I am an alcoholism program development specialist with the United Southeastern Tribes. I am here for the purpose of speaking to the proposed administrative transfer of NIAAA dollars to Indian Health Service.

The administration proposes to transfer $12 million from the National Institute on Alcohol Abuse and Alcoholism to the Indian Health Service. This is a request from the United Southeastern Tribes, Inc. to increase those appropriations to the current level of funding of $15.6 million, plus sufficient administrative training and technical assistance moneys to continue to provide adequate services to 151 American Indian programs affected by the proposed transfer.

The National Institute on Alcohol Abuse and Alcoholism is currently supporting 151 American Indian alcoholism programs at an annual operating level of $15.6 million. Of this number, 99 are reservation programs at a cost of $12 million and 52 are urban Indian programs at a cost of $3.6 million dollars.

The National Institute on Alcohol Abuse and Alcoholism additionally supports 12 American Indian alcoholism training programs to train Indian alcoholism counselors and workers in the field of alcoholism at an annual cost of approximately $1.6 million. It is projected that $420,000 per year will be required to administer these 151 projects.

In summary, full funding of the current 151 programs to provide moneys for project grants training, technical assistance, and administration requires $17,520,000.

The United Southeastern Tribes, Inc. supports the transfer of moneys to Indian Health Service. I can sympathize with Mr. Edmo on getting an alcohol program on his reservation. I think the program should be in Indian Health Service where it belongs. It is a health problem and it should be transferred out of the Institute into Indian Health Service.

Part of the rationale for supporting this transfer is that Indian alcoholism programs cannot indefinitely be sustained in a categorical grant program. Another one of the reasons is that most States don't have—they do have jurisdictional problems with Indian tribes. They do not have a special relationship.

If the present administration's proposed block grant proposal is passed, Indian programs are going to be lost. A majority of those Indian programs could not survive through revenue sharing or other proposals.

Another thing that we have to address ourselves to is that tribal leadership has consistently attempted through Congress to maintain their special and direct relationship with the Federal Government

agencies. This relationship has become a constitutional provision of Congress as a result of treaty rights. The transfer of the National Institute on Alcohol Abuse and Alcoholism. Indian alcoholism projects to Indian Health Service is viewed by Indian tribes as the maintenance of this Federal relationship and treaty responsibility. If they are not transferred, I see Congress condoning further abrogation of treaty rights.

A majority of the Indian tribes in the United States endorse and support the transfer. This can be substantiated by the following National Indian Health Board resolution—I have resolutions from the National Indian Health Board, and the National Institute of American Indians which makes up the majority of the leadership in the nations.

Another point that I wanted to bring out is that the United Southeastern Tribes sees this as a positive step toward alleviation of Indian alcoholism problems on the premise that alcoholism is a health problem and should be in Indian Health Service.

Once the programs are transferred and Indian Health Service assumes the vested interest, that will enhance the opportunity for increased service delivery and treatment within Indian Health Service facilities. That is something that has not happened as a result of NIAAA insulating and isolating these American programs from tribal leadership, et cetera, on the reservations.

There is a lot of criticism from different people that do not have vested interests in the Indian alcoholism programs. They are not representative of tribal leadership, but they have criticized Indian Health Service. The answer to that, Indian Health Service for any other Federal agency until Public Law 616 came into being, it was not a national priority with any organization, agency or group.

In addition, Indian programs started out 2 years before the national effort was ever started. They started through OEO programs. If it was not for Indian Health Service's 49 programs that transferred from OEO when OEO phased out, they would not be transferred to the Institute at all. They would be lost. But through the efforts of Indian Health Service, those programs and many of the ones that are now, were supported in the Institute through Dr. Shavitz when he was in there.

Another point that we also want to bring up is that the reauthorization bills and the language in the amendments, the amendment made specifically by Senator Harrison Williams. I am also secretary of the National Indian Board which represent a majority of the national alcohol programs. Senator Williams did not contact the Indian people. He said that he thought it was not a good move, but without any consultation with Indian tribes or leadership, made that recommendation for that amendment to keep the programs in the Institute. That was done by one of his staff members who has a vested interest in a special interest group who is not representative of Indian tribes.

The National Institute, itself, it was always my understanding, that they should support the transfer. That is their administration's position, but through a special interest group, they have not supported it.

One of the problems I see—if these programs are not transferred over, one of the possible things that can happen to these programs, we always have the constant threat of the block grant proposal, but additionally we have the threat that if a program currently in the

Institute is left in the Institute and does not mature within the Institute and is defunded, like United Southeastern Tribes has been defunded, there is no way that we can get that money back now. And the Institute has defunded programs on a very arbitrary basis upon the recommendation of some of these special interest groups that are trying to stop the transfer.

Senator STEVENS. I have to go vote.

I am familiar with the problem. I am on another committee that deals with the problem, also. I want you to know that we agree there is some law that the Institute was not supposed to have permanent funding. The Institute was supposed to have demonstration funding.

When you say they are defunded, it means the original grant was exhausted. It is a very difficult problem that we will have to look into and I think we must deal with it as far as this committee is concerned. We addressed it with the Indian Health Service when they were here.

Those bells mean that I must go to a vote, Mr. Mestes. Mr. McCloskey, you will be next when I return. There will be two votes right in a row, so it will be almost 25 minutes before I come back.

[A brief recess was taken]

[The statement follows:]

Summary of Appropriation Request

The present Administration proposes to transfer $12 million dollars from the National Institute on Alcohol Abuse and Alcoholism to the Indian Health Service. This is a request from the United Southeastern Tribes, Inc. to increase the appropriations to the current level of funding of $15.6 million dollars plus sufficient administrative training and technical assistance monies to continue to provide adequate services to the 151 American Indian programs affected by the proposed transfer.

The National Institute on Alcohol Abuse and Alcoholism is currently supporting 151 American Indian alcoholism programs at an annual operating level of $15.6 million dollars. Of this number, 99 are reservation programs at a cost of $12 million dollars and 52 are urban Indian programs at a cost of $3.6 million dollars. The National Institute on Alcohol Abuse and Alcoholism additionally supports 12 American Indian alcoholism training programs to train Indian alcoholism counselors and workers in the field of alcoholism at an annual cost of approximately $1.6 million dollars. It is projected that $420,000 dollars per year will be required to administer these 151 projects. In summary, full funding of the current 151 programs to provide monies for project grants training, technical assistance, and administration requires $17.520,000 dollars.

The United Southeastern Tribes, Inc. supports the transfer of monies to Indian Health Service from the National Institute on Alcohol Abuse and Alcoholism and views this action as a positive step toward the future continuity and development of the alcoholism programs for the southeastern tribes. The rationale for supporting this transfer is based on: (1) Indian alcoholism programs cannot survive indefinitely through categorical grant programs. (2) Since most states have jurisdictional problems and have no special relationships with Indian tribes or urban groups, the present Administration's attempt to transfer the Health, Education, and Welfare categorical grant programs to states becomes threatening to the Indian alcoholism programs. (3) Tribal leadership has consistently attempted, through Congress, to maintain their special and direct relationship with the Federal Government agencies. This relationship has become a constitutional provision of congress as a result of treaty rights. The transfer of the National Institute on Alcohol Abuse and Alcoholism Indian alcoholism projects to Indian Health Service is viewed by Indian tribes as the maintenance of this Federal relationship. The retention of the Indian projects within a categorical grant program which may be transferred to states is viewed as this Congress condoning a further abbrogation of treaty rights.

A majority of the Indian tribes in the United States endorse and support the transfer. This can be sustantiated by the following, National Indian Health Board Resolution, No. 4-76-C: (Excerpt from Resolution) "Therefore be it resolved, that the National Indian Health Board supports the transfer of the National Institute on Alcohol.."

Abuse and Alcoholism monies for Indian alcoholism programs from the National Institute on Alcohol Abuse and Alcoholism to Indian Health Service with the recommendation that the amount of funds transferred be sufficient to maintain all Indian projects at their current level of funding and provide sufficient administrative and technical assistance monies. Be it further resolved, that this Congress, during the 200th anniversary of this country, fulfill its commitments and obligations to its American Indians and Alaskan Natives."

Letter from the National Congress of American Indians, 3/3/76: "The National Congress of American Indians by Resolution No. 75-115, Alcohol and Drug Abuse, 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 funds from the National Institute on Alcohol Abuse and Alcoholism to the Indian Health Service."

The National Indian Board on Alcoholism and Drug Abuse is the recognized voice of the national Indian alcoholism constituency and is endorsed and acknowledged by resolution by the National Congress of American Indians and the National Tribal Chairmans Association. This board is also recognized by Indian Health Service, National Institute on Alcohol Abuse and Alcoholism, and other Tribal and Inter-tribal organizations. The United Southeastern Tribes, as members of the National Indian Board on Alcoholism and Drug Abuse, fully supports the transfer from the National Institute on Alcohol Abuse and Alcoholism to the Indian Health Service. As does a majority of the other members of the National Indian Board on Alcoholism and Drug Abuse.

The United Southeastern Tribes considers the transfer of the National Institute on Alcohol Abuse and Alcoholism American Indian alcoholism programs to Indian Health Service as a positive step forward in the alleviation of American Indian alcoholism problems on the premise that alcoholism is a health problem, and therefore, should be in the Indian Health Service. Once the programs are transferred, Indian Health Service will have a vested interest in the American Indian alcoholism programs, which will enhance the opportunity for the programs to develop a more comprehensive effort enjoined by increased service delivery and treatment within the Indian Health Service facilities.

For those who criticize Indian Health Service efforts in the past, United Southeastern Tribes' answer is--common sense dictates that's when the National Institute on Alcohol Abuse and Alcoholism subsumed all the responsibility of the American Indian programs when they transferred from the Office of Economic Opportunity to the National Institute on Alcohol Abuse and Alcoholism that Congress would not be willing to appropriate monies to two agencies, because it would be viewed as a duplication of effort. Additionally, no federal agency prior to the enactment of P.L. 91-616 set a priority on alcoholism although American Indian programs were created through the Office of Economic Opportunity two years prior to the national alcoholism effort as a result of the efforts of these same tribes that are requesting this transfer.

National Institute on Alcohol Abuse and Alcoholism Reauthorization Bills

The United Southeastern Tribes recognizes that amendments to H.R. 11317 included additional language designed to thwart the administration's proposal to transfer all the National Institute Alcohol Abuse and Alcoholism's Indian programs to the Indian Health Service. This amendment was sponsored by Senator Harrison Williams upon the recommendation of a special interests group that is not representative of federally recognized tribes or urban Indian programs. This attempt to thwart the transfer is viewed by a majority of the Indian tribes throughout the nation as a threat in this respect, that if the American Indian alcoholism programs are retained in the institute until they mature, the threat becomes, that the National Institute in the past has defunded American Indian alcoholism programs as a result of recommendations from a special interest group sanctioned by the National Institute on Alcohol Abuse and Alcoholism who are not representative of the federally recognized tribes or urban programs. If the American Indian programs are defunded before their maturity date, they will not have the opportunity to ever be renewed.

In the past year, four Native American Indian alcoholism programs were defunded. The United Southeastern Tribes was one on these programs. Additionally, the National Institute on Alcohol Abuse and Alcoholism has never instituted or implemented an evaluation method for the American Indian programs. Additionally, the National Institute on Alcohol Abuse and Alcoholism has no method of accountability for the Indian alcoholism programs. As a result of this, Indian programs feel threatened that the National Institute on Alcohol Abuse and Alcoholism can at any time impose arbitrary evaluation an accountability standards on those programs that do not endorse or support the activities of those special interests groups not representative of Indian people. The National Institute on Alcohol Abuse and Alcoholism has created untold confusion amongst the American Indian alcoholism programs regarding this transfer by suggesting, over the wishes of a majority of the federally recognized tribes, that the American Indian programs should remain within the institute until

their maturity date. The United Southeastern Tribes questions the Institutes' rationale that it wishes to retain the American Indian alcoholism programs because it wishes to protect the integrity of the programs based on the assumption that if the monies are transferred over to Indian Health Service that the monies may not be used for the purpose intended. This rationale is considered by the United Southeastern Tribes and other Indian people working in the field of alcoholism as a personal affront to the intelligence of Indian people working both in the field of alcoholism and Indian Health Service to assume that these people are not capable of utilizing any balanced judgement in weighing the full implications of the transfer. To presume that Indian people are not capable of making a decision for their best interests indicates the Institute's innate insensitivety and lack of understanding of Indian people. This is understandable since they have not had a historical relationship with Indian people, but it is not an excuse in itself. This also indicates the Institute's lack of confidence in and a denial of tribal leadership whom are the grantees of the reservation programs.

ROSEBUD SIOUX TRIBE HEALTH AND WELFARE COMMITTEE

STATEMENT OF RUBEN McCLOSKEY, COORDINATOR ROSEBUD SIOUX TRIBE HEALTH AND WELFARE COMMITTEE

ACCOMPANIED BY LLOYD REYNOLDS, AMBULANCE DIRECTOR

ROSEBUD SIOUX HEALTH SERVICES

Senator CHILES [presiding]. We will reconvene our hearing now.

Mr. Ruben McCloskey?

Mr. MCCLOSKEY. Senator Chiles, my name is Ruben McCloskey, and I am coordinator for Rosebud Sioux Tribe Health and Welfare Committee. On my right is Mr. Lloyd Reynolds who is the ambulance director.

Rather than go over the statement of mine I would wish that you would accept this.

Senator CHILES. We would accept the statement.

Mr. MCCLOSKEY. I would like to hit on some of the highlights, sir.

Senator CHILES. All right, sir.

Mr. MCCLOSKEY. First I would like to talk about the new health care facility at Rosebud. We were asking for $10,700,000 and they are giving us $10,272,000 which is a difference of $420,000 or 4 percent.

Two years ago we also testified for a new health facility at Rosebud. The one we have is inadequate. It is substandard. It has been condemned, and this is one of the main things that we are going after, a new facility for the people. There isn't near enough room to take care of the people being serviced there, nor is there enough bed space.

Another thing we would like to talk about is the Rosebud Service Unit unmet needs. There are so many things we need moneywise, and I could go down the list but I would rather you go through them and if you have any questions, I wish you would ask, sir.

Senator CHILES. All right, sir.

Mr. MCCLOSKEY. It is a sad thing that when we have health care for the Indian people and when our people have to come into the hospital and are not cured of the sickness but are taken care of and sent home to die, this is very bad, and this is what is happening now.

Senator CHILES. Why is that?

Mr. MCCLOSKEY. Because we don't have enough money. We don't have enough moneys for a new facility which we need real bad. We don't have enough money for the staffing, for the real professional help we do need there.

Senator CHILES. What are the total dollars you are requesting?

Mr. MCCLOSKEY. I did not total it all up, but it is all in here. All I know is that we are going to have to have—in the beginning statement it says the Rosebud Service Unit receives a total of $2,182,350. However, it is still deficient in unmet needs by $8,257,000. We are asking for $8,252,700 more. It is a primary, unmet need now, not down the road. We are not talking about the

new facility. For the new facility we are asking for an additional $10.7 million.

Senator CHILES. This other is in addition to the new facility?

Mr. MCCLOSKEY. Yes, sir. Those are unmet needs now.

Senator CHILES. All right, sir.

Mr. MCCLOSKEY. Our primary concern is health. I am all for education. I think education is beautiful for Indians, but I think housing is beautiful too for Indians. But when we are sick how can we enjoy either one.

I ask you, not only for myself but I am here to speak for the Rosebud Sioux people, that you help them in whatever way you can. Not only for them but for all the Aberdeen area, and for all the Indians across this great United States, I ask that you help them in anyway you can.

Senator CHILES. Thank you very much, Mr. McCloskey, we appreciate your appearance today.

Mr. MCCLOSKEY. Thank you, Mr. Chiles.

[The statement follows:]

This testimony pertains to DHEW IHS FY 77. Appropriation #757-0390 of which the Rosebud Service Unit receives a total of $2,182,350.00, however it is still deficient in unmet needs by $8,262,700.00.

The Rosebud Service Unit (RSU) has the responsibility for providing comprehensive health services to the Indian people residing within the Rosebud Reservation, an area totalling 5,500 square miles. Primary beneficiaries (Indian people residing within the Reservation) total approximately 8,000 people. Secondary beneficiaries (Indian people residing adjacent to the reservation, transient Indian people, and non-Indian emergency patients) total approximately 2,000.

The primary beneficiary population has an equal distribution by sex and a median age of 15.7 years. The average household has 4 rooms and houses 4.7 people. Less than 10% of households have a telephone and less than 50% have access to a car. No public transportation exists. The average per capita income is $760.00, half earned and half from other sources including leases and public assistance. The three principle sources of employment are the Federal and State Governments, Tribal Government and Educational Services. Natural resources are limited and favor agriculture and tourism.

The RSU is a 41 bed non-accredited acute care general hospital offering outpatient and inpatient services in general medicine, surgery, obstetrics and pediatrics.

The Physical plant has been judged inadequate and a proposal for a new 66 bed facility is in the Master Plan Stage of development awaiting funding.

The community is relatively isolated from sources of specialty referral care. The nearest facility offering multi specialty referral care is Rapid City, 185 miles distant. Because of the distance to other sources of health care and the limited resources other than IHS locally, it is necessary that the primary emphasis for the Service Unit be the actual delivery (as opposed to Contract funding) of the best health care possible within the available resources. Preventive medical service, screening programs, dental care, environmental health and referral contract care services are also vital functions of this Service Unit.

Out testimony to you today will be in three parts. First of all we would like to communicate to you the unmet needs of the Rosebud Service Unit, secondly the need for a new facility and its cost and finally the unmet needs for the Aberdeen Area. Backup material will be delivered to you today to support our testimony.

I. ROSEBUD SERVICE UNIT UNMET NEEDS

The existing health care delivery system satisfies only 44% of the health care needs. Therefore it is absolutely necessary to provide additional resources to meet the unmet health care needs that follow to provide adequate health care to Indian people on and adjacent to the Rosebud. Please consider assisting us in obtaining resources to meet the following:

1. An additional $669,976.00 for Contact Health Services, especially for Acute Care and Traumatic Surgery.
2. Staff services and facilities in the amount of $1,190,000.00 for local direct patient care
3. Field health bolstering is necessary in the amount of $700,000.00 for staff, services and facilities.
4. Today there are 441 homes on the Rosebud that have not been serviced with water and sewers, an additional 389 homes that were previously serviced and need upgrading and community water and sewer systems servicing 80 homes need improvement. The cost will be approximately $3,050,000.00.
5. The Direct Vision Care Program needs $25,000.00
6. $15,000.00 is a must to meet the necessity for updating the education and skills of the staff in the area of training.
7. Equipment needs at Rosebud including replacement and additional total $181,530.00. Especially a gastrosterilizer $4,000.00, complete chemistry analyzer (21 Test) $120,000.00 and volumn respirator at $8,000.00.

8. Housing at the Service Unit is very short. 21 more units are needed now at the cost of $840,000.00.
9. In the spirit of self determination $224,000.00 is needed to allow us to man and manage our health care delivery system and an additional $200,000.00 for feasability studies and grants to determine our approach to PL 93-638.
10. $239,400.00 is necessary to obtain adequate dental chairs, equipment and facilities to meet the needs in the communities of St. Francis, Norris, White River, and He Dog.
11. Construction and maintenance improvements that are absolutely necessary now are in the areas of expansion and improvement of medical records, pharmacy, the dental clinic, the elevators, ventilation, air conditioning and access and use of the facility for the handicapped will cost $545,000.00
12. The Otitus Media program needs $35,000.00
13. And finally $50,000.00 is needed to bolster the alcoholism program in the area of non-medical detox, since the number one health problem among the Indian people is alcoholism.

II. THE NEW HEALTH CARE FACILITY AT ROSEBUD

The second reason for our presentation is to discuss the need for the new Rosebud Health Facility. Our existing facility doesn't meet codes and standards established to provide acceptable medical care. Even with acceptable remodeling, the existing facility would provide only 23% of the total space needed. It is also doubtful if an improvement can be made with present poor layout and design.

The projected cost for remodeling the existing facility is $10,272,000.00 and the new complex would cost $10,700,000.00. The difference is approximately $420,000.00 or about 4%.

The image of the present health facility on the present site does not inspire confidence nor pride in either the people served or the staff providing the service.

In summary the Rosebud Health Facility on a new site is a better value for the dollar expended in terms of total health care both now and in meeting future needs of the community.

III. INDIAN HEALTH SERVICE ABERDEEN AREA UNMET NEEDS

My final statement concerns the unmet health needs for the Aberdeen Area. Problems of prime importance are:

1. Contract medical service costs are now roughly twice the amount that the same service costs when provided by the Indian Health Service.
2. Staff shortages affect the weakness of the Field Medical Program. Lack of funds affect the inability to recruite and retain enough physicians, Public Health nurses and other health professionals for an effective field medical program.
3. Housing is a major problem also affecting staff shortages. When we are able to recruite professional Health personnel, housing is in many cases unavailable.
4. Resources limit health services to hospital care rather than to the prevention of disease, disability, death or unecessary hospitalization.
5. Direct patient care activities suffer from an unbalance of funding. This unbalance has resulted in an unbalanced comprehensive health program. Funds are used for other services where increases are not budgeted as a line item.

IV. CONCLUSION

We cannot continue to do the job for so many with so few and so little. Procrastinating on our current needs will only make them more extensive and acute. Only you can provide the Rosebud Sioux Tribe and the Aberdeen Area with the resources that can meet the Health Care Crisis an Rosebud

HAYS/LODGE POLE, MONT.

STATEMENT OF GEORGE TALL CHIEF, SUPERINTENDENT OF SCHOOLS, HAYS/LODGE POLE, MONT.

INDIAN PUBLIC SCHOOL CONSTRUCTION

Senator CHILES. Our next witness will be Mr. George Tall Chief, Hays/Lodge Pole, Mont.

Mr. TALL CHIEF. Mr. Chairman, let me introduce myself. George Tall Chief, superintendent of schools, Hays/Lodge Pole, Mont.

I would like to read paragraph 2 here.

Senator CHILES. All right, sir.

Mr. TALL CHIEF. Although I present the needs of Hays/Lodge Pole School District, I would like to urge full funding of Public Law 93–638, an appropriation of $35 million for Indian school construction.

We believe that Indian self-determination is as little or as much as one Indian child who decides to work to realize his full potentials. We know that in order for the prairie to become green, a single blade of grass must first become green. It is with this policy of self-determination.

Unless thousands of Indian school children decide to self-actualize their individual destinies, the policy of Indian self-determination shall fail. Indian children should not be expected to accept deteriorating, poorly planned, inadequate school facilities as a symbol of Indian self-determination.

On the other hand, we may influence our children in a positive way by providing modern, flexibile, and community planned facilities that reflect our cultural values and our primary concern for the future of our children.

Our time is short, our need is great, and I urge your support of the full authorization of Public Law 93–638.

Now, as superintendent of Hays/Lodge Pole School District No. 50, Hays, Mont., I am pleased to be here today to discuss with you my school district's critical need as one of the applicants under Public Law 93–638 for an appropriation of $4,499,993 to provide the following: 1. To construct and equip a combination high school/elementary facility for approximately 350 Indian students in grades K–12. 2. To construct and equip 20 units of professional staff housing.

I would like to make some comments here. Our school building was built in 1920, a frame building. We have had many surveys run and the health department has been out, the county health department. The building has been condemned. The joists and lower part of the building are in very poor shape. As a matter of fact, they need to be replaced. And if we can't replace them, if we have to keep remodeling the old building, one of these days the floor will drop out from under us. It is a pretty full situation.

We were granted a high school in 1973 by the State Department district, and we opened the high school with 48 students. This year we have 91, and we are looking next year at 135 students. With funding, if we were to get a new building, we could say that our

student enrollment would practically double within the next 2 or 3 years. We have received a direct appropriation for $135,000 for planning money. We have plans up to the schematic drawings which I have here. We are progressing rapidly, but we are at a standstill of funding to construct the building with. Also, we are so isolated. We are 41 miles from the closest town to us. That is why we have to have staff residents, because there is no housing for them.

In our particular district, as an illustration, one mill brings to our district $123.38 as compared to a district of the same size in the same area in northern Montana one mill brings $4,800. If we bonded to full capacity and would do that over a long period of time, we might be able to build one classroom every 50 years to pay off the obligation.

At the end of my statement I urge your favorable consideration for Hays/Lodge Pole and for the funding of Public Law 93–638 for the full appropriation.

I would answer any questions you have, sir.

Senator CHILES. I have no questions. It sounds like you do have some critical unmet needs.

Mr. TALL CHIEF. I brought some snapshots that maybe you would like to look at without my going through them. I would leave them with you, sir.

Senator CHILES. If you could leave a few, we would be glad to look at them.

Thank you, sir.

Mr. TALL CHIEF. Thank you.

[The statement follows:]

Honorable Chairman and Members of the Committee:

Although I present the needs of Hays/Lodge Pole School District, I would like to urge full funding of Public Law 93-638, an appropriation of $35,000,000.00, for Indian school construction. At Hays/Lodge Pole, as in other Indian school systems, we believe that Indian self-determination is as little or as much as one Indian child who decides to work to realize his full potential. We know that in order for the prairie to become green, a single blade of grass must first become green. So it is with the policy of self-determination. Unless thousands of Indian school children decide to self-actualize their individual destinies, the policy of Indian self-determination shall fail. Indian children should not be expected to accept deteriorating, poorly-planned, and inadequate school facilities as a symbol of Indian self-determination.

On the other hand, we may influence our children in a positive way by providing modern, flexible, and community-planned facilities that reflect our cultural values and our primary concern for the future of our children.

Our time is short, our need is great, and I urge your support of the full authorization of P.L. 93-638.

Now, as Superintendent of Hays/Lodge Pole School District No. 50: Hays, Montana, I am pleased to be here today to discuss with you my school district's critical need as one of the applicants under P.L. 93-638 for an appropriation of $4,499,993.00 to provide the following:

1. To construct and equip a combination high school/elementary facility for approximately 350 Indian students in grades K-12.

2. To construct and equip 20 units of professional staff-housing.

With your permission, I would like to further explain our needs and then answer any questions you may have.

Our high school facility is in need of constant renovation. Except for the addition of two classrooms and a multi-purpose room constructed in 1959, the present high school facility has been in use since the early 1920's. In 1973, in a study of building needs conducted by the Division of Educational Research and Services of the University of Montana, the condition of the high school facility was described in the following terms:

> The general condition of the original building is very poor, while the new addition and trailers are fair. The teachers' area is obsolete and does not provide space for curricular materials or adequate room in which to work. The guidance area is totally inadequate. Rest rooms do not meet minimum standards and currently are inadequate for the number of students.
>
> The library, the single most important area of the school, does not incorporate an instructional materials center concept. There is no room in the library for students to move freely and to study. Within its present confines, the library does not allow for expansion with the addition of new materials nor is there sufficient area for storage. 1

A report issued by the Blaine County Sanitation Department; Chinook, Montana, stated that:

> Due to unprojected growth of the population in this school district, prior planning was insufficient to meet the present and projected needs of this school next fall. The addition of needed equipment in an inadequate space is only temporary relief, as the original installation was inadequate to meet present needs of this growing community.
>
> From the last inspection reports, the original structure indicates that dry rot is attacking the floor joists, hindering the occupation of this structure as dangerous. Reinforcing or replacing the floor joists in this building is imperative to the continued operation as classrooms, or for any public use. In the near future, if this section of the building is not repaired, the building is likely to collapse; killing or injuring many children. Steps should be taken to abandon those classrooms before some tragedy occurs.

> The Hays' Public School is used as a community multi-purpose building 18 hours a day; thus rendering it impossible for school personnel to maintain any degree of cleanliness or sanitation.[2]

Our elementary school is composed of 12 trailers. The elementary library (25' X 25') shares space with the administrative office. Children must move from trailer to trailer in poor weather to attend classes in science, music, and speech.

In another construction needs study conducted by the Bureau of Indian Affairs in 1973, Hays/Lodge Pole was recognized as having building needs of greater urgency than 158 other Indian schools throughout the nation.[3]

In March of 1976, the Department of Health, Education, and Welfare listed the Hays/Lodge Pole School District as fifth in priority building needs.[4]

In addition to the need for a combination elementary/high school facility, another critical need facing our school district is the construction of adequate housing for the professional staff. Thirty-three of our professional staff live in 11 permanent and ten temporary (trailer) housing units. The social and geographic isolation of the community requires that staff housing be adequate. We feel that new housing will significantly lower our average annual staff turnover of fifty percent.

I have presented our needs, but what are the local resources that may be applied to these needs? It is interesting to note that a one-mill levy raises approximately $123.38 in our school district. By comparison, a typical small school district in Northern Montana has a taxable valuation such that one mill yields approximately $4,800.00. At maximum legal bonding capacity, the Hays/Lodge Pole District <u>may</u> be able to build one additional classroom

In summary, it is impossible to develop an educational program that meets the needs of our children without the addition of adequate and carefully-planned facilities for our children and our professional staff.

Our children need to experience and explore the varied possibilities of a well-planned facility. A stable community professional staff will remain only a dream unless we can provide housing that is adequate in number and in quality.

I urge your favorable consideration for Hays/Lodge Pole and for the funding of P.L. 93-638 for the full appropriation.

REFERENCES

1. Division of Educational Research and Services, Dr. Lyle Berg, Director, Hays/Lodge Pole, Montana, An Analysis of Critical Building Needs, Fall, 1973. University of Montana, Missoula, Montana.

2. Blaine County Sanitation Department, Food Survey, Chinook, Montana, January 30, 1974.

3. Bureau of Indian Affairs, Contract No. 14-20-0150-1122, Public School Survey of Construction Aid Needs Related to the Education of Reservation Indian Children, National Indian Training and Research Center, Tempe, Arizona, 1973, Pp. 24-25.

4. U.S. Department of Health, Education and Welfare, Order of Priority Indices and Funds Needed, Subsection 14(a) and 14(b), Washington, D.C. March, 1976.

NATIVE AMERICAN HEALTH CENTER

STATEMENT OF MS. BELVA COTTIER, EXECUTIVE DIRECTOR, THE NATIVE AMERICAN HEALTH CENTER

URBAN INDIAN HEALTH NEEDS

Senator CHILES. Ms. Cottier is our next witness.

Ms. COTTIER. Good afternoon. A group of our urban Indian projects testified this morning and there were two more on the docket this afternoon. They had to leave so I will do the best I can here. My testimony would be basically on our Urban Indian Health Board and the Native American Health Center in San Francisco. I am Belva Cottier, executive director of the Native American Health Center sponsored by the Indian Health Board, San Francisco, Calif. Here is a summary and background as to why this Urban Indian Health Center was started.

We found in our survey that there was a great need for health care in the urban area, being there are approximately 45,000 Indians in this nine bay area counties which we cover. In these counties we found that there was a higher majority of Indians in three main counties of Alameda, Santa Clara, and San Francisco. Most of these Indians, according to our survey, were relocated by the Bureau of Indian Affairs under the relocation program.

The beginning of the program started—the need, as I mentioned before, due to the fact that the Bureau of Indian Affairs brought these relocatees in and gave them at first only a 6-month coverage for health care, although the training programs were usually about 2 years.

Many of these students were left without health care. And there was also the State of California residency law at that time which stated that they had to be residents of this area 3 years before they would obtain any assistance from the State.

Senator CHILES. Ms. Cottier, we will put your statement in full in the record. Because of our time constraints this afternoon if you could brief this for us. I am afraid we will not be able to finish otherwise.

Ms. COTTIER. The main point I want to make is more or less pages toward the back here.

The relocation of the Indian urban area, and that urban Indians seem to be a third dimensional person in every grant program we have as far as Congress is concerned. They feel that the urban Indian can exist on his own in his area, but we have the same problems as on the reservation, and there is a very high percentage of us.

I would like to mention the one serious aspect of the Indian Self-Determination Act. It leaves us in a quandary because they are saying in the bill that we have to be approved by Indian Health and the Bureau of Indian Affairs. We are trying to make you understand that this leaves us in a quandary. It is a good bill, Indian Self-Determination, but what happens to their community when they don't define just what an Indian is and who he is? We being urban Indians on or off the reservation policy affects us very deeply out there. It would affect our funding mechanism also.

Senator CHILES. What specific appropriation are you speaking to?

Ms. COTTIER. I am speaking of the appropriation that Indian Health gives to the California Urban Indian Health Council in the State of California. Although we have received $354,000 for urban projects and we are funded not for direct health care but for indirect health care. In other words, we can't get moneys to pay for our doctors. We could only get moneys for outreach community, referrals.

Senator CHILES. You see this as a problem where people are coming out of the woodwork and claiming to be Indians to get the care?

Ms. COTTIER. That is right. To make use of Indian programs. There haven't been any definite position as to who is an Indian and who isn't.

Senator CHILES. What amount of blood they have to have or what degree?

Ms. COTTIER. That is right. Some say a quarter, some say an eighth, and this leaves us in a quandary. The other situation is reverse discrimination when we have Indian moneys to use and they are specified for use of the Indian. Then we have civil rights law on the other side stating that we have to not discriminate against others. So the urban Indian is really—has really a problem.

Senator CHILES. Thank you very much for your testimony.

[The statement follows:]

I AM BELVA COTTIER, EXECUTIVE DIRECTOR OF THE NATIVE AMERICAN HEALTH CENTER SPONSORED BY THE INDIAN HEALTH BOARD, SAN FRANCISCO, CALIFORNIA.

HERE IS A SUMMARY AND BACKGROUND AS TO WHY THIS URBAN INDIAN HEALTH CENTER WAS STARTED.

WE FOUND IN OUR SURVEY THAT THERE WAS A GREAT NEED FOR HEALTH CARE IN THE URBAN AREA, BEING THERE ARE APPROXIMATELY 45,000 INDIANS IN THIS NINE BAY AREA COUNTIES WHICH WE COVER.

IN THESE COUNTIES WE FOUND THAT THERE WAS A HIGHER MAJORITY OF INDIANS IN THREE MAIN COUNTIES OF ALAMEDA, SANTA CLARA, AND SAN FRANCISCO. MOST OF THESE INDIANS, ACCORDING TO OURSURVEY, WERE RELOCATED BY THE BUREAU OF INDIAN AFFAIRS UNDER THE RELOCATION PROGRAM.

THE BEGINNING OF THE PROGRAM STARTED—THE NEED, AS I MENTIONED BEFORE, DUE TO THE FACT THAT THE BUREAU OF INDIAN AFFAIRS BROUGHT THESE RELOCATEES IN AND GAVE THEM AT FIRST ONLY A SIX-MONTH COVERAGE FOR HEALTH CARE, ALTHOUGH THE TRAINING PROGRAMS WERE USUALLY ABOUT TWO YEARS. MANY OF THESE STUDENTS WERE LEFT WITHOUT HEALTH CARE. AND THERE WAS ALSO THE STATE OF CALIFORNIA RESIDENCY LAW AT THAT TIME WHICHSTATED THAT THEY HAD TO BE RESIDENTS OF THIS AREA THREE YEARS BEFORE THEY WOULD OBTAIN ANY ASSISTANCE FROM THE STATE.

OF COURSE, SINCE THEN IT HAS BEEN BROKEN DOWN. BUT THE OTHER—WE FOUND NEED FOR HEALTH CARE WAS THE LACK OF WORK, UNEMPLOYMENT. WE FOUND THAT 30 PERCENT OF THE INDIANS IN THIS AREA WERE UNEMPLOYED, AND THE OTHER PERCENTAGE HAD ONE WORKING MEMBER IN THE FAMILY, USUALLY A FEMALE.

THE FAMILIES WERE YOUNG—SAY, THE AVERAGE WAS ABOUT 27 YEARS OF AGE WITH ABOUT FOUR OR FIVE CHILDREN. SO YOU CAN FIND THERE WHAT THEIR MUNDANE INCOME WAS HERE. IT WAS ABOUT THE SAME AS YOU'LL FIND ON THE RESERVATIONS.

WE ARE LOCATED HERE IN SAN FRANCISCO AT 56 JULIAN AVENUE. WE HAVE AT PRESENT WE SERVE APPROXIMATELY 2,000 PATIENTS A MONTH, AND ONE-FIFTH OR ONE-THIRD OF THAT IS NONINDIAN.

WE HAVE TO DO THIS DUE TO THE FACT THAT WE DO RECEIVE STATE MONEY AND HEW MONIES WE RECEIVE A SMALL PERCENTAGE FROM INDIAN HEALTH, BUT ONE FO THE GREATEST PROBLEMS HERE IS THAT IT IS AN ODD SITUATION, BUT WE HAVE TO FIGHT TO REMAIN AN INDIAN. MANY TIMES IN HEALTH SERVICES YOU RUN INTO THE PROBLEM OF THE REVERSE DISCRIMINATORY ACTION.

BY THAT I MEAN, BY STATING THAT WE ARE GIVING HEALTH CARE TO AMERICAN INDIANS ONLY. MANY TIMES YOU RUN INTO THE SITUATION—ALTHOUGH WE ESTABLISHED FOR THE PURPOSE.

IT SHOULD BE NOTED THAT MANY OF OUR PEOPLE ACCORDING TO NATIONAL HEALTH STATISTICS OUR LIFE EXPECTANCY IS—THE GENERAL LIFE EXPECTANCY IS 70 YEARS OR MORE, BUT THE AMERICAN INDIAN USUALLY IS 44 YEARS. AND THE HIGHEST RATE OF DISEASES—WE HAVE A HEGHER INFANT MORTALITY RATE, TUBERCULOSIS RATE IS STILL HIGH. WE HAVE DIABETES IT IS ONE OF THE HIGHEST INCIDENTS. THERE IS A VERY HIGH ALCOHOLISM RATE.

THERE ARE ABOUT—AT FIRST WE ESIMATED ABOUT30,000, BUT LIKE I SAID BEFORE, THERE ARE ABOUT, 45,000 INDIANS, ANDMOST OF THE FAMILIES WE FOUND THAT—THEY HAD A HIGH RATE OF, I THINK— WELL, WE FOUND IN OUR SURVEY THAT THEIR GREATEST NEED FOR HEALTH CARE WAS IN THE AREA OF EMERGANCY HEALTH CARE, EYE CARE AND EYE AND EAR CARE.

AT PRESENT WE HAVE THREE DOCTORS THAT WORK FOR US. WE HAVE NURSES; WE HAVE A STAFF INCIDENTALLY OF 62. WE ALSO ARE A SPONSOR OF THE DETOX PROGRAM UNDER MR. TOM ALLEN.

WE STILL HAVE A PROBLEM WITH OUR FINDING, ESPECIALLY IN THE AREA OF INDIAN HEALTH. ONCE AGAIN, WE RUN INTO THE SAME PROBLEM AS THE EDUCATIONAL PROGRAMS. THEY SAY, THE BUREAU OF INDIAN AFFIARS SAYS " IN OR NEAR" A RESERVATION. SO, THEREFORE, THE URBAN INDIAN IS THE STEPCHILD, HE'S THROWN BETWEEN THE FEDERAL GOVERNMENT AND THE BUREAU OF INDIAN AFFAIRS, AND ON THE OTHER HAND, THE STATE TOSSES THE BALL BACK AND FORTH.

WE ARE IN BETWEEN. FOR INSTANCE, THEY WILL SAY WITH THE STATE PROGRAM, WHY DO YOU NEED FUNDING? GO TO THE FEDERAL GOVERNMENT. AND I GO TO THE FEDERAL GOVERNMENT AND THEY SWING BACK TO THE STATE. SO I HAVE LEARNED TO DO IS PITCH ONE AGAINST THE OTHER AND FINALLY GET SOME FUNDING OUT OF IT.

AND INDIAN HEALTH SO FAR FUNDS ONLY ONE—FIFTH OF OUR PROGRAM. AND THIS IS THE REASON WHY WE HAVE RECEIVED ONLY 30,000 FROM THE INDIAN HEALTH, ALTHOUGH WE HAVE A BILL NOW PENDING IN WASHINGTON. AND THAT BILL IS FIVE TO TWO. AND THIS WAS THE INDIAN HEALTH CARE IMPROVEMENT ACT. BUT I UNDERSTAND THAT NOW IT HAS BEEN THROWN BACK TO THE INSULAR AFFAIRS COMMITTEE AND HAS MORE OR LESS HAS BEEN THROWN BACK FOR US TO START TESTIFYING AGAIN, ALTHOUGH WE HAVE BEEN UP THERE THREE YEARS IN A ROW TRYING TO GET INDIAN HEALTH MONIES.

NOW, WE ARE ALSO ASKED BY ALL THE PROGRAMS TO GO INTO THIRD-PARTY REIMBURSEMENT. AND MOST OF OUR PEOPLE ARE ON WELFARE.

WE GENERALLY PUT THEM ON MEDI-CAL, BUT EVEN THEN, THERE IS THE GRAY LINE WHERE THERE ARE FAMILIES IN THE LOW MUNDANE INCOM THAT MIDDLE INCOME BRACKET THAT AREN'T COVERED BECAUSE THEY MAY BE ABOVE THE POVERTY LEVEL, BUT, YET, THEY HAVE A LARGE FAMILY AND EARNING A LOW WAGE. SO THIS IS A PROBLEM OF GETTING HEALTH CARE FOR OUR AMERICAN INDIANS HERE.

I MIGHT ALSO MENTION, THAT WE DO HAVE A DENTAL CARE UNIT IN THE CLINIC. WE ARE ALSO INVOLVED IN THE WIC PROGRAM, CHILD SCREENING.

WE HAVE A COMMUNITY HEALTH AID EDUCATIONAL HEALTH PROGRAM, AND WE HAVE TRIED TO FORM WHAT WE CALL MULTI-PURPOSE UNIT, DUE TO THE FACT THAT THE INDIAN, WHEN HE COMES, IS TOSSED—HE IS MOT USED TO BEING TOSSED FROM ONE AGENCY TO ANOTHER WHEN HE'S ON THE RESERVATION, BECAUSE HE GETS FREE PUBLIC HEALTH CARE THERE, HE ALSO ASSOCIATED WITH ONE AGENCY, THAT IS THE BUREAU OF INDIAN AFFAIRS.

WHEN HE GETS OUT TO THE URBAN AREAS HE IS FACING MANY OTHER MINORITIES, HE'S ALSO FACING THE NEW TYPES OF FORMS, PAPERS. FOR INSTANCE, THE WELFARE DOCUMENT IS ABOUT 19 PAGES LONG. AND GENERALLY SOME OF THEM HAVEN'T HAD TO DO THIS, MUCH PAPERWORK, EVEN GOING UP TO INCOME, THE INCOME TAX PAPERS.

ALSO WE HAVE A SOCIAL SERVICE TO HELP THE INDIANS WITH THIS PORTION. AS I STATED BEFORE WE HAVE FORMED MULTI-PURPOSE UNITS.

I WOULD LIKE TO THROW IT OUT NOW FOR ANY QUESTIONS THAT YOU MIGHT HAVE.

I HAVE SOME RECOMMENDATIONS I WOULD LIKE TO MAKE,

I WOULD LIKE TO MENTION ONE SERIOUS THING THAT IS INVOLVING THE WHOLE INDIAN ORGANIZATION AS FAR AS URBAN INDIANS ARE CONCERNED. I KNOW IT HAS COME DOWN TO US THROUGH THE HEALTH ORGANIZATIONS. THERE ARE APPROXIMATELY 17 LARGE URBAN INDIAN HEALTH ORGANIZATIONS ACROSS THE COUNTRY. RECENTLY WE FOUND THAT THE NEW INDIAN SELF-DETERMINATION ACT—THAT'S 93639 — IS INDICATING THAT ALL URBAN PROJECTS HAVE TO BE APPROVED BY TRIBAL ORGANIZATIONS.

WE DON'T KNOW WHETHER THIS IS A GOOD THING OR A BAD THING, BECAUSE AS FAR AS THE INDIAN HEALTH IS CONCERNED, WE ARE GOING TO HAVE TO BE APPROVED BY TRIBAL GROUPS IN ORDER TO RUN OUR URBAN INDIAN HEALTH ORGANIZATIONS.

WE ARE TRYING TO FIND A WAY NOW—WE FORMED A COMMITTEE TO DEAL WITH THE TRIBAL GROUPS TO FIND OUT HOW WE CAN WORK THIS MECHANISM.

IT WAS A LAW THAT WAS INITIATED WITHOUT PARTICIPATION OF THE URBAN INDIAN. RIGHT NOW IT'S A LAW THAT IS REALLY THROWING THE INDIANS IN A TURMOIL BECAUSE THE TRIBAL GROUPS ARE WONDERING HOW WE CAN WORK THIS MECHANISM TO WORK BACK AND FORTH BETWEEN URBAN INDIANS AND THE RESERVATION INDIANS.

ONE SUGGESTION WAS THAT WE GET CARDS THAT, FOR INSTANCE —"I'M SIOUX. I'M AN ENROLLED INDIAN." BUT WHAT THEY'RE ASKING US TO DO IS GET A CARD, AN IDENTIFICATION CARD THAT WILL SHOW OUR TRIBAL NUMBER, THE DEGREE OF BLOOD. IN HEALTH ORGANIZATIONS WE ARE ASKING FOR THE INDIAN IDENTIFICATION AS BEING A QUARTER. BECAUSE WE FIND THE SAME INCIDENTS THAT I UNDERSTOOD THAT EDUCATION IS RUNNING INTO IS THAT SO MANY PEOPLE WE CALL THEM "BOODWORK INDIANS"-THEY ARE COMING OUT OF THE WOODWORK AND NOW CLAIMING THAT THEY ARE INDIANS IN ORDER TO PARTICIPATE IN SOME OF THESE PROGRAMS.

AND THAT IS THE ONE PROBLEMS WE ARE HAVING. ANOTHER PROBLEM WE ARE HAVING IS WE ARE A COMMUNITY ORGANIZED HEALTH ORGANIZATION, BUT MOST OF THE FREE CLINICS OR COMMUNITY CLINICS ARE GETTING A HASSKL FROM THE STATE DEPARTMENT OF PUBLIC HEALTH. AND, REALLY, I GUESS IT IS A FACT THAT WE ARE GIVING SERVICE THAT THEY SHOULD HAVE BEEN RENDERING THEMSELVES.

MANY TIMES I'LL PRESENT PROPSALS SAYING I HAVE TO GO ONCE AGAIN FROM—THROUGH STATE, AND THEN THEY TOSS IT BACK TO THE COUNTY, MAYBE THE CITY WILL FUND, MAYBE FEDERAL WILL FUND. SO WHEN I PRESENT NY PROPOSAL, I HAVE TO SENT THEM OUT LIKE A DECK OF CARDS AND HOPE ONE WILL WIN.

SO FAR AS WE UNDERSTAND UNDER THE BUY-INDIAN ACT, THAT'S THE ONLY ONE URBAN INDIAN CAN GO BY.

THERE'S ALSO THE SNYDER ACT THAT THE BUREAU OF INDIAN AFFAIRS IS SUPPOSED TO BE GOING UNDER, AND THE SNYDER ACT STATES THAT YOU SERVE INDIANS THROUGHOUT THE UNITED STATES AND NOT JUST THE LAND TRUST INDIAN OR "ON OR NEAR THE RESERVATIONS."

WE FIND A LOT OF RESERVATION INDIANS COMING OUT THERE TO OUR CLINICS, AND WE TAKE CARE OF THEM WITH ASKING A QUESTION AS TO WHAT RESERVATION THEY ARE ON OR WHAT THEIR HEALTH STATUS IS. WHEN AN URBAN INDIAN GOSE BACK TO THE RESERCATION—FOR INSTANCE, WE HAD PROBLEMS WITH GETTING OUR YOUNG MOTHERS AND THEIR CHILDREN DELIVERED IF THEY'RE PREGNANT OR WHEN THEY ARE PREGNANT, AND THEY HAVE TO REESTABLISH RESIDENCE AS FAR AS WE'RE CONCERNED—AS FAR AS THE RESERVATION IS CONCERNED.

SO THAT IS WHAT WE ARE TRYING TO SETTLE. IT IS OFF THAT THE TRIBAL GROUPS ARE SUPPORTIVE AND THE URBAN GROUPS ARE SUPPORTIVE, BUT IT IS THE LAW ITSELF AND ITS STIPULATIONS AND REGS THAT IS GOOFING US UP.

WE FIND THAT, RIGHT NOW THERE IS NO DEFINITE WAY OF IDENTIFYING SOME INDIANS. FOR INSTANCE, SOME OF MY CHILDREN WERE BORN OFF THE RESERVATION. THEY WERE BORN HERE IN THE URBAN ARES. I ASKED ONE REPRESENTATIVE OF THE BUREAU OF INDIAN AFFAIRS, AND HE STATED THAT THEY WERE JUST non-INDIANS IF THEY WEREN'T ENROLLED.

WHAT ARE YOU WHEN YOU ARE IN A STATUS LIKE THAT? THAT IS ONE PROBLEM WITH THE LAW. THE OTHER IS THAT SO MANY RESERVATIONS WILL STATE THAT SO LONG AS AN INDIAN MAN MARRIES A non-INDIAN WOMAN, THEIR CHILDREN ARE CONSIDERED INDIAN. BUT ONCE AN INDIAN WOMAN MARRIES A WHITE MAN, THEN THEIR CHILDREN AREN'T CONSIDERED INDIANS.

SO THIS IS THE PROBLEM WE ARE COMING TO. AND THE OTHER PROBLEM IS THAT IF WE DO ENROLL BACK TO THE RESERVATIONS, ARE WE—ARE THE URBAN INDIANS ESTABLISHING THEIR OWN PROGRAM, DOING OUR OWN THING WITH OUR OWN MONEY, GOING TO COME BACK INTO THE JURISDICTION OF THE BUREAU OF INDIAN AFFAIRS?

THESE ARE THE QUESTIONS THAT ARE BOTHERING US NOW.

WHITE MOUNTAIN APACHE TRIBE

STATEMENT OF RONNIE LUPE, WHITE MOUNTAIN APACHE TRIBE

Senator CHILES. Our next witness will be Ronnie Lupe of the White Mountain Apache Tribe.

Mr. LUPE. Mr. Chairman, we have a very brief prepared statement from my tribe. Due to the element of time I will summarize it.

Senator CHILES. Thank you, Mr. Lupe. We will put your statement in the record.

Mr. LUPE. Mr. Chairman, I brought members of my tribe and also Dr. Michael Everett. He is our health director. It is a brand new program that we have started on our reservation, and it is working to the benefit of our people. Billy Kane, immediately to my left, is the health, education, welfare chairman of our tribe and previously a member of the tribal council, the governing body of our tribe. Immediately to his left is Mr. Raymond Endfield, who is the advisory board chairman of the new health board on our reservation.

WHITERIVER HOSPITAL

We were here last year, Mr. Chairman, in reference to our need for appropriation in the amount of $13,050,000 last year. This year we understand due to escalation cost and other things going up the figure has gone up to $14 million to construct a very badly, direly needed health facility.

The health facility that we now utilize was built back in 1928. It is a health hazard from every measure you look at. It is a danger and a fire hazard. There are other things that contribute to the bad service. We have to run the shuttle to Phoenix 200 miles away, even as far as San Francisco, to provide some health care for the people. I do not have the figures as to cost, but I understand that it is tremendous.

Mr. Chairman, we respectfully submit our statement before you this afternoon, and we appreciate the opportunity given to us to present our position for the White Mountain Apache Tribe from Arizona.

We ask that you appropriate $14 million for the badly needed Whiteriver Hospital.

Thank you, Mr. Chairman.

Senator CHILES. Thank you for your testimony.

Dr. Everett, you have been on board for about 1 year, is that correct?

Dr. EVERETT. About 4 months now.

Senator CHILES. Four months. I notice that the mortality rate has dropped from 73 to 33. It is still a high figure, but that is a pretty dramatic drop. What was the reason for that? Is that a single year figure, or is there some reason that we are making some progress?

Dr. EVERETT. Over the past 4 years we have had in operation on the reservation a special maternal and child health program which is funded with Federal moneys run through a hospital in Phoenix. That program working in cooperation with the Indian Health Service staff is primarily responsible for that reduction in the mortality rate.

Our problem is, you can see from our report, is that that project in particular is in imminent danger of losing its funding. Public Health Service has no funds to continue that project. Given the significant benefit of that project, the progress in that particular area, even though we are still having major problems, we are looking at perhaps losing that program and an increase, an upswing in that problem.

Senator CHILES. Because Public Health will not fund that anymore?

Dr. EVERETT. There just doesn't seem to be any funds anywhere to continue that project. We are trying, but it doesn't look too good.

Senator CHILES. What is the reason for this tremendous incidence of pneumonia among the children, 50 percent?

Dr. EVERETT. I think poor housing, but I would like these other gentlemen to express their opinions as well.

Mr. LUPE. It is caused by several things. One is the rural area, but the main cause is that we have very poor health service facilities, both delivery and the facility there is very poor.

As much as we can we utilize the facility, but due to the delivery of service, the way it is delivered, inadequate, and from every point of measure, that is what contributes to the high mortality rate. We try to stress sanitation, health improvement program in the home, also individually. You must understand, Mr. Chairman, the people are isolated and away from the greater metropolitan area. Our identity and culture and what not, we like to maintain those, but we are people wishing the best for our position, contribute to our area. We like good health for our people, and that is one of the reasons why we are here.

Senator CHILES. What is the size of your area? I see you have 8,000 people. What kind of land acreage are you talking about?

Mr. LUPE. Rough figure, it is 1.6 million acres, a little over 600,000 acres of land. It is in the east-central part of the State of Arizona. It is a halfway point between Phoenix and Albuquerque, both directions 200 miles.

Senator CHILES. Thank you for your testimony.

Mr. LUPE. Thank you, Mr. Chairman.

[The statement follows:]

Mr. Chairman, members of the subcommittee, we are extremely pleased to have this opportunity to represent the Arizona White Mountain Apache people at this Indian Health Service appropriations hearing. I am Ronnie Lupe, Chairman of the White Mountain Apache Tribe, and accompanying me are Mr. Billy Kane, Tribal Health, Education, Welfare Committee Chairman, Mr. Raymond Endfield Jr., Tribal Health Advisory Board Chairman, and Dr. Michael Everett, Tribal Health Director. This year, as last year, we have spent considerable time, money, and effort to appear here before you in order to present information on the critical health care problems facing our people. We respectfully recommend that these problems can be most effectively attacked by your support of the following: (1) increased Indian Health Service funding, especially for new positions; (2) immediate funding for the new Whiteriver Indian Health Service Hospital; (3) the Indian Health Care Improvement Bill (S. 2938, H. 2525) for manpower training and development; (4) funding for the American Indian School of Medicine; and (5) meaningful implementation of PL. 93-638 on Indian self-determination affecting health programs.

The White Mountain Apache people live in the most beautiful area of Arizona - yet we have some of the worst health conditions in the nation. Our total population is almost 8000 people living in 10 communities- yet we face health care problems considered rare in larger non-Indian communities. For example:

1. In 1971, our infant mortality rate was 73 per 1000 live born infants between the ages of birth, and one year. Last year, the rate had dropped to 33. The national average is 18. Our post-neonatal death rate (one month to one year of age) last year was 18/1000. The national post-neonatal mortality rate was 4/1000.

2. Mortality rates from alcoholic cirrhosis and suicide on our reservation are two to three times higher than the national average.

3. Among our children, the incidence of otitis media (middle ear infection) is over three times the national rate.

4. For the national population, a child with pneumonia is considered medically significant. The incidence of pneumonia among our children is 50% !

The health care resources available to us to mount a counter-attack against these shameful conditions are themselves so inadequate as to be unbelieveable. For example:

1. Our maternal and child health project, which has proven so effective, is in imminent danger of losing continued funding. The Indian Health Service has no funds to continue this program nor to absorb the services rendered.

2. The community of Cibecue is 50 miles from the Indian Health Service Hospital. There is no on-site ambulance service. The only emergency vehicle available is not equipped for intravenous fluid therapy. There is no permanent medical staff, even for emergency care, for the three communities of western reservation area.

3. Only one Indian Health Service laboratory staff member is currently trained to do blood cross-matching. In a recent emergency this problem created life-threatening situation. This constant problem has yet to be corrected.

4. Radiology Consultants providing contract x-ray services at the Indian Health Service Hospital notified us that they can no longer perform x-ray studies using the inferior equipment available in the best interest of minimum standards of safe, and effective patient care.

5. Indian Health Service Hospital laboratory staff regularly works additional week-end shifts. Two temporary CETA positions are to be terminated, resulting in a substantial delay for out-patient x-rays, no routine in-patient work during day shifts, as well as other safety hazards.

6. The Indian Health Service Hospital Pharmacy, operating at 20% of full staffing with a 44% increased workload, is halting direct pharmacy visits (thus requiring additional physician/patient time) and is unable to monitor in-patient drug usage which is a hospital accreditation requirement and is creating a severe health hazard.

7. With only two dentists, the Indian Health Service Hospital dental program operates at 50% of recommended staffing providing only 16% of services required. Only Elementary-grade school children are seen on a regular basis. Services have been reduced to restrict routine, and prosthetic dental work for adults to the summer months, with the expectation that many people will be referred at their own expense to private dentists.

8. Not a single White Mountain Apache student is currently in training for a health career other than practical nursing, and only six students are able to participate in the summer work experience program at the Indian Health Service Hospital - despite well-documented cross-cultural problems in the use of non-Apache health care staff.

9. A great many of our old people die in an alien environment, far from home because adequate health care facilities are not available locally. This problem could be attacked if our old Indian Health Service Hospital could be converted to an extended care facility.

Gentlemen, these conditions are disgraceful and intolerable. As I stated last year in my testimony, our people are suffering while we stand by - frustrated by lack of funds, facilities, and knowledge. We need your understanding and your help, and we respectfully solicit your support for increased federal funding for Indian health programs and more important now than ever before, for appropriations for our new desperately needed Whiteriver Indian Health Service Hospital. Thank you.

UNITED TRIBES EDUCATIONAL TECHNICAL CENTER, BISMARK, N. DAK.

STATEMENT OF PHILIP LONGIE, ASSISTANT DIRECTOR, UNITED TRIBES EDUCATIONAL TECHNICAL CENTER, BISMARCK, N. DAK.

Senator CHILES. All right. We will go on to Warren Means, United Tribes Education Technical Center, North Dakota.

Mr. LONGIE. Good afternoon. I am sitting in for Mr. Means. My name is Philip Longie.

Senator CHILES. All right.

Mr. LONGIE. If you will just accept the statement, I will hit on some of the things.

Senator CHILES. Fine. Your statement will be printed in the record in full.

BISMARK TRAINING CENTER

Mr. LONGIE. United Tribes Educational Technical Center for fiscal year 1977 is requesting $447,375 in addition to the $1.4 million that we have been receiving through the employment assistance appropriations of the Bureau of Indian Affairs.

United Tribes is the only Indian owned and operated vocational school in the Nation. Our primary goal is to provide Indians with vocational and social skills needed to maintain and secure suitable employment. UTETC has succeeded where past attempts of the Bureau of Indian Affairs to secure employment has failed.

UTETC has overcome these problems by offering training at 10 technical and paraprofessional career fields. A measure of success of UTETC is its ability to provide this training in a residential Indian setting, and I think that has a definite impact on our graduation rate. An important measure of our success is our graduation and placement rate. Since 1972 through the first quarter of 1976, 537 were graduated. In addition, employment was secured for 447 graduates, a placement rate of 83 percent.

In future years we plan to broaden the scope and size of the programs in the vocational education area. We will be constructing a vocational skills center during the next year with the $2.5 million grant from the Economic Development Administration. We hope to offer some more tracks, and we are asking for this increase of $447,375 to maintain present programs.

Our employment assistance grant for appropriation through the Bureau of Indian Affairs has been $1.4 million for the past 3 years approximately.

That briefly summarizes my testimony.

Senator CHILES. It looks like you have a good program if you have an 83 percent employment rate. That is at the end of the first year.

Have you done any followup to see where they go from there?

Mr. LONGIE. We have written grants in our testimony that says we try to find outside funding. One of those has been a research grant, quite an extensive one which would do exactly that—follow up on our placement. We don't have the money to follow up on everybody, other than just placing phone calls.

Senator CHILES. You are asking this additional money. How are you going to expand the program with the additional funds?

Mr. LONGIE. Most of the money is just in maintaining of present programs. With inflation and everything else it has basically required about $1.8 million to operate this center. We have cut back on personnel, used CETA people, and VISTA, and everything else to try to maintain our program.

Senator CHILES. This is what you need to try to stay even?

Mr. LONGIE. Right. And hopefully with the new facility we might not be coming and asking for any more. But I don't know, that is down the road.

Senator CHILES. Thank you, Mr. Longie.

[The statement follows:]

Thank you for this opportunity to testify in behalf of the Fiscal Year 1977 appropriations request for United Tribes Educational Technical Center (UTETC). For Fiscal Year 1977, UTETC is requesting $447,375 in addition to the $1.4 million we have been receiving through the Employment Assistance Appropriations of the Bureau of Indian Affairs.

I would like to emphasize the pressing need for Indian vocational education and how the United Tribes Educational Technical Center, the only Indian owned and operated vocational school in the nation, has been meeting this goal. The American Indian's critical economic and social problems are compounded by insufficient and ineffective skills training. Indians lack the occupational skills which qualify them for employment and attract industry to reservations. As a result, 37% of working age Indians living on or near reservations are unemployed; another 18% are underemployed.

The consequences of this widespread unemployment are catastrophic. Unskilled and unemployed, our people live in misery while reservation economies continue to stagnate. Per capita average income for reservation Indians is a mere $1,115, forcing many on welfare. As Indians become more and more dependent on government assistance, their inability to enter the mainstream of American life results in frustration and the loss of self esteem. The lack of job skills creates other problems as well. For example, because Indians do not have training in farming, ranching and mining, they are rapidly losing control of their precious natural resources. In desperate need of income but unable to develop these resources, Indians are often forced to lease or even sell their lands to non-Indian farmers, ranchers and industries at below market prices. Indians thus lose not only control of their lands but also one of the few means of generating revenue and developing their own economic bases.

Meanwhile, a lack of training in social services delays progress in ameliorating reservation social problems. For example, on the sparsely populated reservations, where disease is widespread, hospitals are few, and doctors are in short supply, the ready availability of trained paramedics can mean the difference between life and death. But nowhere in the United States is there a comprehensive allied health training program for Indians. Similarly, training opportunities are limited for reservation criminal justice personnel. The major crime rate on Indian reservations is 40% higher than that of rural America and is rapidly rising. Speaking to the need for training and manpower, BIA Director of Indian Services, Theodore C. Krenzke, told the Senate Subcommittee on Indian Affairs in 1975, "Many of the law enforcement, detention and judicial inadequacies are of such gross proportions as to defy at this time meaningful preventive efforts". Approximately half of the BIA and tribal police have never received formal training.

The primary goal of United Tribes Educational Technical Center is to provide Indians with vocational and social skills needed to secure and retain suitable employment. UTETC has succeeded where past attempts by the Bureau of Indian Affairs to prepare Indians for employment have failed. The United Tribes Educational Technical Center has overcome these problems by offering training in ten technical and paraprofessional career fields. A measure of the success of UTETC is its ability to provide this training in a residential Indian setting. Only one-third of the presently enrolled students are from North Dakota; the remainder come from states across the western part of the nation. Another 203 prospective students are on the

admissions waiting list, a figure which exceeds the Center's present housing capacity by more than 150%.

A more important measure of the success of the Center is the graduation and placement rates. From the beginning of Fiscal Year 1972 through the first quarter of Fiscal Year 1976, 537 students were graduated. In addition, employment has been secured for 447 graduates, a placement rate of 83%. Graduates in Fiscal Year 1975 accepted jobs in 14 western states. Because UTETC's student body consists of the predominantely unemployed, virtually all of whom have a life-long history of failure in both education and employment, these accomplishments represent the first measure of success for most students.

The accomplishments of United Tribes Educational Technical Center can be viewed in economic terms. Since its inception in 1969, UTETC has found employment for an average of 100 graduates each year, close to three-fourths of whom were on welfare before coming to the Center. Removing these people from the welfare system has saved federal and state governments many hundreds of thousands of dollars. This boost in Indian income also increases Indians' spending power and is a crucial step toward revitalizing reservation economies.

In future years we plan to broaden the scope and size of programs in the vocational education area. We will be constructing a vocational skills center during the next year with a $2.5 million grant from the Economic Development Administration. The skills center will provide classroom and lab space for agri-science and agri-business vocations.

We are asking for an increase of $447,375 to maintain present programs. Our Employment Assistance Appropriation through the Bureau of Indian Affairs, was $1.4 million for Fiscal Year 1976 and has remained virtually unchanged for the past three years. Because of inflation, the cost of maintaining an aging physical plant, and certain unanticipated expenditures, UTETC is unable to function on its present budget.

UTETC has sought outside funds for Center-related projects and has restricted its expenditures in a Center-wide austerity program. However, these measures can have only a limited effect. Until such time as other vocational moneys, such as those under the Vocational Education Amendments of 1968, become available to institutions such as UTETC, we must rely entirely on Bureau of Indian Affairs funding. An increase in the Center's appropriation is imperative at this time.

This testimony briefly summarizes the Fiscal Year 1977 appropriations request for UTETC. However, I would like to add one further point for your consideration. The United Tribes Educational Technical Center is providing education and opportunities to an appreciable number of Indians. We wish to continue our efforts and respectfully request that you provide us with the means to do so.

Again, thank you for allowing me this opportunity to testify. I will be happy to answer any questions.

CALIFORNIA URBAN INDIAN HEALTH COUNCIL

STATEMENT OF MAE DIVIDIAN, FRESNO, CALIF., AREA DELEGATE TO THE CALIFORNIA URBAN INDIAN HEALTH COUNCIL

FRESNO URBAN INDIAN HEALTH

Senator CHILES. Our next witness will be Mae Dividian, California Urban Indian Council.

Ms. DIVIDIAN. I want to thank you for allowing me to have this time to express the needs of the urban Indians of Fresno.

The first thing I would like to bring to your attention is when our urban health came into existence in the year 1973 it had such a small amount of funds, we were only funded for referral and outreach. This is all that we had to serve our people.

Our people are having many obstacles to face within existing clinics and hospitals, and many of our people are stricken with dental needs. Our children are suffering with dental problems at an early age. I would like to ask the chairman to take into consideration that we urban Indians need to have the direct services and to have a dental clinic established in our area.

We are told by the State office in Sacramento that we have a unique problem. We have a Central Valley clinic there, but Fresno County has 18,000 Indians along with the local Indians, plus relocated Indians. It is very hard for them to adjust to the urban areas due to the fact that Fresno is an agricultural town. It has no industrial businesses where people can be trained to have better paying employment. Our people are seasonal workers and other than health our major problem is also housing. We have language barriers with our people due to the fact of the high rate of dropouts. Our people are very uneducated.

With this health program, we don't have enough money to bring better health services to our people. Our present American Indian Council which is funded through region IX of San Francisco has always had the hardship of trying to implement better programs for Indian people due to lack of not enough funds.

It seems like we are always trying to find ways of getting more moneys to bring better programs for the Indian people. Since 1966 was the only time that I remember that OEO moneys were allocated that we were fortunate enough to start our own organization which was the present American Indian Council. It seems like we are always having hardships trying to get money to really serve our people. We have very few skilled people that can work with our people. I hope that when appropriations have been looked at for the State of California that our urban health projects take consideration and much more needs for our people. We need more funds to do what we can to bring betterment to our Indian people throughout our community.

I will say again that I am very happy to be here.

Our main proposal has not been completed yet, due to the fact that we don't get information on how to prepare ourselves for hearings such as this one. California is a very wide State and populated with many Indians, and I hope that in the future lack of communication can be looked into, why we in the Fresno area do not get information as to how to prepare testimony such as this one.

For myself this is a very good experience for me. And I never thought that I would be here, but I have many, many people back home that I am here for and people that are grassroots level people. Those are the people I am speaking for here today.

I hope that these people and the children when they grow up that they can have education, that they will have a better health facility to care for our children and their children.

I want to thank you very much.

Senator CHILES. Thank you very much for your testimony.

[The statement follows:]

The Fresno Urban Indian Health Project, under the auspices of the Fresno American Indian Council, Fresno, California, is a member of the California Urban Indian Health Council, Inc. consortium. The Fresno Health Project has been in operation since 1973, and has been primarily funded by the California Urban Indian Health Council. On the following page is a breakdown of the funding received by CUIHC and other funds which we have generated since the Health Project's inception.

It can be seen that this Health Project has increased its operating funding from about $30,000 in 1973 to over $60,000 this fiscal year. Our line staff - the Community Health Aide - has increased from one to four in the past three years.

As you know, the State of California has two primary resources which provide health care for the California Indian: the California Rural Indian Health Board and the California Urban Indian Health Council. While CRIHB has large assets in order to provide direct health care to rural and land-based Indians, CUIHC has relatively small assets to provide health care to many more Indians residing in urban areas. In essence, CRIHB has the resources to provide direct health care to a relatively small population while CUIHC does not have the resources to provide direct health care to a very large number of urban-based Indians.

CUIHC's nine projects can only deliver outreach and referral services. Although some of CUIHC's larger project provide direct services through other funding resources, the smaller project provide outreach and referral services to large numbers of Indians in need of care.

As this Health Project's geographical service area covers a 50-mile radius of Fresno City with an estimated 7,000 American Indians residing in the urban areas, we have contacted and serviced over 1,200 individuals. About half are male, and half female. We have provided nearly 10,000 contacts with our service population, delivering the following services:

1. Health needs determination and assessment.
2. Referral of Indians to resources providing health care.
3. Transportation of Indians to scheduled appointments.

4. Follow-up services to ensure continuity of care.
5. Free medical services twice per month, provided by a physician who donates his time and services.

We have identified major areas of need and problems. Listed below in rank order are ten (10) critical areas and the percentage of our population who are experiencing them:

PROBLEM	APPROXIMATE % OF POPULATION
1. Poor Nutrition	95 %
2. Dental Problems	80 %
3. Obesity	60 %
4. Diabetes	60 %
5. Upper Respritory Diseases	70 %
6. Alcoholism & Drug Problems	85 %
7. Vision Problems	40 %
8. Infant Mortality	-- -
9. Emotional Problems	40 %
10. Familiy Planning-Related Problems	25 %

APPROXIMATE FIGURES ON THE HEALTH PROBLEMS IDENTIFIED

I. NUTRITION
   1. Nutrition 95%
   2. Alcoholism 85%
   3. Dental 80%

II. DENTAL
   1. Upper Respritory 70%
   2. Diabetes 60%
   3. Obesity 60%

III. MENTAL HEALTH
   1. Vision 40%
   2. Emotional Probelms 40%
   3. Family Planning 25%

HANNAHVILLE INDIAN RESERVATION

STATEMENT OF THOMAS SMITHSON FOR THE HANNAHVILLE INDIAN RESERVATION

Senator CHILES. Is Gloria McCullough here, please?

Mr. SMITHSON. Mr. Chairman, my name is Thomas Smithson, and I am speaking for Gloria McCullough. She had to take a plane back.

Senator CHILES. We will hear you now.

Mr. SMITHSON. Mr. Chairman, my name is Thomas Smithson. I am attorney for the Hannahville Indian people in upper Michigan. We come before the subcommittee today to file this prepared statement and testimony and ask that it be included in the subcommittee's record.

Senator CHILES. It will be included.

HANNAHVILLE ELEMENTARY SCHOOL

Mr. SMITHSON. I will summarize the contents of the testimony.

The Hannahville community has operated a school on its reservation for the past year. That school has been funded with a $75,000 appropriation from the Legislature of the State of Michigan, $20,000 from the Bureau of Indian Affairs, $24,000 from title I through the Bureau of Indian Affairs in Albuquerque.

In the process of securing the State appropriation for this year, we promised Michigan legislators and Governor Milliken that we would not be back for additional State money next year, as we and they view education of Indian people as a Federal responsibility.

Accordingly, the Hannahville Indian community request $175,000 as an add-on appropriation to operate its school for fiscal year 1977. The reason this request is made necessary is that we were left out of the band analysis procedure which the Bureau of Indian Affairs uses to formulate its budgetary request to the executive branch.

Senator CHILES. Why was that?

Mr. SMITHSON. The Bureau sent its people to the Hannahville Indian community and requested that we list priorities for funding. Hannahville, until this last Monday, was part of the Great Lakes Agency in Michigan. That is a multitribal agency. Hannahville was the only tribe to list school operations as a priority, and due to a misunderstanding the typing order places it in what the bureau considers fifth priority and what the tribe considers to be first priority. The budget request was washed out between the Great Lakes Agency and the Minneapolis area office, and, accordingly, nothing was submitted in the President's budget.

It is necessary for the Indian community to come to the Congress and ask for an add-on appropriation in order to cover the cost of educating Indian children in the next year.

I might just say that Federal expenditures for Indians withdrawn from public schools may be problematical for some people. I understand the Office of Management and Budget and Bureau of Indian Affairs and the Department of the Interior had discussions regarding those situations in which it is appropriate for the Federal Government to undertake the support of children withdrawn from the public schools and placed in Indian controlled schools.

In response to criteria set down by the Department in the memorandum from Education Director Socki to area directors, the Hannahville Indians filed various petitions with the Department of the Interior. The result of that effort is Commissioner Thompson's letter of January 29, 1976, accepting partial responsibility for the Indian students at Hannahville in providing the $20,000 to which I referred earlier. The children at Hannahville are doing much better.

Senator CHILES. That $20,000 was last year's program; Is that right?

Mr. SMITHSON. Yes; from precisely what pocket the Bureau of Indian Affairs was able to draw it, I don't know. But it was made available to us for this year's operations.

Senator CHILES. It seems a little bit like—correct me if I am wrong—that Congress is now being asked to come in and bail something out that they did not authorize expressly to start with. Or did Congress authorize the construction of schools?

Mr. SMITHSON. First of all, there is no construction involved in this at all. Second, this was a previously private school authorized under the Indian Self-Determination Education and Assistance Act.

We are simply another school on that list. Gloria McCullough, if she were here, being the mother of nine children, could testify much more eloquently than I about the difference that an Indian controlled school has meant to the Hannahville children.

I will simply ask that the subcommittee and Senate Appropriations Committee include $175,000 for Hannahville in this year's appropriation.

Senator CHILES. We thank you for your testimony. We have a letter from Senator Hart also, and we will put it in the record.

Mr. SMITHSON. I thank you for your time, Mr. Chairman. I would like to introduce Mr. Rick West who was given a time slot at the same time to represent the Hammon Indian School.

Senator CHILES. All right, sir.

[The statement follows:]

Mr. Chairman and Members of the Subcommittee, my name is Gloria McCullough and with me today is Mr. Thomas Smithson, our tribal attorney. We come before you today to request an add-on appropriation in the amount of $175,000.00 for the continued operation of the Hannahville Indian School under contract with the Bureau of Indian Affairs in the Department of the Interior. We testified before Congressman Yates' House Appropriations Subcommittee on April 7.

The very existence of our one-year effort at educating our Indian children requires us to come before you today. In spite of our diligent efforts, the Bureau of Indian Affairs and the executive branch have failed to provide monies in the FY 1977 Budget to support this basic elementary education program at Hannahville. Although Commissioner of Indian Affairs Thompson, in a letter to Chairperson Sally Halfaday dated January 29, 1976, a copy of which is attached to this statement, accepted partial responsibility for the education of Hannahville students during fiscal year 1976, the Bureau has made no provisions for continuation of that program during fiscal year 1977. We were apparently eliminated from consideration for funding by the complexities of Band Analysis budgetary process used by the Bureau, a process which was inadequately explained to us and which makes no provisions for the beginning of new programs funded by the federal government. Also attached to our testimony is the letter of Mr. David Warren of the Bureau of Indian Affairs to our Senator Robert Griffin explaining this problem.

With the full support of our tribal council and the parents in the Community we have now operated an elementary school for 55 children in grades K-8 for this past school year. We withdrew our children from the public school in the fall of 1975 after long and fruitless negotiations with the local school board in which we sought funds and personnel for an adequate program of individualized instruction to remedy previous educational problems faced by our children. When the children were withdrawn, it was quite clear that the public schools had done an inadequate job. Of approximately 135 Indian people enrolled in those schools between 1950 and 1975, only 25 had graduated. At that time, the tribe examined the results of Indian and non-Indian students on such tests as the Gates-McGinties Test, the Stanford Achievement Test, and the Wide Range Achievement Test. Appropriate safeguards were observed to protect the identities of individual students. Although Indian students perform as well as non-Indians in the first three grades, by grade 4, and continuing through grade 8, Indian students begin to fall behind national norms. The minimum deficency in Indian achievement was six months, and by grades 7 and 8 Indian students achieved at a level nearly 3 years below the national norm and almost a full 2 years behind the non-Indian students in the public school. In several cases, students were functioning nearly 5 and 6 years below the grades in which the public school had them enrolled.

The Hannahville Indian Community began its educational effort to remedy serious academic deficiencies. While Indian cultural materials and methodology are important in the school, it must be emphasized that this program is one designed to educate Indian children so that they may compete adequately in public high schools. The public school's record of social promotion and its dismal record of Indian drop-outs and push-outs con-

demned our young adults to lives of frustration and lack of productivity.

We now feel that we have begun to remedy this terrible neglect of our tribe's most precious asset, its children. We have established an elementary school in which five teachers and five aides address the needs of our children on a daily basis in an atmosphere that is less threatening and more conducive to learning. We secured an appropriation from the Michigan Legislature and preserved it from item veto and executive expenditure reduction with some difficulty. The appropriation of $75,000.00 in state funds was sought when it became apparent that no federal funds would be forthcoming. Our request to you is made more urgent by our promise to the Governor and to Michigan legislators that we would not return for funds next year.

While working on the state appropriation, the tribe also secured a commitment of $20,000.00 of Bureau of Indian Affairs monies for a transition program in elementary education, to which Commissioner Thompson refers in his letter filed with the Committee. The Commissioner's letter also refers to Title I funds which have been granted to the tribe for the current year in the amount of $24,000.00.

Our proposed budget for FY 1977 is filed with the Subcommittee. The expense of beginning a new school and the personnel cost of our increased teacher-pupil ratio made necessary by the individualized instruction approach, account for the per pupil expenditure request of just under $2,700.00 for 65 students. Individualized instruction is essential to remedy past educational deficiencies, and it requires a teacher-pupil ratio of 1:8 or less, Personnel costs amount to about $139,000,00 or nearly 80% of the budget. No monies are sought for construction and equipment, supplies, space and travel costs are at rock-bottom. The budget also excludes feeding costs, because we are hopeful that the National School Lunch Program will meet those needs,

The tribe has made what we consider to be an excellent beginning against incredible odds. Nevertheless, our efforts to reverse the non-education of our children will be in vain unless we can secure continued funding for FY 1977 and future years. The Bureau of Indian Affairs and the executive branch have not demonstrated a willingness to request appropriations for these programs. The commitment to educate the children is made in the Commissioner's letter and by our inclusion in the Bureau's list of additional previously private schools anticipated in FY 1977. But the commitment is not supported by dollars. And so we come to you, asking that the Congress remedy the errors of the Bureau of Indian Affairs and the Executive Department, as you did in FY 1976, and appropriate the funds necessary to operate our school. We ask for our Hannahville children that this Subcommittee breathe life into its declaration in Section 3(c) of P.L. 93-638 that " a major national goal of the United States is to provide the quantity and quality of educational services and opportunities which will permit Indian children to compete and excel in the life areas of their choice, and to achieve the measure of self-determination essential to their social and economic well-being.

For Hannahville the quantity of educational services is measured at $175,000.00 earmarked for the Hannahville Indian Community through the new Michigan Agency of the Minneapolis Area Office. Please help us educate our children.

I would like to call the Subcommittee's attention to a final serious problem. Section 8 of P.L. 93-638 provided for carry-over authority for funds for Indian schools and for contracts under the Act. Although exceptions have been made for Johnson O'Malley funds, we understand that the Appropriations Committees have, in effect, repealed this carry-over authority in annual appropriations. Senator Fannin has previously addressed the issue. If we are to operate next fall before funds under this appropriations bill become available, the Bureau of Indian Affairs must be allowed carry-over authority for past P.L. 93-638 appropriations.

I thank the Subcommittee for its courteous attention.

United States Senate

WASHINGTON, D.C. 20510

April 13, 1976

The Honorable Robert C. Byrd
Chairman
Subcommittee on Interior
Senate Appropriations Committee
Washington, D. C. 20510

Dear Mr. Chairman:

Representatives of the Hannahville Potawatomi Indian Reservation of Michigan will be appearing before your subcommittee this afternoon to request that $175,000 be included in the Interior appropriations bill for FY 1977 for the Hannahville Indian Elementary School.

Because the continued operation of the school depends on this funding, your consideration of their request at this time would be greatly appreciated.

With best wishes,

Sincerely,

Philip A. Hart

Philip A. Hart

STATEMENT OF RICK WEST ON BEHALF OF THE INSTITUTE OF THE SOUTHERN PLAINS

INSTITUTE OPERATING NEEDS

Senator CHILES. Mr. Alvin Hart is the next witness.

Mr. WEST. Because of the difficulty in travel schedule, Mr. Hart was also unable to be here.

I would simply ask that the testimony be entered in the record and that it receive the subcommittee's and the committee's consideration.

I would be happy to answer any questions if you have them, but I see no need for me to make——

Senator CHILES. I have no questions at this time. I think we will include your statement in the record, and we will review that.

Thank you very much.

Mr. WEST. Thank you.

[The statement follows:]

My name is Alvin Hart, and I am Chairman of the Board of Directors of the Institute of the Southern Plains, Inc., which is an Indian-controlled nonprofit corporation organized under the laws of the State of Oklahoma for the purpose of operating a school for Indian children residing in the Hammon, Oklahoma area. The purpose of my testimony is to request that Congress add to the Department of the Interior's budget for fiscal year 1977 monies in the amount of $31,035 for the operation of the Institute's school during the coming school year.

The worthiness of the Institute of the Southern Plains' request for funding can be demonstrated by a brief review of our history. The school was established in early 1973 in response to the Hammon public school system's persistent failure to accommodate effectively the needs of its Indian students. The drop-out rate for Indians attending the public schools was consistently high, and those who did graduate rarely continued their education in any kind of post-high school studies. Furthermore, Indian parents of students were disturbed by the reports of hostility on the part of school officials toward Indian pupils, and by several incidents of actual physical abuse. Thus, in February, 1973, a number of concerned Indian parents withdrew their children from the public schools and established the Institute of the Southern Plains to operate an alternative educational institution for grades K through 12.

The progress achieved by the Institute has been accomplished in the face of great adversity. The town of Hammon originally agreed to permit the Institute to establish its school in an abandoned commercial building in the downtown area. In the fall of 1973, however, the city officials broke their pledge with the Institute and forced the school to vacate the building. For several weeks classes were held in the homes of various Indian parents, but in October, 1973 the Institute was able to lease a four-room frame house located on the edge of town in which to house a school. Since the fall of 1975, the Institute's program has been conducted in four portable classrooms which have been placed on land leased from the Southern Cheyenne and Arapaho Tribes. The present physical plant, while by no means totally adequate to meet the needs of the Indian students, nevertheless does represent a significant improvement over previous facilities.

In light of the aforementioned difficulties, the truly remarkable fact is that the Institute has continued to expand its educational program in each year since the Institute's establishment in 1973. At its inception the school consisted of approximately thirty-five Indian students, and by the fall of 1973 the student population had increased to forty-seven. During the 1974-75 school year, approximately fifty-five Indians attended the school, and at the present time the school has a population of almost seventy Indian children.

With the exception of the first six months of its existence, the Institute of the Southern Plains has relied for its principal financial support on the Bureau of Indian Affairs and the Office of Indian Education of the Department of Health, Education, and Welfare. Specifically, in September, 1973, based upon a finding that a "serious situation involving Indian children" existed in Hammon, Oklahoma, the Assistant to the Secretary of the Interior for Indian Affairs authorized the transfer of $30,000 to the Anadarko Area Office to support the efforts of the Institute of the Southern Plains. The Bureau continued its funding in this same amount during the 1974-75 school year, and for fiscal year 1976 increased its level of support to $52,948, which includes $12,248 attri-

butable to Congress' 1976 add-on for the Bureau-supported previously private schools.

For fiscal year 1977 the Institute of the Southern Plains has prepared a proposed budget of $171,285. This figure would cover the salary and related costs of a Director and his Administrative Assistant, secretarial staff, six teachers, and a limited number of support personnel. In light of the Institute's anticipated student population of approximately seventy-five for the 1976-77 school year, the above-mentioned total budget figure must be considered conservative by any standard. Indeed, it represents little more than half the average amount per pupil the Bureau of Indian Affairs spends on its own schools.

Nevertheless, the Institute of the Southern Plains is faced with serious funding problems for the academic year beginning next fall. Pursuant to a memorandum of understanding entered into on February 9, 1976, by representatives of the Institute, the Bureau of Indian Affairs, and the Department of Health, Education, and Welfare, the Anadarko Area Office agreed to provide $41,250 in support of the Institute's school and the Department of Health, Education, and Welfare tentatively committed $100,000 in funds. Thus, the combined efforts of the Bureau of Indian Affairs and the Department of Health, Education, and Welfare still would leave the Institute approximately $30,000 short of its proposed budget.

An even more serious problem was discovered when the Institute sought to implement the memorandum of understanding of February 9. According to the agreement, the Bureau of Indian Affairs' commitment is to consist of $7,500 in Johnson-O'Malley monies and $33,750 in ESEA Title I funds. In checking with the Bureau of Indian Affairs' central education office in Albuquerque, New Mexico, however, the Institute has learned that it will not be eligible to receive ESEA Title I monies unless the Bureau is providing basic operational support in the first instance. Under the memorandum of understanding the Anadarko Area Office has made no commitment of basic operational funds, and in subsequent conversations with the Area Office, the Institute has been informed explicitly that no such funds will be forthcoming during the 1976-77 school year. Thus, in reality the memorandum of understanding agreed to by the Bureau in February, 1976 commits the Anadarko Area Office to very little, and does almost nothing to assist the Institute in meeting its fiscal year 1977 budget.

The Institute of the Southern Plains' current funding problems with the Anadarko Area Office have been compounded by the President's failure in his fiscal year 1977 budget to request any new monies for those institutions which have been designated as previously private schools by the Bureau of Indian Affairs. Since the Anadarko Area Office does not intend to provide operational funds for the Institute's school, the President's failure to include monies for previously private schools in his budget means that the Institute will be receiving no basic support from the Bureau, which in turn will make the school ineligible for ESEA Title I funds. The ultimate effect is that the Institute will fall almost $70,000 short of its proposed budget for fiscal year 1977.

The Institute of the Southern Plains, therefore, urgently requests the Congress to authorize the appropriation of $31,035 for the operation of the Institute's school in Hammon, Oklahoma. The requested appropriation in itself would greatly assist the Institute in meeting its proposed budget for the coming school year, but, more important, the monies would allow the Institute to apply for ESEA Title I funds, which will mean that the school can continue to meet in a more effective manner the educational needs of its Indian students.

NAVAJO COMMUNITY COLLEGE

STATEMENT OF MR. HEENA ON BEHALF OF THE NAVAJO COMMUNITY COLLEGE

Senator CHILES. Is Mr. Atcitty here?

Mr. HEENA. Mr. Chairman, my name is James Heena and I am the delegate from Navajo Community College. I want to apologize for Dr. Atcitty not being with us this afternoon, but he was unable to schedule plane reservations in time to get here. In the interest of conserving time I will just briefly summarize our written statement.

Senator CHILES. The statement in full will be included in the record.

NCC OPERATING FUNDS

Mr. HEENA. I think one of the groups is presenting a different type of testimony in that they are—we are only supporting a request made by the Bureau of Indian Affairs.

As we understand it there has been a request made by the Bureau of Indian Affairs which includes in the "higher education" line item an amount of $4.5 million for expenditures by Navajo Community College for fiscal year 1977. This is an increase of $1.5 million over the allocation we received last year. I might quickly add that last year the Bureau of Indian Affairs allocated to the school $2,058,000 and then through an add-on action by this committee we were allowed an additional $1 million, so that our operating money for last year amounted to $3,058,000. The $1.5 million being requested this year would allow the college to increase its full-time equivalent enrollment by over 500 students at a cost of about $2,744 per student. We also have the additional concurrence and approval of the Navajo Tribal Council by affirmatively recommending to the Bureau of Indian Affairs that they provide this increase to our school for the coming fiscal year.

In closing, I would just like to mention that for the last 4 or 5 years we have appeared before this committee asking for an add-on to the bureau's request, because it seems like every year they reduced our request through their band analysis program. This year is the first time that we are in agreement, and we hope that we won't have to come back in a few more months.

Senator CHILES. We are delighted that you are in agreement and not asking for additional funds.

Mr. HEENA. Thank you, Mr. Chairman. That completes my summary.

Senator CHILES. Thank you very much for your testimony.

[The statement follows:]

Mr. Chairman, distinguished members of the Committee, ladies and gentlemen. My name is Thomas E. Atcitty, and I am the President of Navajo Community College which is located in Tsaile, Arizona, on the Navajo Reservation.

I appreciate having the opportunity to present testimony to this Committee in support of the Bureau of Indian Affair's request for $4.5 million which will be made available to Navajo Community College during Fiscal Year 1977. I would like to quote the language submitted by the BIA in support of the $4.5 million. "Financial support for the Navajo Community College has been placed in the tribal priority determination process. The level of funding is contingent on the priorities set by the tribe. This amounts to $4.5 million in fiscal year 1977, an increase of $1.5 million." The $4.5 million will be expended by Navajo Community College for operation and maintainence of its facilities primarily at Tsaile, Arizona, and Shiprock, New Mexico, as well as at about ten or twelve other locations in various parts of the Reservation. We anticipate a total full time enrollment(FTE) of approximately 1640. Our present spring enrollment(body count) is 1,177. We expect that there will be approximately 1500 students enrolling in our programs this fall. Using an FTE enrollment figure of 1640 computes out to $2,744 per student. While we have no official figures regarding per pupil cost for the BIA at its Haskell Junior College in Lawrence, Kansas, we estimate that the $2,744 per pupil cost is approximately $2,256 per student less than BIA expends at Haskell. Moreover, Navajo Community College's expenditures are greater per pupil because of charges passed on to the College for goods and services by the various enterprises we transact business with. All of our transactions are conducted with businesses located on or near the reservation. Unlike BIA we cannot take advantage of lower costs goods and supplies because we buy our goods and services outside of the Government Services Administration's procurement procedures and outlets. We must also provide all the services necessary for any municipality for the security and convenience of it's citizens. These include among other things, mail service, street and road maintence, fire protection, garbage disposal and so on. In other words, our operation and maintenance costs are greater than what BIA experiences at Haskell and therefore the per pupil allocation BIA provides is still inadequate to allow Navajo Community College to operate on an efficient basis when the actual and real expenses are substantially higher where we are located. While these are factors which we must cope with as best we can, I want to emphasize that this year, the $4.5 million the BIA is requesting is the same figure which we at the College also support. We have the added concurrence and approval of the Navajo Tribal Council. The increase to $4.5 million represents an increase of $2,442,000 over our FY '76 BIA allocation of $2,058,000. Adding the $1 million add-on which this Committee approved last year reduces our actual increase for FY '77 to $1,442,000. This increase will allow the College to expand its course offerings and to thereby accommodate the additional students projected for 1977. One other important difference we should point out is that we are a community college and as such our training and education programs are aimed at meeting those needs identified and expressed by our community residents, i.e., residents of the Navajo Reservation. Like any other community college in the country, we strive to offer programs right in the local communities of the reservation. We are not only an academic oriented institution, nor do we provide education opportunities only at one site to an all resident student body. Our programs cover a wide area, from adult education courses, GED courses, Navajo culture and language courses to the latest required courses for living in the space age. We request this Committee to approve the total amount stipulated by the BIA for FY '77 for Navajo Community College. We want to express our appreciation to

this Committee for its past actions in approving our add-on requests, because we feel that your faith in us sustained and assurred our existence and success. For the first time, we and BIA agree on one figure, and if this Committee approves the BIA's request, we will not have to re-enact our annual add-on appearance before this Committee.

Attachment A shows our enrollment history as well as our current actual enrollment for spring 1976. We estimate our fall enrollment to be 1500 for a total of 2677 for the year. Using the formula approved by the American Association of Community and Junior Colleges, we estimate our FTE enrollment for 1976 to be 1638, rounded out to 1640. This figures out to $2,744 per pupil for the $4.5 million being requested for FY '77 by BIA.

Last year the BIA allocated to Navajo Community College $2,058,000. This Committee approved an add-on of $1 million so that our total funding in FY '76 was $3,058,000. This year the BIA consulted the Navajo Tribal Council about funding priorities for the BIA's Navajo Area Office, and it was the Council's affirmative recommendation that Navajo Community College be allowed the $1,442,000 increase. If this had not happened, more than likely, the BIA would have approved a lower figure. The increase of $1,442,000 will restore the College substantially to what it had projected earlier in terms of enrollment increases and operational costs.With the $4.5 million we will be back on schedule as we had predicted in our growth estimates in our initial years. The increase will allow us to expand our services into more population centers on the reservation. We will be able to expand our skill training program at Shiprock, New Mexico, for jobs developing at the Navajo Indian Irrigation Project. Furthermore, this increase will allow us to cope more effectively with the services and goods we must have to maintain our facilities. Additional charges for transportation, long distance calls, campus police security, street and road maintenance, janitorial and garbage pickup are some of the activities we pay for which BIA does not have at Haskell. Navajo Community College is a small municipality and as such must provide all such services provided by any community for the safety and convenience of its citizens.

Additionally, the fact that the Navajo Tribal Council approved the $1,442,000 increase which we may not have been able to get if BIA itself were to have determined funding priorities, demonstrates that the Council desires its institution to have adequate funds from which to operate and provide education and training opportunities right at home for the approximately 50,000 citizens between the ages of 17 and 35. Where the annual per capita income is about $1,200.00 it is unrealistic to expect a clientele that can afford to pay tuition and other costs. NCC's enrollment, nevertheless is composed of about ten percent (10%) non-Indian who pay tuition and other charges.

To assure that NCC receives the full amount beging requested, we request that this Committee earmark the full amount for expenditure by NCC. We continue to experience frustrations with BIA because they have never accepted the fact that the Navajo Community College Act (PL92-189, attached) provides authorities and appropriations above and beyond funding of programs and projects historically operated for the benefit of Navajos. We take the position that PL92-189 provides a new authority since BIA has never operated a post-secondary school on our reservation. It appears that the only way NCC can have assurances, have funding consideration outside programs historically and normally provided by the BIA is to have the Congress insert language in the annual appropriations directing the BIA to treat NCC's budget request outside the purview of its (BIA)

own programs. Without assurances ot this kind, the college would not be able to expand nor meet identified needs in the various communities. It cannot operate effectively if a funding base is not assured from year to year, especially since many of its students cannot afford to seek education opportunities outside the reservation.

Since we opened our doors in 1968, we have had an uphill battle to maintain our existence. Because of this Committee's understanding and support we have survived this many years. This year, we and BIA are requesting and supporting the same amount. It is our fervent hope that this Committee will again favor our request.

In closing, I would like to re-emphasize that we desperately need the requested amount to assure quality education to our people as well as others who come to our school but also to allow us to meet some of the additional costs we are charged, simply because of distance. The increase requested will also allow us to cope with the spiraling inflationary costs which continues to plague us in our operation and maintenance.

OJIBWA INDIAN SCHOOL

STATEMENT OF DUANE GOURNEAU OF THE OJIBWA INDIAN SCHOOL BOARD

ACCOMPANIED BY:

CHUCK LaFLOE, SCHOOL BOARD MEMBER

SISTER JUDITH EMGE, ADMINISTRATOR OF THE OJIBWA INDIAN SCHOOL

OJIBWA SCHOOL OPERATING FUNDS

Senator CHILES. Mr. Gourneau?

Mr. GOURNEAU. Mr. Chairman, my name is Duane Gourneau. I am a member of the Ojibwa Indian School Board at Belcourt, N. Dak. With me is Mr. Chuck LaFloe, a member of the same board, and Sister Judith Emge, administrator of the Ojibwa Indian School. We are testifying here in behalf of continuation funding for the Ojibwa School. Before you is our request for funding for fiscal year 1977.

I feel that the statement itself is self-explanatory so instead of going through it I would like to explain our need for returning here for a third time.

In 1974 the Ojibwa board testified for fiscal year 1975 and requested $480,000 from Congress. Of this amount, we received $217,986. This was far short of the needs and St. Anns Mission graciously went into debt to pick up the remaining expenses. In 1975 the BIA put the $217,986 into its budget as our base for general operation. Since this was far below our needs we again returned to Congress for an additional $262,000. This amount was allotted by Congress. Due to a formula devised by the BIA which uses the State per pupil cost as a base, the amount was cut to $119,000. This is $143,000 less than what Congress appropriated.

This year we are again asking for an add-on to the original budget. This add-on includes $263,000 for general education and $160,000 for plant operation. However, if the BIA formula is used in their recommendation we will again fall short of our needs. Our greatest concern is that a base be set which reflects the needs of the children of our reservation. These needs are not the same as those of the public schools in North Dakota.

Some of the needs are:

(1) Teacher aides—In our school there is a need for individualized work with the students. Out of our 250 students over half fall 1 year or more below grade level. This means that these students need small group or individual help which cannot be provided by the teacher alone, hence teacher aides must be employed to assist the teacher.

(2) Transportation—Because of very poor dirt roads our buses must be replaced regularly. Every year a new one should be purchased and replace the oldest.

(3) Guidance and counseling—This area is not included in most North Dakota schools, however, we feel that it is an important part of our work. Children with personal and family problems cannot function properly in the classroom.

(4) Plant operation—Heating is a major concern in North Dakota due to the long hard winter. The structure and condition of our buildings make them very difficult to heat. The building not only need regular repair and maintenance but we have some major improvements which must be dealt with.

(5) Cultural awareness—We feel that the students from our reservation should understand their unique culture and how this culture fits into society today.

In conclusion, we feel that our students deserve an education which meets their needs and we hope that Congress will look favorably on our request. In behalf of the school board, administrator, staff, students and parents, we wish to thank the Congress for all the help received in the past. We would sincerely like to keep our school open.

Thank you.

Senator CHILES. Thank you. We will check into the item, that the Bureau of Indian Affairs did not appropriate the funds that Congress appropriated last time.

Thank you.

[The statement follows:]

I. INTRODUCTION AND SUMMARY

This statement is submitted to the subcommittee on behalf of Ojibwa Indian School and in support of the testimony of Louis Bercier, Duane Gourneau, James Henry and Sister Judith Emge. Both the written and oral testimony are offered in support of the school's request for an addition to the Bureau of Indian Affairs' budget appropriation for FY 1977. The school seeks an additional $423,000.00, $263,00.00 for general education and $160,000.00 for Plant operation. The school is in it's third full year of existence as a secular, Indian-controlled educational facility on the Turtle Mountain Indian Reservation in North Dakota.

The monies sought by this application, if appropriated, would be added to the BIA"s appropriation for FY 1977 for the specific purpose of enabling it to contract with the school to provide education services to children of the Turtle Mountain Indian Reservation. Ojibwa Indian School, Inc., the corporation that runs the school, is both tribally and state chartered. It is managed by an Indian-controlled board of directors.

Although the Aberdeen Area Office of the BIA had included some operating funds for Ojibwa Indian School in it budget request for the upcoming fiscal year, unfortunately, the BIA's request is woefully insufficient to permit the school to complete more than half the school year. Without additional funds appropriated by this Congress, the Ojibwa Indian School will have to close its doors and the more than 250 children being educated at the school will have to seek education either in the public school on the reservation, which is already overcrowded, or in private--probably non-Indian--schools farther from home. There is no other source of funds available to the school and Ojibwa Indian School, therefore, has no other recourse than to appeal to the Congress for funds to enable it to maintain operations during the entire school year beginning in September of 1976.

II THE BASIS OF THIS REQUEST

Ojibwa Indian School is fully qualified to contract for provision of educational services with the Bureau of Indian Affairs. Its present contract with the BIA is evidence of that. The school continues to enjoy the unqualified support of the Turtle Mountain Tribe as evidenced by the letter attached, signed by the Tribal Chairman. Without the additional appropriations of last year, the school would have had to close its doors half way through the year.

We believe the attached budget is for the most part self-explanatory However, it will be well to add some comments in explanation of some of the larger items.

A. Salaries

One of the largest increases is in the area of salaries. The base salary for our teachers is $6,800.00 as compare to $8,200.00 for the surrounding schools. Next year the teachers of the surrounding schools are asking for a base of $9,200.00. We would like to at least meet the $8,200.00 offered in these schools this year. To do so the salaries for our Instructional staff alone would come to $226,082.00 whic is $8,096.00 more than the total budget now allowed for the school. This does not include the salaries for administration, food services, transportation or operation of plant.

We feel that we have a dedicated staff but it is unfir to ask them to continue contracting for such low salaries with the increase of cost of living as it is. We also do not want to loose staff members as it is very hard on the students to have a continuous turn over.

B. Materials.

Very little was allotted for Instructional material. We feel that in order to get our schol up-dated and keep it there we must spend the necessy money.

C. Attendance and Health Services.

On the original budget there were no provisions for this area. We feel the need of the social worker and clerk and hence put one on with this years appropriations. We would like to continue these positions.

D. Transportation-

The largest increase in this budget is for vehicle replacement. Because of the bad roads on the reservation our buses cannot last long in spite of constant repairing. We need to replace two buses plus a mini-bus. With these replacements we hope to get our transportation system in a safe and adequate state for our students.

E. Plant Operation.

For two years, we have had no assistance for plant operation. The amount allotted to us by the Congress this year has still not reached us due to technicalities separating education and plant operation. We are again submitting for the plant operation and are asking that his be included in the total cost of running the school. Without the plant we can hardly hold classes.

Two large items are included in this part of the budget, window repair and sewer hook-up. One building contains wooden framed windows which have rotted out hence it is very hard to keep out the severe winter weather.

At present our sewer system is polluting the area around the school and we have been told that this must be corrected by getting it hooked up with the city facilities. This will mean re-routing the existing sewer lines and adding to them to reach the city lines/

III. CONCLUSION

The Ojibwa Indian School board of directors respectfully urges the Congress of the United States to act favorably on its request for continued existence. The school serves a demonstrated need in the Indian community of Belcourt, North Dakota, and its demise will seriously affect the welfare and educational future of a substantial number of students on the Turtle Mountain Indian Reservation.

Respectfully submitted,

OJIBWA INDIAN SCHOOL, INC.

COALITION OF INDIAN CONTROLLED SCHOOL BOARDS, INC.

STATEMENT OF SYLVESTER KNOWS GUN, PRESIDENT COALITION OF INDIAN CONTROLLED SCHOOL BOARDS, INC.

PREVIOUSLY PRIVATE SCHOOL ASSISTANCE

Senator CHILES. Do we have Ms. Betty Laverduire, Coalition of Indian Control School Boards, Colorado?

Mr. KNOWS GUN. Honorable Chairman, my name is Sylvester Knows Gun, president of the Coalition of Indian Controlled School Boards, Inc.

On behalf of the board members, the director and staff of our organization, I want to thank Senator Byrd and members of this committee for providing the opportunity to make you aware of the needs and concern of our member schools regarding education. I will summarize this as much as I can.

The Coalition of Indian Controlled School Boards, Inc., is a very young organization. Although the name implies that it represents those schools that are controlled by Indians, in reality it represents 170 active member schools at this time. Little more than two dozen actually control the educational destinies of their children, the rest aspire to. These two dozen schools have managed to develop in spite of overwhelming odds, they have done so in a manner consistently within the meaning and legislative intent of the Indian Self-Determination Act. They have managed to accomplish self-determination in spite of inadequate funding and the Bureau of Indian Affairs circumvention of legislative intent. The interpretations set forth by the Bureau of Indian Affairs regulating the intent of Congress serve only to thwart and frustrate the Indian communities who aspire to control their own destinies, particularly in the field of education.

The basic operational costs of those schools who have forwarded their needs to us is $5,675,048. These are part of those that have been designated "previously private schools." I will just name the schools: Marty Indian School, Menominee Indian School, Lac Court Oreilles, Hannahville Indian, Sicangu Oyate Ho, Inc., Kinsman Indian School, Ojibwa School, Busby Indian School, Fort Hall Indian School, and Wind River Indian School.

Part C of Public Law 93–638, section 208 authorizes and directs the Secretary of the Interior to provide funds—pursuant to Public Law 93–638; the act of April 16, 1934, 48 Statute 596, as amended; or any other authority granted to him—to any tribe or tribal organization which controls and manages any "previously private school."

In fiscal year 1976, there was only $1.5 million appropriated to meet the operational costs of these schools.

In fiscal year 1977, there are no funds appropriated under this authority for previously private schools. Thus, 16 schools identified by the Bureau of Indian Affairs will not receive funding for basic operational costs if supplemental funds are not made available under this authority. For fiscal year 1977, the Bureau has requested $27,956,000 in Johnson-O'Malley funds. This is $3 million less than for fiscal year 1976. Yet, the BIA, by their own admission, states that there are 20,000 more students eligible to receive JOM funds in fiscal year 1977 with $3 million less in funds. May we ask how the BIA intends to accommodate these 20,000 students?

66-307 O - 76 - pt. 5 -- 24

On March 10, 1976, Morris J. Thompson stated to the Senate Subcommittee on Interior and Related Agencies as follows:

> We are requesting in the fiscal year 1977 appropriation 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.

In fiscal year 1976 there was $31 million appropriated for BIA administered school construction, none of this amount was made available for previously private schools under the above stated authorization. School construction is one of the most dire needs for Indian-controlled schools who are contracting with the BIA as well as schools who are eligible under section 208. In fiscal year 1977, $16,663,000 has been requested for BIA administered construction. This is earmarked for emergency purposes, replacement of three schools that have been destroyed by fire, another replacement for a school about to be inundated by a diverting river.

The following examples will document the needs of only four of the Indian controlled schools and previously private schools who have construction needs.

(1) The Lac Courte Oreille's Tribal Governing Board of Stone Lake, Wis., are housing a K–12 school in facilities adequate for a K–6 system, therefore, it is obvious that a junior-senior high school facility is needed, their construction estimated is $4 million, with no financial relief in sight.

(2) Wind River Indian High School, Ethete, Wyo. Their construction need is $5,607,000 for physical education facilities and gym, food service facility and storage, housing (teachers), paving and landscaping, bus and car garage, preliminary planning for these areas.

(3) Marty Indian School, Marty, S. Dak.

(a) Consolidation of facilities and complete renovation of remainder, plus replacement of gym and new vocational shop. Estimated cost: $6,500,000.

(b) Complete new physical plant (less employee's quarters). Estimated cost: $4,400,000 (proposal included in their testimony).

(4) Menominee County Education Committee, Menominee, Wis.

(a) Total construction need for an estimated 74,800 square feet of classroom space. Estimated cost: $3,238,000.

(b) Three locatable classrooms. Estimated cost: $120,000 (Projected plans for these relocatable construction has been completed on permanent facilities).

If appropriations to implement the mandates of Public Law 93–638 are nonexistent in some areas and inadequate in others, the lofty concepts of the Indian Self-Determination Act are mere words. The total ideals of the act become programed for failure. Appropriations are necessary to move the language of this law into action, otherwise the act is meaningless, and those Indian people who have been given hope at the grassroots level can feel nothing but frustration. In order for this act to breathe with life, so that it may serve the people for whom it was intended, there must be means of implementation, it must have adequate funding.

Please note on the first page of the statement of Morris Thompson, before the Senate Subcommittee on the Interior and Related Agencies Appropriations on March 10, 1976, as follows:

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 * * *

Clearly, that implies that it has taken the BIA over 40 years to take note of an act of Congress concerning Indian people. The intent of Congress in the Indian Reorganization Act of 1934 was self-determination with its companion act, the Johnson-O'Malley Act of 1934," JOM was specifically designed to fund States to educate our Indian children within their public school systems. Those of us who have lived with the regulations of the JOM act placing our children in an alien school system realize how prophetic a wise Indian leader's words were "When we give the minds of our children to others, we will lose our Nation and our freedom."

Public Law 93–638 again contains two sections, title I which allows tribes to contract for those services formally dispensed by the BIA; title II, its companion, again specifically providing all necessary means for States and the BIA to educate our Indian children within existing school systems with a minimum of control by Indian people. Education begins with our most precious resource, our children, it means the total spectrum of education as a life experience.

This concludes the testimony of the Coalition of Indian Controlled School Boards, Inc. Thank you for your attention and opportunity to speak of our concerns.

Senator CHILES. Thank you. Can you give me a total figure on—a figure on the total of the appropriations you are asking?

Mr. KNOWS GUN. $5,675,048.

Senator CHILES. The staff tells me there is some question as to whether under the law we could authorize construction funds for what was previously a private school. The law may only authorize operating funds. It may not authorize the appropriation of construction funds, but we will check into that.

Mr. KNOWS GUN. We would appreciate it. This is a badly needed area. Thank you.

Senator CHILES. Thank you, sir.

[The statements follow:]

STATEMENT OF SYLVESTER KNOWS GUN

Honorable Chairman, my name is Sylvester Knows Gun, President of the Coalition of Indian Controlled School Boards, Inc. On behalf of the Board Members, the Director and Staff of our organization, I want to thank Senator Byrd and Members of this Committee for providing the opportunity to make you aware of the needs and concern of our member schools regarding education.

The Coalition of Indian Controlled School Boards, Inc., is a very young organization. Although the name implies that it represents those schools that are controlled by Indians, in reality it represents 170 active member schools at this time. Little more than two dozen actually control the educational destinies of their children, the rest aspire to. These two dozen schools have managed to develop in spite of overwhelming odds, they have done so in a manner consistently within the meaning and legislative intent of the Indian Self-Determination Act. They have managed to accomplish self-determination in spite of inadequate funding and the Bureau of Indian Affairs circumvention of legislative intent. The interpretations set forth by the Bureau of Indian Affairs regulating the intent of Congress serve only to thwart and frustrate the Indian communities who aspire to control their own destinies, particularly in the field of education.

The basic operational costs of those schools who have forwarded their needs to us is $5,675,048.00. These are part of those that have been designated "previously private schools," and their needs are as follows:

1.	Marty Indian School	full operational costs	$ 816,245.00
2.	Menominee Indian School	full operational costs	2,590,000.00
3.	Lac Court Oreilles	full operational costs	929,858.00
4.	Hannahville Indian	full operational costs	175,000.00
5.	Sicangu Oyate Ho, Inc.	estimated supplement	400,000.00
6.	Kinsman Indian School	estimated supplement	39,945.00
7.	Ojibwa School	estimated supplement	280,000.00
8.	Busby Indian School	estimated supplement	164,880.00
9.	Ft. Hall Indian School	estimated supplement	150,000.00
10	Wind River Indian School	estimated supplement	65,000.00

Part C of PL 93-638, Section 208 authorizes and directs the Secretary of the Interior to provide funds (pursuant to PL 93-638; the Act of April 16, 1934, (48 Stat. 596) as amended; or any other authority granted to him) to any tribe or tribal organization which controls and manages any "previously private school."

In Fiscal Year 1976, there was only $1.5 million appropriated to meet the operational costs of these schools.

In Fiscal Year 1977, there are no funds appropriated under this authority for previously private schools. Thus, sixteen schools identified by the Bureau of Indian Affairs will not receive funding for basic operational costs if supplemental funds are not made available under this authority.

For Fiscal Year 1977, the Bureau has requested $27,956,000.00 in Johnson O'Malley funds. This is $3 million less than for Fiscal Year 1976. Yet the BIA, by their own admission, states that there are 20,000 more students eligible to receive JOM funds in Fiscal Year 1977 with $3 million less in funds. May we ask how the BIA intends to accomodate these 20,000 students???

On March 10, 1976, Morris J. Thompson stated to the Senate Sub-Committee on Interior and Related Agencies as follows:

> "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."

In Fiscal Year 1976 there was $31 million appropriated for BIA administered school construction, none of this amount was made available for Previously Private Schools under the above stated authorization. School construction is one of the most dire needs for Indian Controlled Schools who are contracting with the BIA as well as schools who are eligible under Section 208. In Fiscal Year 1977, $16,663,000.00 has been requested for BIA administered construction. This is earmarked for emergency purposes, replacement of three schools that have been destroyed by fire, another replacement for a school about to be inundated by a diverting river.

The following examples will document the needs of only four the Indian controlled schools and previously private schools who have construction needs:

1. The Lac Courte Oreille's Tribal Governing Board of Stone Lake, Wisconsin are housing a K-12 school in facilities adequate for a K-6 system, therefore, it is obvious that a Junior-Senior high school facility is needed, their construction estimated is $4 million, with no financial relief in sight.

2. Wind River Indian High School, Ethete, Wyoming. Their construction need is $5,607,000.00 for Physical Education facilities and Gym, Food Service facility and Storage, Housing (teachers), Paving and Landscaping, Bus and Car Garage, Preliminary Planning for these areas.

3. Marty Indian School, Marty, South Dakota.

   a. Consolidation of facilities and complete renovation of remainder, plus replacement of gym and new vocational shop. Estimated cost: $6,500,000.00.
   b. Complete new physical plant (less employee's quarters). Estimated Cost: $4,400,000.00 (proposal included in their testimony).

4. Menominee County Education Committee, Menominee, Wisconsin.

   a. Total construction need for an estimated 74,800 square feet of classroom space. Estimated cost: $3,238,000.00.
   b. Three locatable classrooms. Estimated Cost: $120,000.00 (Projected plans for these relocatable classrooms are for use for adult education program once construction has been completed on permanent facilities).

If appropriations to implement the mandates of PL 93-638 are non-existent in some areas and inadequate in others, the lofty concepts of the Indian Self-Determination Act are mere words. The total ideals of the act become programmed for failure. Appropriations are necessary to move the language of this law into action, otherwise the act is meaningless, and those Indian people who have been given hope at the grass roots level can feel nothing but frustration. In order for this Act to breathe with life, so that it may serve the people for whom it was intended, there must be means of implementation, it must have adequate funding.

Please note on the first page of the statement of Morris Thompson, before the Senate Sub-Committee on the Interior and Related Agencies Appropriations on March 10, 1976, as follows:

> "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 Communitites on budget..."

Clearly, that implies that it has taken the BIA over forty (40) years to take note of an Act of Congress concerning Indian people. The intent of Congress in the Indian reorganization Act of 1934 was self-determination with its companion Act, the "Johnson O'Malley Act of 1934", JOM was specifically designed to fund states to educate our Indian children within their public school systems. Those of us who have lived with the regulations of the JOM Act placing our children in an alien school system realize how prophetic a wise Indian leader's words were "When we give the minds of our children to others, we will lose our Nation and our Freedom."

Pl 93-638 again contains two sections, Title I which allows tribes to contract for those services formally dispensed by the BIA, Title II, its companion, again specifically providing all necessary means for States and the BIA to educate our Indian children within existing school systems with a minimum of control by Indian people. Education begins with our most precious resource, our children, it means the total spectrum of education as a life experience.

This concludes the testimony of the Coalition of Indian Controlled School Boards, Inc. Thank you for your attention and opportunity to speak of our concerns.

STATEMENT OF BETTY LAVERDURE

Honorable Chairman, my name is Betty Laverdure, I am here representing Mr. Sylvester Knows Gun, President of the Coalition of Indian Controlled School Boards, Inc. On behalf of Mr. Knows Gun and the Board Members, the Director and Staff of our organization, I want to thank Congressmen Yates and Members of this Committee for providing the Coalition the opportunity to appear before you today to tell you our concern regarding the educational needs of our people.

The Coalition is a very young organization. Although the name implies that it represents those schools that are controlled by Indians, these would number little more than two dozen, in reality the Coalition also represents those schools that aspire to control the education of their children. They number 170 active members at this time.

An Indian leader has stated that "When we give the minds of our children to others, we will lose our Nations and our freedom." Those of us who have lived with the regulations of the Johnson O'Malley Laws of 1934 which put our children in an alien school system know how prophetic this wise man's words were.

"The possession and control of one's educational system is vital to the development and survival of a people. The experience of other nationalities and groups throughout the world would seem to prove that a people must possess their own school system in order to survive as a people, they must develop and control their own schools. This, in its simplest form, is the basic reason for CICSB's existence.

"Faced with a discouraging record of failure in the public school systems, many Indian people began to search for alternatives to rectify these educational deficiencies for their young people. Acutely aware of the close inter-relationship between poor educational achievement and poor economic, social and political achievement, Indians came to focus on the need for greater local control and self determination in education as the most effective means of breaking the cruel cycle of poverty and discrimination which has distorted the lives of their peoples for generations." 1

Every community school that has been developed in Indian country to serve the needs of Indian people both before and after the advent of PL 93-638 has done so in a manner consistently within the meaning and legislative intent of the Indian Self-Determination Act. They have managed to accomplish self-determination in spite of the inadequate funding and Bureau of Indian Affairs circumvention of legislative intent. These interpretations set forth by the Bureau of Indian Affairs regulating the intent of Congress serve only to thwart and frustrate the Indian communities that aspire to control their own destinies, particularly in the field of education.

Beginning with President Nixon's Statement on Indian Policy in 1971, resulting from studies such as Report No. 91-501, known as "Indian Education: A National

Tragedy - A National Challenge," also known as the "Kennedy Report," and later Senator Jackson's Concurrent Resolution 26 in 1971, Indians across the country began to see some hope that the government of the United States may be reversing its trend of native cultural genocide. This new trend indicated that the United States was finally willing to recognize its constitutional and treaty obligations to its Native occupants. All this culminated in Congressional action by the passage of PL 93-638. The intent of Congress in the passage of this act is much appreciated by the Native American People. We, nevertheless, consider PL 93-638 to be redundant. If anything, it is another reaffirmation and effort of the United States to abrogate its constitutional and treaty obligations to its native occupants as was the parallel legislation of the "Indian Reorganization Act of 1934," with its companion Act, the Johnson O'Malley Act of 1934," PL 93-638 again contains two (2) titles; Title I which allows tribes to contract for those services formally dispensed by the Bureau of Indian Affairs and again we find its companion, Title II, specifically designed to aid or supplement states to educate Indians within existing school systems.

Self-determination to we Native People means the total spectrum of education as a life experience. This education begins with our most precious source, our youth. In them lie our hope for survival, culturally, as a people and as useful citizens of our Nations within the United States.

On March 10, 1976, Morris J. Thompson stated to the Senate Sub-Committee on Interior and Related Agencies as follows:

> "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."

How are we to achieve self-determination under these circumstances? No monies for construction, inadequate monies to implement our self-determination educational priorities.

The Coalition has long come to the conclusion that the BIA structure and policy will not allow for true self-determination and any Congressional attempts for reform will be circumvented by the agency's regulations. Title II of PL 93-638 dealing with education still sets forth the theory of accountability for Indian Education with the BIA and state educational agencies.

If appropriations to implement the mandates of PL 93-638 are non-existent in some areas and inadequate in others, the lofty concepts of the Indian Self-Determination Act are mere words. Appropriations are necessary to move the language of this law into action, otherwise the act is meaningless, and those Indian people who have been given hope at the grass roots level can feel nothing but frustration. In order for this Act to breathe with life, in order that it may serve the people for whom it was intended, there must be means of implementation, it must have adequate funding. Will this new law gather dust in the halls of Congress, as it will without the funds to fully implement it.

Please note on the first page of the statement of Morris Thompson, before the Senate Sub-Committee on the Interior and Related Agencies Appropriations on March 10, 1976, as follows:

> "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....."

Clearly, that implies that it has taken the BIA over forty (40) years to take note of an Act of Congress concerning Indian people. The intent of Congress in the Indian Reorganization Act of 1934 was self-determination with its companion Act, the "Johnson O'Malley Act of 1934", specifically designed to systematically fund states to educate our Indian children in their public school systems, with only recent thought to giving token control to Indian parents.

In Fiscal Year 1976 there was $31 million appropriated for BIA administered school construction, none of this amount was made available for Previously Private Schools under the above stated authorization. School construction is one of the most dire needs for Indian Controlled Schools who are contracting with the BIA as well as schools who are eligible under Section 208. In Fiscal Year 1977,

$16,663000 has been appropriated for BIA administered construction. This is earmarked for emergency purposes, replacement of three schools that have been destroyed by fire, another that is about to be inundated by a diverting river. Thus, again no funds for School Construction will be made available for previously private schools under PL 93-638 authorization.

The following are examples that will document the needs of only four of the Indian controlled schools and previously private schools construction needs:

1. The Lac Courte Oreille's Tribal Governing Board of Stone Lake, Wisconsin is temporarily housing a K-12 school in facilities adequate for a K-6 system; therefore, they are in grave need of a Junior-Senior high school facility, which they estimate to cost $4 million, with no assurance from any source for contribution of funds.

2. Wind River Indian High School, Ethete, Wyoming. Total funding for construction $5,607,000.00 Physical Education Facilities, and Gym, Food Service Facility and Storage, Housing (Teachers), Paving and Landscaping, Bus and Car Garage, and Planning.

3. Marty Indian School, Marty South Dakota.

   a. Consolidation of facilities and complete renovation of the remainder, plus replacement of gym and new vocational shop. Estimated cost $6,500,000.00.
   b. Complete new physical plant (less employee's quarters). Estimated Cost $5,500,000.00 (See attached proposal).

4. Menominee County Education Committee, Menominee, Wisconsin.

   a. Total construction needs for an estimated 74,800 square feet of classroom space. Estimated cost $3,238,000.00.
   b. Three locatable classrooms. Estimated cost $120,000.00.

These classrooms will be used during construction of the new facility, then they will be used for the Adult Education Program.

Part C of PL 93-638, Section 208 authorizes and directs the Secretary to provide funds (pursuant to PL 93-638; the Act of April 16, 1934 (48 Stat. 596) as amended; or any other authority granted to him) to any tribe or tribal organization which controls and manages any "previously private school."

In Fiscal Year 1976, there was only $1.5 million appropriated to meet the operational cost of these schools.

In Fiscal Year 1977, there are no funds appropriated under this authority for previously private schools." Thus, sixteen schools identified by the BIA will not receive funding for basic operational costs if supplemental funds are not made available under this authority.

Therefore, CICSB, Inc., requests $5,600,048.00 to meet the basic operational cost needs of the following "previously private schools."

1.	Marty Indian School	full operational costs	$ 816,245.00
2.	Menominee Indian School	full operational costs	2,590,000.00
3.	Lac Courte Oreilles	full operational costs	929,858.00
4.	Hannahville Indian School	full operational costs	175,000.00
5.	Sicangu Oyate Ho, Inc.	estimated supplement	400,000.00
6.	Kinsman Indian School	estimated Supplement	39,945.00
7.	Ojibwa School	estimated supplement	280,000.00
8.	Busby Indian School	estimated supplement	164,880.00

9.	Ft. Hall Indian School	estimated supplement	150,000.00
10.	Wind River Indian School	estimated supplement	65,000.00

Johnson O'Malley

For Fiscal Year 1977 the BIA requested $27,956,000.00. This is $3 million less than for fiscal year 1976. Yet the BIA, by their own admission, states that there are 20,000 more students eligible to receive JOM funds in Fiscal Year 1977. May we ask the BIA how they are planning to accomodate 20,000 students in Fiscal Year 1977 with $3 million less in funds than in Fiscal Year 1976???

This concludes the Coalition's testimony. I would like to thank you for this time to speak on behalf of Indian Controlled Schools.

* Educational Journal of the Institute for the Development of American Indian Law. April, 1973 Vol. 1 No. 8.

STATEMENT OF OLIVER JACKSON, TREASURER, QUILEUTE TRIBAL COUNCIL

QUILEUTE TRIBAL FISHERIES DEVELOPMENT

Senator CHILES. Mr. Jackson is the next witness.

Mr. JACKSON. Mr. Chairman, honorable members of the committee, I am Oliver Jackson, treasurer of the Quileute Tribe of Lapush, Wash., and an elder of the Quileute Tribe. We come to request funds to continue to fulfill our obligation as outlined by the 1974 Federal court decision by Judge George Boldt, and upheld by the Supreme Court of the United States by its refusal to review the decision.

We now have the beginnings of a fisheries management program, a fisheries law enforcement program and have initiated a judicial system. All designed to protect the most valuable asset the Quileute Tribe possesses, the fish and the fishing industry of Lapush, Wash. We ask only that the Congress of the United States fulfill its obligation of trust responsibility by providing these outlined funds to the Bureau of Indian Affairs as a line item in the BIA budget itemized for the Quileute Tribe.

We thank the Senators for allowing us this time to appear before this body.

We will insert the detailed budgets for the record.

I also would like to insert the Statement of Christian Penn, Sr., Chairman of the Council

[The detailed budget proposals were adopted by reference.]

QUILEUTE TRIBAL COUNCIL

A Federal Corporated Organization

P.O. BOX 1587
LA PUSH, WASHINGTON 98350
PHONE (206) 374-6163

LADIES & GENTLEMAN OF THE
CONGRESS OF THE UNITES STATES OF AMERICA

IN REPRESENTATION OF THE QUILEUTE INDIAN TRIBE, OF WASHINGTON STATE, I PRESENT THE PROPOSED "FISHERY RESOURCE MANAGEMENT PROGRAM AND BUDGET" FOR FISCAL YEAR 1977. THE PURPOSED MANAGEMENT PROGRAM REFLECTS THE ACCOMPLISHMENTS OF THE 1974, 1975, 1976 PROGRAMS. THE MANAGEMENT AND SHARING PRINCIPLES OF THE QUILEUTE INDIAN TRIBE ARE SPECIFICALLY IDENTIFIED IN THE PROGRAM DOCUMENT. THEY DEFINE THE POSITION OF THE QUILEUTE TRIBE ON FISHERY RESOURCE MANAGEMENT AND CO-ORDINATION OF ACTIVITIES BETWEEN VARIOUS USERS, IN THE BEST INTEREST OF PROTECTION AND UTILIZATION OF THE FISHERY RESOURCES.

SINCERELY,

Christian Penn, Sr.

CHRISTIAN PENN, SR.
CHAIRMAN, QUILEUTE TRIBAL COUNCIL
QUILEUTE INDIAN TRIBE

QUILEUTE TRIBAL COUNCIL

A Federal Corporated Organization
P.O. BOX 1587
LA PUSH, WASHINGTON 98350
PHONE (206) 374-6163

RESOLUTION OF THE QUILEUTE TRIBAL
COUNCIL NO. 76-A-25

WHEREAS, The Quileute Indian Tribe of the Quileute Indian Reservation, State of Washington, is an organized Indian Tribe, incorporated and chartered under the Indian Reorganization Act of June 18, 1934, and;

WHEREAS, The Quileute Tribal Council is the Duly constituted governing body of the Quileute Indian Tribe by authority of Article III of the Constitution and By-Laws of the Quileute Indian Tribe, approved by the Secretary of the Interior on November 11, 1936, and;

WHEREAS, The Quileute Tribal Council has established the Quileute Fisheries Management Program, and;

WHEREAS, The Quileute Tribe is desirous of continuing the Fishery Resource Management Program, and;

WHEREAS, The Quileute Tribal Council has prepared a proposed FY77 Fishery Resource Management Program, and;

WHEREAS, The Quileute Tribe is desirous of entering into an agreement with the appropriate body of the United States Government to fund the FY77 Fishery Resource Management Program, and;

WHEREAS, The Quileute Tribe is not limiting the Management needs to this proposed program and budget to $412,000.00 and;

NOW THEREFORE BE IT RESOLVED, That the Quileute Tribal Council, on behalf of the Quileute Indian Tribe, of the Quileute Indian Reservation, La Push, Washington presents its proposed FY77 Fishery Resource Management Program and Budget to the Congress of the United States, for consideration and approval.

Christian Penn, Sr.
Chairman, Quileute Tribal Council
Quileute Indian Tribe

QUILEUTE TRIBAL COUNCIL
A Federal Corporated Organization
P.O. BOX 1587
LA PUSH, WASHINGTON 98350
PHONE (206) 374-6454

RESOLUTION OF THE QUILEUTE TRIBAL COUNCIL

LA PUSH, WASHINGTON

RESOLUTION NO. 76 A-32

WHEREAS, The Quileute Indian Tribe of the Quileute Indian Reservation, State of Washington is an organized Indian Tribe, incorporated and chartered under the Indian Reorganization Act of June 18, 1934, and;

WHEREAS, The Quileute Tribal Council is the duly constituted governing body of the Quileute Tribe by authority of Article III of the Constitution and By-Laws of the Quileute Indian Tribe approved by the Secretary of the Interior on November 11, 1936, and;

WHEREAS, The Quileute Tribal Council does desire to enter into an FY77 Enforcement, Protection, and Judical Contract with the Bureau of Indian Affairs in a manner that furthers the Quileute Tribe's objectives of Self-Regulation of its Fishery Resources, and;

WHEREAS, The Quileute Tribal Council recognizes the inadequacy of $164,000.00 to achieve its Enforcement goals, and;

WHEREAS, The Quileute Tribal Council request the Bureau of Indian Affairs, in the event that additional funds for Enforcement and Judical becomes available, to make additional funds available to the Quileute Tribe, and;

NOW THEREFORE BE IT RESOLVED, That the Quileute Tribal Council, on behalf of the Quileute Indian Tribe, of the Quileute Indian Reservation, LaPush, Washington presents its purposed FY77 Fisheries Enforcement, Protection, and Judical Budget to the Congress of the United States, for consideration and approval.

Earl Penn

Christian Penn, Sr.
Chairman, Quileute Tribal Council
Quileute Indian Tribe

Senator CHILES. All right, sir. Your detailed budget does contain figures that will give us the total of your request.

Mr. HORTON. Yes, sir, there are two. I am Jim Horton, business manager of the tribe. The blue copy contains the law enforcement program and judicial program, and the pink copy contains the fisheries management program.

They are broken up this way because this is the way BIA asked for them and there was no Washington agency.

Senator CHILES. Could you give me the total for the record?

Mr. HORTON. The total is $576,000, the entire program.

SUBCOMMITTEE RECESS

Senator CHILES. Thank you very much for your testimony.

The subcommittee will be in recess until 10 a.m. tomorrow morning when we will continue hearing outside witnesses.

[Whereupon at 5:15 p.m., Tuesday, April 13, the subcommittee was recessed to reconvene at 10 a.m., Wednesday, April 14.]

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

WEDNESDAY, APRIL 14, 1976

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

The subcommittee met at 10:15 a.m. in room 1114, Everett McKinley Dirksen Office Building, Hon. Ted Stevens presiding.

Present: Senators Montoya and Stevens.

NONGOVERNMENTAL WITNESSES

OPENING REMARKS OF SENATOR STEVENS

Senator STEVENS. Good morning. This is the final day of the 3-day scheduled hearing for nongovernmental witnesses on matters pertaining to the aporopriations of the Interior Department and Related Agencies.

These related agencies include the two energy administrations, the Forest Service, the Endowments for the Arts and Humanities and others.

Again, today there is a crowded schedule. Because of this we would again request each witness to keep his summary remarks to 5 minutes or less. This is important if we are to hear all the witnesses who have asked to appear today.

Will you please remember that all prepared statements will be printed in full in the record. It is not necessary to read the whole statement. The statement will be read and analyzed by the staff.

We would like—and I personally would like—for you to point out the items that you wish to emphasize. This makes for a better hearing. It also means that we will be able to recall when we get into a full committee mark-up what your particular point was as you presented your request to this committee.

So, when your name is called, will you please present copies of your prepared statement to the staff and take your seat at the witness table. We will call the name of the first witness and then, at the same time, call the name of the next witness to make certain that the next witness will be prepared and is here.

STATEMENT OF FATHER BILL GEORGE, GEORGETOWN UNIVERSITY

Senator STEVENS. Our first witness this morning is Father Collins. And following Father Collins will be David Gockley.

Father, we are happy to have you here with us this morning. This is not Father Collins?

Father GEORGE. It is Father George, Father Collins' assistant and trainee.

Senator STEVENS. It is nice to have you here with us.

NATIONAL EXEMPLAR FLUIDIZED COAL BED HEATING—COOLING SYSTEM

Father GEORGE. Father Collins is making his annual Jesuit Easter retreat, so he is probably praying for us right now.

I am Father Bill George of Georgetown University and on behalf of Georgetown University and Father Collins, I wish to thank this committee for its support of the project for a national exemplar for a non-profit institution for an atmospheric fluidized coal bed combustion heating-cooling centralized system which was given in the conference report on the Interior appropriations bill for fiscal 1976. The project is under review by ERDA and progressing. Georgetown University has worked out a formula that lessens the Federal participation presented to this committee of eight percent Federal and 20 percent Georgetown University, to the formula of 65 percent Federal and 35 percent Georgetown University.

We shall keep the committee informed of the progress of this project and we would like to support an increase in the ERDA community systems program from five million to eleven million dollars. This will enable funds to be available for using coal in the heating-cooling contracts for our exemplar and the attached information explains this in detail.

Father Collins is very fond of the geese on the Eastern Shore of southern Maryland. He asks also that a statement be given supporting the program for migratory fowl. He says that the Canadian geese in the last few years have doubled and he appreciates it and he hopes you keep funding such a program.

One other item—I would like to request that $250,000 be added to the appropriations set up for the Endowment and for the Arts and Humanities—that it be appropriated to set up the national exemplar to train and educate undergraduate students in the artistic, scientific and technical aspects of conservation and restoration of culturally significant works by utilizing the resources of the physics, chemistry and the fine arts department.

In your wisdom, we hope you will grant the full amount of the appropriation request for the National Endowment of the Arts and Humanities because the programs they sponsor are essential to the cultural development of our Nation. We also hope that you will favorably consider their challenge grant programs.

And, Senator Stevens, I thank you and I hope I was under 5 minutes.

Senator STEVENS. You were, Father, significantly. We are happy to have you here. Give our best to Father Collins. I think he is an annual visitor. We appreciate your contribution.

Father GEORGE. Thank you.

[The statement follows:]

Georgetown University is pleased to report that we are making progress with the Energy Research and Development Administration (ERDA) and have submitted an application for our national exemplar fluidized coal bed heating-cooling system, which we understand is being favorably considered.

The total cost of the coal program is		$9,707,400
The federal share is approximately 65%	$6,375,400	
Georgetown University share is approximately 35%	3,332,000	$9,707,400

At the request of ERDA we have dropped the participation formula we presented last year to this committe of 80% Federal and 20% Georgetown to the above 65% Federal and 35% Georgetown.

We would request the committee to consider inserting language in the Report to encourage ERDA to continue working as fast as possible to enable us to develop a national exemplar for non-profit institutions for an atmospheric fluidized coal bed combustion system.

The counterpart of the cooling system, which is associated with the fluidized coal bed combustion process, is likewise progressing. It is in the planning phase and will be developed analogously to the coal conversion and utilization program. This, too, will serve as a national exemplar for non-profit institutions throughout the country.

The funds for the cooling portion of our application are contained in ERDA's Building and Conservation program, specifically in the Potential Energy Savings Community System. Attached is the explanation of this program with a Federal budget figure of $4,000,000 in obligations and $11,000,000 in expenditures.

After a thorough review of the program for Coal Energy Community Systems (CECS) we would like to recommend to the committee that the Office of Management and Budget proposed budget of $5,700,000 be increased to $11,000,000. This is the absolute minimum amount of money needed to allow coal for community purposes to be advanced. It would be from this sector that Georgetown University's heating-cooling system, using coal, would be funded.

We thank the members of this Committee for their past interest and we shall keep them informed of our progress.

POTENTIAL ENERGY SAVINGS
Community Systems
(HD-01-04-00-0)

	OBLIGATIONS ($ thousands)				POTENTIAL SAVINGS (thousands/barrels per day)					Millions/ Barrels
	FY 76	TQ	FY 77	CUM. 85	1977	1978	1979	1980	1985	CUM. 85
INTEGRATED SYSTEMS RD&D										
1. Grid-Connected TE System	$ 625	$290	$ 6,300	$ 15,000	0.1	2	2	4	6	13.9
2. Advanced Coal-Using TE System	500	--	450	25,000	0.1	0.1	2	2	10	16
3. Cold Seawater District Cooling System	40			500	0.1	NOT PRESENTLY DETERMINABLE				
4. Advanced Technology Mix System	480	255	1,200	71,500	0.1	0.1	NOT ANNUALLY DETERMINABLE NOW			
5. Heat-Pump Centered System	240	--	650	1,000	0.1	NOT PRESENTLY DETERMINABLE				
6. District Heating and Cooling System	250	--	--	2,000		NOT PRESENTLY DETERMINABLE				
7. Community Load Leveling	215	--	300	1,000	0.1	NOT PRESENTLY DETERMINABLE				
Subtotal	$2,350	$545	$ 8,900	$116,000	0.1	5.22	40	138	525	750
COMMUNITY DESIGN RD&D										
1. The Oekistic Energy Community	350	215	1,400	57,400	0.1	0.1	NOT ANNUALLY DETERMINABLE NOW			270
2. Energy Impacts of Community Form	--	--	200	2,000	0.1	0.1	NOT PRESENTLY DETERMINABLE			
3. Urban Density/Consumption Study	150	--	200	1,000	0.1	0.1	NOT PRESENTLY DETERMINABLE			
Subtotal	$ 500	$215	$ 1,800	$ 60,400	0.1	0.1	2.5	9.2	200	300
COMMERCIALIZATION										
1. Institutional Impediments to Energy Conservation Community Planning and Design	100	--	900	10,000	0.1	NOT PRESENTLY DETERMINABLE				
2. Mechanisms for Financing and Managing Integrated Systems	150	60	960	20,000	0.1	NOT PRESENTLY DETERMINABLE				225
3. Market Analysis and Establishment of Market Share Objectives for Integrated Systems and Communities	--	--	300	1,000	0.1	NOT PRESENTLY DETERMINABLE				
4. Comprehensive Community Energy Planning, Support of	--	50	570	4,100	0.1	NOT ANNUALLY DETERMINABLE NOW				45
5. Innovative Financing and Management Mechanisms for Widespread Commercialization	--	--	--	10,000	0.1	NOT ANNUALLY DETERMINABLE NOW				90
6. Man/Systems Interface Match Optimization for Integrated Systems Management and O&M Capability in Market	--	--	570	4,000	0.1	NOT PRESENTLY DETERMINABLE				
Subtotal	$ 250	$110	$ 3,300	$ 49,100	0.1	0.58	7.5	36.8	315	450
TOTAL	$3,100	$870	$14,000	$225,500	0.1	5.8	50	184	1,050	1,500

a. 1Q ≈ 500,000 BPDE
b. Dollar savings can be calculated at $11/barrel

Figure 9

(Dollars in Thousands)

SUMMARY TABLE BY SUBPROGRAM - continued

Conservation Research and Development - continued

2. Buildings Conservation	FY 1975 Actual			FY 1976 Estimate			Transition Quarter Estimate		FY 1977 Estimate	
	B/A	Obs.	B/O	B/A	Obs.	B/O	B/A & Obs.	B/O	B/A & Obs.	B/O
A. Commercial Buildings	$ 0	$ 0	$ 0	$ 1300	$ 1300	$ 600	$ 350	$ 160	$ 3850	$ 3310
B. Residential Buildings	0	0	0	850	850	400	225	100	3075	2700
C. Performance Standards	0	0	0	2600	2600	1200	675	300	1250	1200
D. Community Systems	0	0	0	2600	2600	1200	775	350	6850	5700
E. Urban Waste	2400	400	0	1750	3750	3170	750	500	1650	1200
F. Appliances	0	0	0	650	650	300	200	90	1200	1000
G. Technology	0	0	0	1750	1750	800	450	200	3100	2800
H. Dissemination & Transfer	0	0	0	1050	1050	500	125	50	625	500
Total Building Conservation	2400	400	0	12550	14550	8170	3550	1750	21600	18410
3. Transportation Energy Conservation										
A. Implementation and Equipment	0	0	0	570	570	460	200	120	1300	1180
B. Heat Engine Highway Systems	7797	6808	8068	8516	9505	7285	2100	1910	14790	12800
C. Electric & Hybrid Systems	0	0	0	1560	1560	925	500	300	4550	3940
D. Non-Highway Transport Systems	0	0	0	500	500	250	100	100	500	500
E. Technology Studies	345	345	375	1394	1394	1080	300	270	2030	1770
Total Transportation Energy Conservation	8142	7153	8443	12540	13529	10000	3200	2700	23170	20190
4. Improved Conversion Efficiency	2252	2252	529	8900	8900	6870	2000	2000	15000	4300
Total End Use Conservation & Technologies to Improve Efficiency	12794	9805	8972	38190	41179	27040	9950	6950	71200	52160
Total Operating Expenses	$35891	$33789	$20625	$71688	$75342	$52870	$16153	$ 13023	$113000	$ 88000

VOLUME I

TECHNICAL PROPOSAL

Development Proposal Submitted to the Energy Research and Development Administration
Fossil Energy, Division of Coal Conversion and Utilization
Program Solicitation
Industrial Application Fluidized-Bed Combustion Process

GEORGETOWN UNIVERSITY
WASHINGTON, D.C. 20057

INSTITUTIONAL SIZE INDUSTRIAL FLUIDIZED-BED BOILER CATEGORY II

Amount Requested:	6,375,400
Proposed Duration:	24 Months Design / Construction 36 Months Demonstration
Request Starting Date:	April 1, 1976
Project Manager:	William A. Miller Vice President for Planning / Physical Plant Georgetown University (202) 625-4352

Signature: _____
Sam A. Kimble, Administrator
Title: Sponsored Programs Date: 1/15/76

B - ABSTRACT

ERDA PON CATEGORY II FLUIDIZED-BED BOILER PROPOSAL

Our engineering and economic studies show that fluidized bed boiler (FBB) plants offer a cost effective solution for 5000 higher education and 7000 medical institutions faced with the necessity of converting to coal because of the curtailment or unavailability of oil and gas. These 12,000 institutions currently consume approximately 150 million barrels of oil (or gas equivalent) per year. The FBB proposed for Georgetown University will be capable of burning high sulfur coal, while maintaining SO_2 and NO_x stack emissions within EPA and Washington, D.C. established environmental pollution limits for large boilers. The waste disposal problem is simplified with FBB because the waste products are dry.

The FBB, because it is designed to burn high sulfur coal, will assure the lowest annual owning and operating costs of any coal fired boiler designed to meet Federal EPA emission standards. High sulfur coal is the fuel which is least likely to escalate appreciably in price and currently is priced at approximately 50% of the cost of low sulfur coals and No. 6 fuel oil.

Developing and testing a 100,000 lb/hr coal fired boiler at Georgetown University is intended to prove that coal fired boiler plants, in the capacity range of 15,000 to 150,000 can:

- Be aesthetically and operationally acceptable in an urban university/medical complex environment
- Meet all air pollution standards
- Be operated reliably and efficiently with personnel of experience typical to institutional boiler plants
- Be built and operated within time schedules and costs equal or better than conventional coal fired plants

The goals of the proposed demonstration program are to:

- Adapt the ERDA 300,000 lb/hr fluidized-bed technology (Rivesville) to boilers in the 15,000 - 150,000 lb/hr size, for generation of saturated steam, 250 psig and below, and operating in an institutional urban environment.

- Develop Georgetown University as a national exemplar for non-profit institutions for atmospheric fluidized bed combustion of coal for centralized heating and cooling systems.

- Disseminate the results of the demonstration to the natural body of educational and medical institutions to encourage their earliest and widest use of fluidized-bed coal burning both for new and replacement boilers.

Georgetown University is an ideal site for a Category II fluidized-bed boiler demonstration project. The selection of Georgetown University offers the following advantages.

- It is both a university and a medical institution, and is located in an urban area.
- It is of a size (approximately 2 million square foot building area) that typifies the size of many major institutions.
- It maintains the highest aesthetic and environmental standards.
- It has experienced dramatically rising cost for oil and has recently suffered interruptions of gas supply.
- It has an efficient and centralized facilities management and construction organization that is recognized by its peers as being innovative in utilities management and efficient in design, construction and operation of multi-million dollar programs.
- It has, in its university and laboratory staffing, the technical talent to manage and staff a successful FBB data acquisition, reduction and dissemination program.
- It currently has 2 -100,000 lb/hr, oil/gas fired boilers that can be paralleled with the new fluidized bed boiler.
- It has on its team Fluidized Combustion Company (FCC), a partnership of Pope, Evans and Robbins Incorporated (PER) and Foster Wheeler Energy Corp. (FWEC), that has unequalled experience in the development, design, construction, operation and test of fluidized bed boilers.

Georgetown University and FCC are convinced that the proposed FBB design is practical and economical and will in the short term result in the substitution of large quantities of readily available high sulfur coal for critically short oil and gas fuels.

We are confident that a successful FBB demonstration plant at Georgetown will advance the use of coal by educational and medical institutions by at least ten years.

PROPOSED COST SHARE FORMULA
ERDA PON CATEGORY II - GEORGETOWN UNIVERSITY

FLUIDIZED BED BOILER PROGRAM

		Schedule	Total Cost	Cost Share Georgetown	Cost Share ERDA
Phase IA -	Preliminary Design	3 months	$183,000	0	$183,000
Phase IB -	Construction Plans & Specifications	6 months	$410,740	0	$410,740
	Subtotal Phase I Engineering/Design (G.U. FCC).....		$593,740	0	$593,740
Phase IC -	Fast Track Pre-Purchasing	Concurrent with IA & IB			
	Purchase of long lead equip.	Competitive Bid	612,000		612,000
	Purchase FB Boiler	FCC Subcontract	868,000	--	868,000
Phase IIA -	Construction & Start-up	15 months			
		FCC Subcontract	310,260		310,260
		G.U. Labor & Material	40,000	40,000	---
	Facility construction & installation	Competitive Bid	2,330,000 (new const.)		2,330,000
		G.U. Facilities	206,000 (existing)	206,000	---
Phase IIB -		36 months			
	Testing, data acquisition & reduction, demonstration activities as exemplar program & standard plant design.	FCC Subcontract	877,000	--	877,000
		G.U. Labor & Material	495,400	376,000	119,400
		Subtotal Phases I & II	$5,738,660	$622,000	$5,116,660
Phase IIC -	Maintenance and operation labor, fuel and limestone costs during demonstration period	Concurrent with IIB			
		G.U. Labor	915,000	250,000	665,000
		Coal, limestone, elec.	2,460,000	2,460,000	---
		Subtotal Phases Ic & II	$3,375,000	$2,710,000	$665,000
		TOTAL	$9,707,400	$3,332,000	$6,375,400

2151

April, 1976

Georgetown University

Interior Appropriations Committee

Migratory Fowl

Witness: T. Byron Collins, S.J.

The Department of the Interior manages a program for increasing the migratory fowl population. As a result of the years of work on this program the number of Canadian Geese has increased very substantially. I can attest to this from my own experience as a Canadian Goose hunter on the Eastern Shore of Maryland. Because of the Department's excellent program the Canadian Goose population over the last five years has at least doubled.

I, therefore recommend the funding of this program and commend the Department of the Intertior personnel for their work.

I respectfully suggest that the Department might investigate the possibility of extending the hunting season as established in Maryland.

Georgetown University requests that $250,000 shall be added to the National Endowment for the Arts and Humanities fund for the purpose of planning and developing a pilot program as a national exemplar to train and educate undergraduate students in the artistic, scientific and technical aspects of conservation and restoration of culturally significant works.

This pilot program would be unique in that it would utilize the resources of the Departments of Physics, Chemistry and Fine Arts who would address themselves to national conservation problems.

In your wisdom, we hope that you will grant the full amount of the appropriation request for the National Endowment of the Arts and Humanities because the programs they sponsor are essential to the cultural development of our Nation. We also hope that you will favorably consider their challenge grant programs.

Support for National Endowment for the Arts	$87,000,000
Support for National Endowment for the Humanities	$87,000,000
Georgetown University conservation pilot program	$ 250,000

PROJECT:

The restoration of the historic Healy Building (see: Georgetown Architecture N.W., Washington, D.C.: Historic American Buildings Survey Selection, #10, 1970) into an exquisite example of 19th century architecture which continues to function effectively in the 20th century. The interior restoration specifically focuses on the north and south towers of the building. The north tower houses Gaston Hall, one of Washington's most unique assembly rooms, the Philodemic Room, the scene of many important debates for over a hundred years, and Carroll Parlor, a room filled with art treasures relating to Georgetown's history in keeping with the tradition of Georgetown University's founder, Archbishop John Carroll, S.J. The south tower contains the George Riggs Library with its elaborate structure of cast iron extending over two floors and several art studios and an art gallery.

The renovation would create the space to allow for a bringing together of the arts and sciences by means of a joint project between the Fine Arts Department and the Chemistry Department. This joint project would establish a pilot program for the undergraduate training of conservators of historic and artistic objects. This would be a unique pilot program, bringing to bear a technical expertise combined with a humanistic approach on conservation and restoration problems.

STATEMENT OF DAVID GOCKLEY, GENERAL DIRECTOR, HOUSTON GRAND OPERA

ACCOMPANIED BY MS. ANN DARLING

Senator STEVENS. Mr. Gockley? Mr. James Gamble will follow Mr. Gockley.

Mr. GOCKLEY. Good morning. My name is David Gockley, general director of the Houston Grand Opera in Houston, Tex. I am a vice president of OPERA America and for 4 years I have been a member of the National Endowment for the Arts Advisory Music Panel. With me is Ann Darling, the executive director of OPERA, America.

FUNDING FOR OPERA PROGRAMS

I am honored to be with you today representing the 40 professional American opera companies who are members of OPERA America. I am pleased to report that recently compiled figures reveal that opera, at least for the moment, is the Nation's fastest growing art form with audiences increasing 42 percent—to 4.6 million—from the 1973–74 to 1974–75 season. We expect this dramatic growth to continue.

The nature and spirit of American opera have changed markedly over the past decade. First of all, operas are being better produced. Musical and dramatic standards are higher. Our singing, directing, conducting, and designing talent is the most prolific and best trained in the world, and our companies are beginning to provide both training and professional opportunities for this talent to grow and flower right here on our shores. Regional—non-New York—companies especially have adopted an American artist policy and this policy has been the basis of their emergence as artistically excellent bodies.

Indeed, opera is becoming more Americanized. Aside from the dramatic increase in the use of the American artists—our company, the Houston Grand Opera, engaged only American artists for its current season—there are more American operas being performed. Of Houston Opera's last twelve productions, six were by American composers. Even the great European works appear more frequently in English translation.

Second, management and administrative skills have vastly improved. Marketing, fund raising, and audience development have become professionalized. To achieve communitywide impact, managers offer performances to wide audiences at varying price scales and at diverse locations. All our companies are deeply committed to education and give special performances and/or discounts for students. Many offer free performances in parks and plazas. Others present specially priced performances in their main auditorium.

Finally, there has been a marked deurbanization of opera performances. In addition to tours to big cities by the Metropolitan Opera and the New York City operas, there exist no fewer than eight bus and truck opera companies criss-crossing the country and finding their way into the most rural areas.

There is not a city in this country which could not be served either by Western Opera Theater, Opera New England, Texas Opera Theater, Eastern Opera Theater and others. Western Opera Theater

is currently touring Alaska. Texas Opera Theater toured to 31 cities in 9 States during the current year. Altogether, a total of 652,000 persons witnessed tour performances of this type during 1974–75.

Whether it be within a large city or touring to Nevada, the surface of the demand for quality music theater has barely been scratched. There is a huge latent, potential audience. All it takes is managerial expertise and funding to bring the two together. Funding for added performance programs must account anywhere from 40 percent to 100 percent of the cost of such expanded programs.

It is no coincidence that the recent dramatic developments in American opera have occurred in tandem with the National Endowment for the Arts establishing a program of support to professional opera companies. The correlation is undeniable. As the Endowment increased its funding of opera from a pittance in fiscal year 1971 to $2.6 million in fiscal year 1975, non-Federal support increased 135 percent from $11.5 million to $27 million.

Audiences for opera grew 120 percent from 2.1 to 4.6 million over this period. Budgets of 24 opera companies recently surveyed rose 56 percent from $32.7 million to $51.1 million during this period.

Support from State governments to these same 24 companies increased 221 percent from $470,000 to $1,510,000; city/county funding increased 98 percent from $496,000 to $980,000; private and corporate giving increased 88 percent from $9.9 million to $18.6 million. Federal dollars comprise only 4 percent of all contributed monies to opera. Yet, in all cases it has been the crow-bar that has opened the door to considerable increases from non-Federal sources.

In short, your legislation has worked. Federal dollars are not replacing private dollars. And see what has happened to the industry. We have tasted blood. We have seen what could happen. First, however, we must maintain current activity levels against the ravages of a 12 to 15 percent inflation rate. Federal matching funds must participate in this maintenance, eliciting increased participation by non-Federal sources.

In addition, however, there must be more Federal catalyst dollars to elicit total funding required to finance real growth, especially in the areas of touring, audience development, and special projects of high artistic merit. The corporate community holds out great potential for responding to such real growth challenges.

OPERA America, therefore, strongly favors the appropriation of the $100 million in program funds and $10 million in Treasury funds as recently recommended for fiscal year 1977. Opera has not had an increase in Federal funding since fiscal year 1973. Hopefully a $100 million appropriation in fiscal year 1977—our 1977–78 season—would allow the endowment to increase the funding of opera companies to at least the level of purchasing power enjoyed in fiscal year 1973. In addition, OPERA America recommends the appropriation of $15 million in Challenge Funds to be used as catalyst dollars to help institutions finance the real growth that is in such demand.

The Arts Endowment 5-year record in making this happen is remarkably good. There should be no reason why its success as a catalyst cannot be more extensively felt. The need for expanded services is real, and it will cry out louder and louder to be answered.

Senator STEVENS. What is the total amount you request for the Council of the Arts?

Mr. GOCKLEY. $125,000,000.

Senator STEVENS. $125,000,000?

Mr. GOCKLEY. Yes, sir.

Senator STEVENS. You are right. That one company is up in Alaska and they are being very well received. We will try our best. We would like to do something about that inflation. Maybe then the next time our dollars will be more real if we do something about the inflation, too.

Mr. GOCKLEY. I hope so, too.

Senator STEVENS. Thank you very much.

Mr. Gamble.—Did you have anything to add ma'am?

Ms. DARLING. No.

[The statement follows:]

My name is David Gockley. I am General Director of the Houston Grand Opera, America's fifth largest opera company. I am a vice president of OPERA America and for four years I have been a member of the National Endowment for the Arts Advisory Music Panel.

I am honored to be with you today representing the forty professional American opera companies who are members of OPERA America, the unified voice of professional opera in America.

I am pleased to report that recently compiled figures reveal that opera, at least for the moment, is the nation's fastest growing art form with audiences increasing 42% (to 4.6 million) from the '73-74 to 74-75 season. We expect this dramatic growth to continue, although perhaps not at this staggering rate.

The nature and spirit of American opera have changed markedly over the past decade. First of all, operas are being better produced. Musical and dramatic standards are higher. Our singing, directing, conducting, and designing talent is the most prolific and best trained in the world, and our companies are beginning to provide both training and professional opportunities for this talent to grow and flower right here on our shores. Regional (non New York) companies especially have adopted an American artist policy and this policy has been the basis of their emergence as artistically excellent bodies.

Indeed, opera is becoming more "Americanized". Aside from the dramatic increase in the use of the American artists, (our company, the Houston Grand Opera, engaged only American artists for its current season), there are more American operas being performed. (Of Houston Opera's last twelve productions, six were by American composers.) Even the great European works appear more frequently in English translation.

Second, management and administrative skills have vastly improved. Marketing, fund raising, and audience development have become professionalized. To achieve community-wide impact, managers offer performances to wide audiences at varying price scales and at diverse locations. All our companies are deeply committed to education and give special performances and/or discounts for students. Many offer free performances in parks and plazas. Others present specially priced performances in their main auditorium.

Finally, there has been a marked de-urbanization of opera performances. In addition to tours to big cities by the Metropolitan Opera and the New York City operas, there exist no fewer than eight "bus and truck" opera companies criss-crossing the country and finding their way into the most rural areas. There is not a city in this country which could not be served either by Western Opera Theater, Opera New England, Texas Opera Theater, Eastern Opera Theater and the others. Western Opera Theater is currently touring Alaska. Texas Opera Theater toured to thirty-one cities in nine states during the current year. Altogether, a total of 652,000 persons witnessed tour performances of this type during 1974/75. The demand for these performances is so huge that the number of performances could quintuple in two years.

Whether it be within a large city or touring to Nevada, the surface of the demand for quality music theater has barely been scratched. There is a huge latent, potential audience. There is also a tremendous resource of talent ready to take the stage. All it takes is managerial expertise and funding to bring the two together. Funding for added performance programs must account anywhere from 40% to 100% of the cost of such expanded programs.

It is no co-incidence that the recent dramatic developments in American opera occurred in tandem with the National Endowmentfor the Art's establishing a program of support to professional opera companies. The correlation is undeniable. As the Endowment increased its funding of opera from a pittance in FY '71 to $2.6 million in FY '75, non-federal support increased 135% from $11.5 million to $27 million. Audiences for opera grew 120% from 2.1 to 4.6 million over this period. Budgets of 24 opera companies recently surveyed rose 56% from $32.7 million to $51.1 million during this period. Support from state governments to these same 24 companies increased 221% from $470,000 to

$1,510,000; city/county funding increased 98% from $496,000 to $980,000; private and corporate giving increased 88% from $9.9 million to $18.6 million.

Federal dollars comprise only 1/10th of all contributed monies to opera. Yet, in all cases it has been the crow-bar that has opened the door to considerable increases from non-federal sources. Your legislation has worked. Federal dollars are not replacing private dollars. And see what has happened to the industry!

We have tasted blood. We see what could happen. First, however, we must maintain current activity levels against the ravages of a 12-15% inflation rate. Federal matching funds must participate in this maintainance, eliciting increased participation by non-federal sources. In addition, however, there must be more federal "catalyst dollars" to elicit total funding required to finance real growth, especially in the areas of touring, audience development, special projects of high artistic merit, etc. The corporate community holds out great potential for responding to such real growth challenges.

OPERA America, therefore, strongly favors the appropriation of the $100 million in Program Funds and $10 million in Treasury Funds as authorized for FY 1977. Opera has not had an increase in federal funding since FY '73. Hopefully a $100 million appropriation in FY '77 (our 1977/78 season) would allow the Endowment to increase the funding of opera companies to at least the level of purchasing power enjoyed in FY '73.

In addition, OPERA America recommends the appropriation of $15 million in Challenge Funds to be used as catalyst dollars to help institutions finance the real growth that is in such demand.

The Arts Endowment 5-year record in making this happen is remarkably good. There should be no reason why its success as a catalyst cannot be more extensively felt. The need for expanded services is real, and it will cry out louder and louder to be answered.

1974-75 Seasons

OPERA AMERICA MIDWEST REGION:

MINNESOTA OPERA COMPANY:
Charles Fullmer, General Manager; OPERA America Board Member
Wesley Balk, Artistic Director
Philip Brunelle, Music Director
O'Shaughnessy Auditorium, Minneapolis/St. Paul, Minnesota
13th Season
4 operas, 14 performances, all in English,
2 commissioned works including the world premiere of the VOYAGE OF EDGAR POE in English
Company tours throughout state, Wisconsin, North and South Dakota
Free in-school performances
60,670 people attending

MILWAUKEE FLORENTINE OPERA COMPANY:
Alan J. Bellamente, General Manager
Uihlein Hall, Milwaukee, Wisconsin
44th Season
4 operas, 8 performances, one opera in English
Opera on Wheels, affiliate company touring full productions and excerpts throughout state
20,134 people attending
20,000 students attending

OMAHA OPERA COMPANY:
Jonathan Dudley, General Director
Orpheum Theatre, Omaha, Nebraska
18th Season
3 operas, 8 performances, two operas in English
Omaha Opera affiliate company tours throughout the midwest
20,000 people attending

KANSAS CITY LYRIC THEATER:
Russell Paterson, General Manager and Artistic Director; OPERA America Board Member
Lyric Theater, Kansas City, Missouri
18th Season
5 operas, 25 repertory performances all in English including world premiere of CAPTAIN JINKS OF THE HORSE MARINES; 3 operas now recorded for RCA
26,544 people attending

TULSA OPERA:
Edward C Purrington, General Manager and Artistic Director
Tulsa Municipal Theatre, Tulsa, Oklahoma
28th Season
2 operas, 4 performances, one opera in English
9,239 people attending

FORT WORTH OPERA ASSOCIATION:
Rudolf Kruger, General Manager and Musical Director
Tarrant County Convention Center Theatre, Fort Worth, Texas
30th Season
4 operas, 8 performances, two operas in English; plus one production (4 performances especially for school children
27,215 people attending

HOUSTON GRAND OPERA:
David Gockley, General Director; OPERA America Vice President
Jesse H. Jones Hall, Houston, Texas
21st Season
10 operas, 60 performances (including free Spring Festival); 5 operas performed two nights each in English with new cast
9 student matinees
Texas Opera Theatre, touring/educational division in residence with young singers presenting a 30 week season with tours to 11 states in the fall, winter & spring with a varied repertoire o 4 productions plus excerpt and workshop programs.

231,300 people attending
DALLAS CIVIC OPERA:
Nicola Rescigno, General Director
Diana Clark, Manager
Music Hall Fair Park, Texas
20th Season
4 operas, 12 performances
54,720 people attending

SAN ANTONIO SYMPHONY/OPERA:
Joyce A. Moffatt,
Theatre for the Performing Arts, Texas
32nd Season
3 operas, 6 performances
Tours to areas in state and Shreveport, LA.
13,741 people attending

LYRIC OPERA OF CHICAGO:
Carol Fox, Feneral Director; OPERA America Board Member
Opera House, Chicago, Illinios
21st Season
7 operas, 78 repertory performances
169,680 people attending
The Opera School of Chicago, an apprentice program, tours throughout state
Radio broadcasts throughout state

OPERA AMERICA SOUTHERN REGION:

GREATER MIAMI OPERA ASSOCIATION:
Robert Herman, General Director; OPERA America Vice President
Miami Beach Theater of the Performing Arts and Dade County Auditorium, Miami, Florida
35th Season
4 operas, [illegible] performances, 4 performances in English
Florida Family Opera - subsidiary company, 60 one act performances, 71 opera concerts and videotape for 7 television stations in Florida.
160,000 people attending

CIVIC OPERA OF THE PALM BEACHES:
Dr. Paul Csonka, Artistic Director
West Palm Beach Auditorium, West Palm Beach, Florida
14th Season
4 operas, 8 performances
Free performances in the local schools
22,000 people attending

NEW ORLEANS OPERA ASSOCIATION:
Arthur Cosenza, General Director
New Orleans Theatre, New Orleans, Louisiana
34th Season
6 operas, 12 performances
27,247 people attending

MISSISSIPPI OPERA:
Barbara White, Production Director
Jackson Auditorium, Jackson, Mississippi
31st Season
2 operas, 3 performances
Touring excerpts throughout state
6,700 people attending

MEMPHIS OPERA THEATRE:
Blair Edwards, General Director
Helen Watkins Overton, Business Manager
20th Season
4 operas, 7 performances, one opera in English
Southern Opera Theatre, subsidiary company touring six state region. Auditions are held for young singers' membership.

CHARLOTTE OPERA:
Kelley Alexander, Production Manager
Susan Green, Business Manager
Ovens Auditorium, Charlotte, North Carolina
27th Season
3 operas, 6 performances
Full opera productions in schools throughout North and South Carolina
Opera Festival in September for one week
10,000 people attending

KENTUCKY OPERA:
Moritz Bomhard, Director
The Macauley Theatre, Louisville, Kentucky
24th Season
4 operas, 8 performances, two operas in Englis
24,300 people attending

OPERA AMERICA WESTERN REGION:

1974-75 Seasons

SEATTLE OPERA COMPANY:
Glynn Ross, General Director; OPERA America Secretary
Opera House, Seattle, Washington
12th Season
5 operas, 30 performances, 4 operas have 2 performances in English, one opera in Eng.
Pacific Northwest Festival, summer season of Wagner performances
150.549 people attending

PORTLAND OPERA:
Stefan Minde, General Director & Conductor
Civic Auditorium, Portland, Oregon
26th Season
5 operas, 15 performances; American premiere of LIFE OF ORESTES; 2 operas in English
Portland Opera Studio gives excerpts locally plus 8 smaller opera performances
49,828 people attending

SAN FRANCISCO OPERA:
Kurt Herbert Adler, General Director; OPERA America Vice President
War Memorial Opera House, San Francisco, California
53rd Season
12 operas, 61 repertory performances, 5 student matinees, one opera in English
12 operas broadcast in local and Los Angeles areas
208,700 people attending
Brown Bag Opera, one act operas and opera highlights at various locations, 51 performances, 30,000 people attending
Merola Opera program, 10 week summer training and performance program, 2 operas, 3 performances plus 1 concert & 2 street programs, 33,000 people attending
Western Opera Theater, touring and educational subsidiary. 9th Season, 5 operas in English, in repertory tour throughout Western States during 5 months, 85 performances including 35 in schools plus 88 workshops and seminars, 65,000 people attending

SPRING OPERA THEATER OF SAN FRANCISCO:
Kurt Herbert Adler, General Director
Curran Theatre, San Francisco, California
14th Season
4 operas, 16 performances all in English plus 3 operas on tour. 2 student matinees.
26,800 people attending

SAN DIEGO OPERA COMPANY:
Kenneth Caswell, General Manager
Tito Capobianco, Artistic Director
San Diego Civic Theatre, San Diego, California
12th Season
5 operas, 20 performances, 4 operas in English
66,000 people attending

TUCSON OPERA COMPANY:
James Sullivan, General Director
Music Hall, Tucson, Arizona
4th Season
3 operas, 6 performances, 4 student free matinees
23,459 people attending

CENTRAL CITY OPERA:
Robert Lotito, General Director
Central City Opera House, Colorado
44th Season
2 operas, 15 performances
12,487 people attending
Apprentice Artists Program holds national audition for study with major company, 1 performance
Central City Opera sponsored AIDA by the Seattle Opera Company in Denver

SANTA FE OPERA:
John Crosby, General Director; OPERA America President
Santa Fe Opera House, Santa Fe, New Mexico
19th Summer Season
6 operas, 31 repertory performances, 2 operas in English
53,512 people attending
Apprentice Program for Technicians and Artists with young singers auditioning for entrance

HAWAII OPERA THEATRE:
Gordon T. Coats, General Manager
Blaisdell Memorial Concert Hall, Honolulu, Hawai
15th Season
3 operas, 11 perfromances, 1 opera in English
20,000 people attending
Opera for Youth, 8 performances, all in English

OPERA AMERICA CANADA:

CANADIAN OPERA COMPANY:
Herman Geiger-Torel, General Manager; OPERA America Board Member
O'Keefe Centre, Toronto, Ontario
27th Season
7 operas, 34 repertory performances, 2 operas in English
OPERAtionONTARIO of the Canadian Opera Touring Company holds workshop residencies throughout Canada with repertory perfomances also given.
Major tour to Washington, DC and Ottawa annually
130,000 people attending

VANCOUVER OPERA:
Barry Thompson, Executive Director
Queen Elizabeth Theatre, British Columbia
16th Season
4 operas, 19 performances
48,000 people attending

EDMONTON OPERA ASSOCIATION:
Lorin J. Moore, Administrative Director
Northern Alberta Jubilee Auditorium, Edmonton, Alberta
13th Season
4 operas, 13 performances, 2 operas in English
27,958 people attending
School program, 53 performances, MOZART IMPRESSARIO, 21,200 students attending

OPERA AMERICA NORTHEAST REGION:

1974-75 Seasons

OPERA COMPANY OF BOSTON:
Sarah Caldwell, Artistic Director; OPERA America Board Member
The Orpheum Theatre, Boston, Massachusetts
18th Season
4 operas, 13 performances; American premiere of MONTEZUMA in English
32,000 people attending
Young Artists program gives working experience for young singers
Opera New England, regional development program for New England States

CONNECTICUT OPERA COMPANY:
William Warden, General Manager
Bushnell Memorial Auditorium, Hartford, Conn.
34th Season
6 operas, 9 performances
22,000 people attending

Live radio broadcasts in 3 states

CHAUTAUQUA OPERA:
Leonard Treash, General Director
Chautauqua, New York
Norton Memorial Hall
47th Summer Season
7 operas, 17 performances all in English since 1929
25,000 people attending
Young Artist Program, apprenticeships for young singers

TRI-CITIES OPERA COMPANY:
Peyton Hibbitt, Carmen Savoca, Artistic Dirs.
Bettie G. Brown, Business Manager
The Forum, Binghamton, New York
27th Season
3 operas, 16 performances
18,000 people attending
Tour to upstate NY, 2000 people attending
In-school performances throughout year

LAKE GEORGE OPERA FESTIVAL:
David Lloyd, General Director
Glens Falls, New York
10th Summer Season
6 operas 32 performances all in English
19,006 people attending
Young Artists Program-apprenticeships for young singers.
Radio broadcasts throughout state

NEW YORK CITY OPERA:
Julius Rudel, Director
John S. White, Managing Director
New York State Theater, Lincoln Center, New York
58th Season
21 weeks of repertory opera, 147 performances
500,365 people attending
Major tours to Los Angeles and Washington, DC
Young Artists Program, apprenticeships for young singers
Radio Broadcasts throughout state

METROPOLITAN OPERA
Anthony Bliss, Executive Director
James Levine, Principal Conductor
John Dexter, Director of Production
Michael Bronson, Technical & Business Admin.; OPERA America Treasurer
Francis Robinson, Assistant Manager
Ed Corn, Special Ass't. to Executive Director
Charles Riecker, Richard Rodzinski, Artistic Administrators
91st Season
27 weeks of repertory opera, 189 performances
1,055,143 people attending
Major national tour; 1975 tour to Orient; Free concerts in Central Park; 36 years of national radio broadcasts; OPERA NEWS produced by Opera Guild, who started Central Opera Service.

THE OPERA COMPANY OF PHILADELPHIA:
Dr. Max Leon, General Director
Carl Suppa, Artistic Director
Academy of Music, Philadelphia, Pennsylvania
1st Season, formerly the Philadelphia Grand Opera and the Philadelphia Lyric Opera
7 operas, 13 performances
62,000 people attending

PITTSBURGH OPERA COMPANY:
Dr. Richard Karp, General Director
Heinz Hall, Pittsburgh, Pennsylvania
37th Season
6 operas, 12 performances
33,600 people attending
Uses the Pittsburgh Symphony, Opera Chorus, and Ballet Theatre

OPERA AMERICA NORTHEAST REGION (continued):

BALTIMORE OPERA COMPANY:
Robert J. Collinge, General Manager; OPERA America Board Member
Lyric Theater, Baltimore, Maryland
25th Season
3 operas, 9 performances; World premiere of INES DE CASTRO in English
24,000 people attending
Eastern Opera Theatre, educational subsidiary gives free school performances of fully staged productions by young professionals
National Vocal Competition, annual auditions sponsored by Exxon

THE WOLF TRAP COMPANY:
Francis Rizzo, Artistic Administrator
The Filene Center
Wolf Trap Farm Park for the Performing Arts, Vienna, Virginia
3rd Summer Season
2 operas, 4 performances
11,654 people attending
National Auditions for company casting
National Public Television broadcasting

OPERA SOCIETY OF WASHINGTON:
George London, General Director
David Baber, Managing Director
Opera House, Kennedy Center, Washington, DC
19th Season
3 operas, 9 performances
45,000 people attending
National Radio broadcasts

MICHIGAN OPERA THEATRE:
David DiChiera, General Director; OPERA America Board Member
Robert M. Heuer, Managing Director
Music Hall, Detroit, Michigan
5th Season
4 operas, 20 performances all in English
28,000 people attending
Opera in Residence, affiliate company with one week residencies throughout state
Radio broadcasts throughout state

CINCINNATI OPERA COMPANY:
James De Blasis, General Director
Music Hall, Cincinnati, Ohio
56th Summer Season
6 operas, 12 performances
47,600 people attending
Cincinnati Opera Ensemble, four young artists performing throughout state and Kentucky.
Auditions held annually for company

Senator STEVENS. Mr. Gamble? It appears that Mr. Gamble is not present. We will move along to the next witness, Mr. Frain, who will be followed by Mr. Fuss.

STATEMENT OF GEORGE FRAIN, SECRETARY, BUSINESSMAN AFFECTED SEVERELY BY THE YEARLY ACTION PLANS, INC.

ACCOMPANIED BY PHILIP J. BROWN, PRESIDENT, BASYAP

Senator STEVENS. Mr. Frain.

Mr. FRAIN. I would like first to introduce myself. My name is George Frain. I am secretary of a small business group, Businessmen Affected Severely by the Yearly Action Plans, Inc. I am a retired congressional aide. I was up here for 20 years and I am very familiar with the Pennsylvania Avenue plans. I am accompanied by Philip J. Brown, president of our organization. I want to give a minute or two of my time to him in just a second.

PENNSYLVANIA AVENUE DEVELOPMENT CORPORATION

We strongly oppose the $26 million budget item requested by President Ford for the Pennsylvania Avenue Corporation. We oppose this item and we oppose any funds to continue the Corporation business. I was on Capitol Hill for 20 years and watched this plan develop from 1962. I have testified on it and so has Mr. Brown. We do advise you now we strongly endorse the position taken by the House of Representatives on March 15 this year in rejecting the authorizing legislation, H.R. 7743, by a vote of 201 to 149 in rollcall No. 105.

We are especially pleased to note that the members of the House Subcommittee on Appropriations for the Department of the Interior and Related Agencies voted 3 to 1 against the authorizing legislation. Voting against H.R. 7743 were: Representative Long, Maryland; Representative McKay; Representative Murtha; Representative Regula; Representative Evans from Colorado; and Representative McDade. Voting for the authorizing bill were: Representative Yates and Representative Duncan, Oregon.

Representative Taylor of North Carolina pointed out that the history of the Federal concern for Pennsylvania Avenue dates back nearly 15 years to the initial expression of interest by President Kennedy. Representative Taylor noted that in November of 1974 the completed plan was submitted to the Congress, that implementation of the plan would cost about $130 million of Federal funds over the next 15 years, and that over $400 million in private funds will also be required.

There are several things that need to be poined out to the Subcommittee on Appropriations today. I met with Congresswoman Virginia Smith of Nebraska at 9:30 this morning and she gave me her statement of December 11, 1975 on the conference report on H.R. 7743 making appropriations for the Department of Interior and Related Agencies including the Pennsylvania Avenue Development Corporation available. I call your attention to her statement and her questions answered by Chairman Sidney Yates. All of this appears on page H12330 and I ask that her statement of December 11, 1975 and the replies of Chairman Sidney Yates be included in the hearing record at this

point in my testimony. For your convenience, Mr. Brown will submit them to the committee.

[The information follows:]

CONGRESSIONAL RECORD — HOUSE

December 11, 1975

H 12330

(Mrs. SMITH of Nebraska asked and was given permission to revise and extend her remarks.)

Mrs. SMITH of Nebraska. Mr. Speaker, I too support the conference report, but I do want to express my concern about the section which provides $800,000 for the Pennsylvania Avenue Development Plan.

While it is desirable to beautify our Nation's Capital by renovating Pennsylvania Avenue, it would be unwise and unnecessary to implement this goal by further commitment of Federal funds. The Pennsylvania Avenue Development Corporation, for whose salaries and administrative expenses this money would be used, has fulfilled its legislative charter by drafting a plan for redevelopment of the blighted area. Involving Federal funds in that effort, however, would be fiscally irresponsible in light of a shocking projected Federal deficit of $72 billion for fiscal year 1976 according to U.S. Treasury Department figures. American taxpayers will pay over $37 billion in interest alone this year on the immense national debt. Furthermore, it would be simply poor timing to add more Federal funds to inflationary fires for a corporation which has already fulfilled its function.

In addition, there is no assurance that any major financial commitment to this project will not create another bottomless pit into which we pour taxpayers' dollars. We need not look too far to see examples of budget-breaking construction overruns in our Capital. The Kennedy Center for the Performing Arts was estimated to cost $46 million before construction in 1964; today expenditures have already soared to $73 million—double the original amount and the books still are not closed. The National Visitors Center was originally estimated to cost only $16 million. The most recent figures reveal $48.3 million as the current estimate to complete the Center—three times the initial sum and in this case there have been cut-backs in the original design. So for three times the money, the taxpayers will get less than they first bargained for. This program would like to start with $154 million. Where would it end? The faintest whisper could cause another funding landslide.

Let me reiterate that I do not oppose beautifying our Nation's Capital, but the private sector should be allowed to accomplish this. These improvements could be financed by private investment under the time-tested market system. And there are already in existence authorities which could oversee these improvements to insure that they remain faithful to the dignity which should characterize our Capital, such as the National Capital Planning Commission and National Capital Parks Service.

The taxpaying American public does not now need to spend more money to perpetuate another Federal agency overseeing the sound development of our Nation's Capital.

Mr. Speaker, I would like to ask some questions of the chairman in regard to this.

Following approval of this appropriation, if the Congress should vote not to continue the Pennsylvania Avenue Development Corporation, then would these funds revert to the U.S. Treasury?

Mr. YATES. The answer to that question is "Yes."

Mrs. SMITH of Nebraska. I thank the gentleman very much. The second question is, Could this Pennsylvania Avenue Development Corporation spend these funds at the present time, since there is no authorization?

Mr. YATES. The answer to that is that these funds are primarily for the payment of salaries for the people who are on the payroll. In the event that the President does not sign the bill, the money will then not be avaflalbe.

Mrs. SMITH of Nebraska. I am thinking, in the event that the Interior Committee should come out with a recommendation that we discontinue this program——

Mr. YATES. May I say to the gentlewoman the authorization is before each of the appropriate committees, but has not passed either the House or the Senate. I would say that, in my judgment, the funds could be spent only to maintain the present force for keeping this corporation operating until the Congress has an opportunity to consider the authorization.

Mrs. SMITH of Nebraska. Then I would be correct in understanding that they could not make any commitments of this money for the future?

Mr. YATES. Mr. Speaker, the gentlewoman is correct. It is the intention of the conferees that no additional commitments be made until the further life of this corporation be approved by the Congress and by the President.

Mrs. SMITH of Nebraska. I thank the gentleman.

Mr. BROWN. Good morning, Mr. Chairman. I am pleased to be here today.

On December 11, 1975, Congresswoman Smith of Nebraska asked the chairman of the sister subcommittee on the House floor in regard to Federal taxpayers' funds that were being advanced to the Corporation—if the Corporation were not authorized, would these funds have to be returned to the taxpayers of the United States and Congressman Yates answered yes.

Now, since there is no authorizing legislation for the Pennsylvania Avenue Corporation and since the Corporation was soundly defigured on the House floor, we would request your committee, who also must have some approval of $800,000 in taxpayers' funds, to also try to recover these funds from the Pennsylvania Avenue Corporation in any way that they can, since the authorizing legislation was never passed and——

Senator STEVENS. That is not true. I remember voting for that bill. The amendment to the bill did not pass.

Mr. FRAIN. I submit, Mr. Chairman, the record from the committee from the House debate. I think it is very important. This is the bill we are talking about and the next page has Mrs. Smith's comments and Congressman Yates'. This was before the full House, Mr. Chairman.

Senator STEVENS. You are talking about recovering the money we appropriated in the past.

Mr. FRAIN. Yes, sir. We are talking about the $870,000 that was advanced by the Appropriations Subcommittee on the House side for—I suppose by your committee, your subcommittee and then was not authorized in H.R. 7743 on March 15 and I have, as part of my statement, at the conclusion of my statement I have Mrs. Smith's statement on the House floor on March 15, plus the vote of rollcall No. 105, which was 201 against authorizing and 149 for.

Mr. BROWN. Senator, could I please read from the House debate?

"Mr. Speaker, I would like to ask some questions of the Chairman——"

Senator STEVENS. I can read it. I have just read it. Obviously, we are not going to appropriate money if it is not authorized, but I object to the inference that the money we have already made available to the Pennsylvania Avenue Development Corporation for their work, which at the time was basically operation money, to my knowledge, they have not spent any development money yet.

Mr. FRAIN. No, sir. We are only talking about the $870,000 that was appropriated without authorization on December 11, 1975, or at least that was when it was before the House. We are not talking about any previous funds. We are simply supporting the position taken by Chairman Yates on the House floor on December 11 in a colloquy with Mrs. Virginia Smith of Nebraska.

Mr. BROWN. It said that if they did not approve the Corporation—and they were talking about if Congress should vote not to continue the Pennsylvania Avenue Development Corporation, then would these funds revert to the United States Treasury and Mr. Yates, who is Chairman of the Interior Subcommittee said the answer to that question is yes, and the House of Representatives in an opening roll call vote of 201 to 149 rejected this Corporation.

Therefore, we would ask if the subcommittee, or both subcommittees—Congressman Yates said he would try to recover the funds.

Senator STEVENS. If it has been spent, you can't recover it. If it has not been authorized, it has not been made available.

Mr. BROWN. Then it should not have been spent without the authorizing legislation.

Senator STEVENS. The money that we appropriated was authorized. If it has been spent, you can't recover it. The money that was appropriated if it was not authorized, it has not been made available yet.

Mr. FRAIN. The authorization was in——

Mr. BROWN. Senator, all we can go by is the Congressional Record. We are not privy to everything. That is what Congressman Yates said.

Senator STEVENS. We will be happy to take the matter up with the chairman of the committee in the House, gentlemen. But let me tell you, we appropriate funds subject to authorization. There are times this committee authorizes expenditures and the question of whether or not those funds have been properly made available would then be addressed to the Attorney General, not to us. We are not in the business of trying to get back money that we have already authorized that has been spent.

We may not appropriate further funds if the House fails to pass that amended legislation.

Mr. FRAIN. We request this committee and the Senate, insofar as we can request it, that you stand by the House vote on March 15 and our position to appropriations for the Pennsylvania Avenue Development Corporation.

Senator STEVENS. I think it is clearly a mistake. I think this city is a disgrace, particularly on Pennsylvania Avenue, and I have supported this bill. I think you ought to know that, but you can present your request to other Members of Congress, obviously.

And, I support the activities of the Pennsylvania Avenue Corporation.

Mr. FRAIN. Mr. Chairman, we know that you do. We think it is a mistake for you to have done so. We think that the House vote is a fair demonstration of the House position. It is a sister body. We think that this has been an albatross on the backs of the area we have developed.

Mrs. Smith, in part of my testimony—I have submitted her statement—she indicates that private enterprise, if given an opportunity would have developed the avenue. I am sure that it would. I think that the FBI building is a disgrace. I don't think it should have been there. It looks more like a prison and if you think that that is the type of development that Pennsylvania Avenue should have and that the small businessmen should be herded like sardines in a can into Lansburgh's Department Store with big buildings left and Kann's should be torn down at the expense of the taxpayers, then we really do not believe in a tight budgetary situation that that is feasible.

Now, this project has run into trouble on March 23, 1975. I have a statement here in the Washington Star which Representative Taylor said that the $132 million was a lot of money, that is twice the amount the National Park Service has to buy park lands across the

Nation. I think there were other Congressmen who were objecting to that. Bill Gold, in the Pennsylvania Avenue Plan, as early as March 1975—and Bill Gold in an article in the Washington Post of March 11 said that it is not a moment too soon to begin planning for an appropriate ceremony to mark the 10th anniversary of the closing of the Willard Hotel. This once grand hostelry was boarded up in 1968. When one considers the pace at which things move in Washington, we may already be too late to agree on an anniversary program for 1978.

Senator STEVENS. All right. I understand your position. I appreciate it. I think that you should be advised that if the appropriation is not authorized, I am certain that this committee is not going to appropriate funds. It is a matter to be faced by the authorizing committee as to whether or not it has been appropriated.

Mr. FRAIN. We will certainly appear before that committee, Mr. Chairman. We think that this thing has stopped development on the avenue, private development. In the Bicentennial year, we ought to show some concern and some loyalty and dedication to the basic American concept that it is just not big business or big government that can build our cities. We think that the mistake has been to depend on the Federal Government.

The Federal Government, as I indicate in my statement, has driven private investment out of the area and I think that if you take—Mr. Quesada has said at various times if it was not appropriated, it should not be included and I think that Mr. Ben Gilbert, the head of the Municipal Planning Agency of the city, has reported in the Post of March 23, 1975, saying Congressman Taylor, chairman of the House Authorizing Committee, the Interior Committee asked what would happen if Congress refuses to appropriate the redevelopment funds and Ben Gilbert, the Mayor's representative said, in that case the plans should be liquidated so that businessmen located in the vicinity who have been waiting for several years for a completion of a plan will no longer be uncertain.

Mr. BROWN. Could I say one more thing, Senator, before we go?

This plan—I know it is grandiose—and granted, it would have been living hell for a lot of people. It would have closed people's businesses. It would have caused disruptions of families, bankruptcies and the threat of eminent domain that has hung over Pennsylvania Avenue for several years. I agree with what Mr. Frain said in 1976, the year of the Bicentennial when colonies—the reason of rebelling against England was the seizure of private properties for the quartering of British troops—that it was no way to celebrate the Bicentennial by condemning private property.

The House of Representatives in an overwhelming majority has spoken against this plan and pleads that no more money be given to this Corporation that has killed Pennsylvania Avenue for the last 16 years.

Mr. FRAIN. I would like to make one final point and that is, Mr. Chairman, that a great deal of discussion has been devoted to the Willard Hotel. I think that I want to point out that just across the street from the Willard Hotel, at 15th and F, is the historic Rhodes Tavern. Now, the Rhodes Tavern at 15th and F on the northeast corner, right across the street from the Treasury Department within

one block of the White House, is one of the most historic sites in Washington. That was where the British commanders, Admiral Cockburn and General Ross, dined on August 12, 1814, while they set fire to the White House. Now, I think it is ridiculous for us to spend all of our time to have $4½ million in the Pennsylvania Avenue Development Plan and the Corporation—among that $132 million is $4½ million to restore the Willard which was built in 1903—and to avoid any concern or any attention to one of the most historic buildings in this city where the British burnt the White House and set fire to the Treasury.

And, Mr. Stevens, I think that if Alaska could make this contribution to the other 50 States of this Union and save Rhodes Tavern—I have testified on it numerous times. I have got it in the hearing record before the House Interior Committee and I will be glad to submit it to you. I would like to submit to the committee a dozen letters indicating the concern of Members of Congress, Senator John Glenn, Senator Thomas Eagleton and so on with Rhodes Tavern and I think that the application of so much energy and so much time over a period of 15 years——

Senator STEVENS. The letters will be placed in the committee files.

Mr. FRAIN. I want to point out, Senator, that President Kennedy and President Johnson never had anything like the Pennsylvania Avenue Development Corporation and its eminent domain powers. That legislation establishing a corporation came forward under Mr. Nixon. It is another one of the Nixon mistakes. And I would hope, Mr. Chairman, that this part of the Nixon record would be rejected by the Senate just like some of the other things that Mr. Nixon allowed.

I do not think that this is the—the small businessmen are denied any voice. They are denied their constitutional rights. In subsection J—the heads of Federal departments and agencies are given a full voice and all of the powers and the small businessman and tenants in the for 40-acre area covered by this plan are not anything. They are denied a vote. They are denied any voice. They are an advisory committee to meet at the behest of this monster and even King George who gave us the Magna Carta—and Congress is sending people over there—would not have grabbed for that much power. I am rather surprised at the enthusiasm with which the Senate has over the years been willing to deny, as they did in the original legislation authorizing legislation for the Pennsylvania Avenue Development Corporation, deny the Constitutional rights granted to all of our citizens including small businessmen who will be displaced by this plan. Just like they were kicked out of the Southwest for L'Enfant PLaza which is another Rockefeller project. I really hope that you will seriously consider my testimony and the testimony of Mr. Brown this morning. Thank you very much.

Mr. BROWN. One final point. He mentioned the Rockefeller project. It is a fact, an undeniable fact, history makes the record that General Quesada was the agent for the Rockefellers when they condemned Southwest Washington which was one of the biggest mistakes this country ever made, about 25,000 people, 760 businessmen never opened their doors again. It was brought down at the taxpayers' expense. Rockefellers owned the L'Enfant Plaza, or the control of it,

and to come up here to build a Pennsylvania Avenue Corporation, Governor Rockefeller said in New York when he built the Albany Mall it was going to cost $200 million. This displaced 350 small businesses which are the backbone of America, 3,000 people—and so, it was a bargain at any price.

Senator STEVENS. You have been here 15 minutes. You have said it three times you want to have one more point. Thank you very much.

Mr. FRAIN. That is the first time you have heard from our businessmen. Thank you.

[The statement follows:]

Mr. Chairman, I would like first to introduce myself. My name is George Frain, I am secretary of Businessmen Affected Severely by the Yearly Action Plans, Inc. I am accompanied by Philip J. Brown, president of our organization. I am familiar with Penn. Ave. Planning as a Congressional aide.

We are appearing on the $26,000,000 budget item requested by President Ford for the Pennsylvania Avenue Development Corporation.

We strongly oppose this item, and we oppose any funds to continue the corporation in business. I was on Capitol Hill for 20 years and watched this plan develop from 1962. I have testified on it, so has Mr. Brown here. But, we do advise you now we strongly endorse the position taken by the house of Representatives on March 15, this year in rejecting the authorizing legislation, H.R. 7743, by a vote of 201 to 149 in roll call No. 105.

We are especially pleased to note that the Members of the House Subcommittee on Appropriations for the Department of the Interior and Related Agencies voted 3 to 1 against the authorizing legislation.

Voting against H.R. 7743 were: Rep. Long, Md.; Rep. McKay; Rep. Murtha; Rep. Regula; Rep. Evans, Colo.; and Rep. McDade;

Voting for the authorizing bill were: Rep. Yates and Rep. Duncan, Oregon.

Rep. Taylor of North Carolina pointed out that the history of the Federal concern for Pennsylvania Avenue dates back nearly 15 years to the initial expression of interest by President Kennedy.

Rep. Taylor noted that In November of 1974 the completed plan was submitted to the Congress, that implementation of the plan would cost about $130 million of Federal funds over the next 15 years, and that over $400-million in private funds will also be required.

There are several things that need to be pointed out to the Subcommittee on Appropriations today:

First, Presidents Kennedy and Johnson never called for anything like the Pennsylvania Avenue Development Corporation with its plenary powers of eminent domain, and its unlimited funding--and we say unlimited because it was pointed out by Mrs. SMITH, Congresswoman of Nebraska during the House floor debate on H. R. 7743 --but never by the proponents of these funding requests and of the Pennsylvania Avenue plan--that the plan would ultimately surely cost much more than the sums requested.

Congresswoman Smith who has more courage than most other Members of the House and Senate, Bless her, pointed to specific examples of Congressional overspending: the Kennedy Center for the Performing Arts which was estimated to cost $46 million before construction in 1964 and geared to $73 million; the National Visitors Center originally estimated to cost only, (don't you like that word only - beware of it, please) only $16 million, now, she said, the current estimate to complete the center is $43.3 million.

Note: a similar project to PAP, the Albany, NY Mall, ended up costing $1.2-Billion, many times as much as its originally-estimated cost. The Penn. Ave. Plan will cost Uncle Sam -- like Metro that in 1965 was to cost $431 million--ten times its estimated cost. In other words $1.3-Billion (as much as the Albany Mall). The Albany NY Mall's originally estimated cost was "only" $200-Million. Gov. Rockefeller called it a "bargain at any price." It wasn't, definitely not.

Congresswoman Smith then said:

"So for about three times the money, the taxpayers will get less than they first bargained for. Washington's Metro transit system began with a $2.5 billion estimate in 1969. By 1974 this had risen to $4.5 billion, and that is nowhere near the ceiling today. This (Pennsylvania Avenue Development Corporation) program

would like to start with $130 million. Where will it end? The faintest whisper could cause another funding landslide.

"With these figures in mind, I regret that, if this action is approved, I must predict that one day Congress will consider it very unfortunate. This program may well become another "Kennedy-Center-type" mistake.

"As I noted earlier", Congresswoman Smith went on to say, "this is one spending program that can be cut without harming any special interest groups or jeodpardizing any jobs or threatening our Nation's energy sources. The reason this is true is that the private sector would happily invest in this avenue and beautify it without Federal funds. This is the grandest street in America. What profitable business would not want to establish a base of operations along Pennsylvania Avenue? It is preposterous to think that only Federal money can clean up this area.

"Subcommittee hearings revealed the willingness of private business to develop the area. It was disclosed that Sky-Chef, an American Airlines subsidiary, made attempts to lease or buy and refurbish the historic Willard Hotel, but the deal fell through when the Willard's owners could not guarantee that the Government would not condemn the building.

"The Presidential Building, located at 12th and Pennsylvania ...is demonstrable proof of what private enterprise can do without heavy Federal outlays.

"Those who support this spending spree", Congresswoman Smith added, "claim that this avenue should be a showcase for American success, but America's success through two centuries must be credited to the private enterprise system. If this is to become a showcase for American success, and I would like it become just that, let it be renovated by the system we trusted to build America in its first 200 years.

"It is my sincere hope that Congress will begin to realize that we have a great responsibility to set a flawless example of sound fiscal management. And that example should begin right here today with the defeat of a "popular" project, but one that would be best handled without expensive Government intervention."

Congresswoman Virginia Smith of Nebraska is a member of the House Interior Committee, she refers to testimony received by her Subcommittee that private enterprise is willing and able to renew, rebuild, and refurbish Pennsylvania Avenue. We think it is important for your Appropriations Subcommittee to delve into this matter deeply, thoroughly, and completely.

What better demonstration of our faith in our own system in this Bicentennial Year of 1976 could there be but to dump this over-blown, over-expensive, and controversial plan for Federal development of Pennsylvania Avenue just like our forefathers dumped the English tea in Boston Harbor?

Why not let small business participate in developing Pennsylvania, since small businessmen, and their sons, fight our wars?

Why have the Congressional Committees and Subcommittees on the Interior and related agencies, and the Appropriations Committees and Subcommittees been so lax as not to invite proponents of private enterprise development of Pennsylvania Avenue --until this year-- to submit ideas for private enterprise development of Pennsylvania Avenue?

While a great deal of interest has been repeatedly expressed in saving the Willard Hotel, nothing has been said of the plan to destroy Rhodes'

Tavern, which the Department of the Interior has let slowly decay and be cut up. Yet this is where the British commanders General Ross and Admiral Cockburn dined while they set fire to the White House on August 24, 1814.

While all the concentration has been on Pennsylvania Avenue, the Congress and the officials in charge at the Interior Department and at the White House have not lifted a finger to save a truly historic site which dates back beyond the Willard Hotel by more than 100 years, to 1800 in fact.

Another thing, it is probably illegal and unconstitutional to provide, as the original Public Law 92-578, known as the "Pennsylvania Avenue Development Act of 1972", does, for a Board of top Federal officials who don't own anything in the area and who are given all the power, and then to establish a nonvoting Advisory Board "from among tenants and owners of real property within the development area" as is done in Sec. 3.

Instead of going on, year after year, funding this illegal and unconstitutional monstrosity, the Congress should, in this Bicentennial Year of 1976, challenge these un-American concepts where non-owners have all the power, and the real owners and tenants in the Pennsylvania Avenue Plan area are reduced to an Advisory Board which "shall meet at least twice annually with the Board of Directors and shall otherwise offer such advice and assistance as may be of benefit to the Board of Directors during preparation of the development plan."

And furthermore, this plan, PAP and PADC, was developed and lobbied through the Congress largely by General Elwood R. Quesada, USAF (Retired) who is head of the Rockefeller-owned L'Enfant Plaza, now located on land which is part of the SW Urban Renewal Project of 530-acres from which 23,500 people, 70 percent of them low-income Blacks, and 750 small businessmen were displaced.

Even King George would not have been so greedy, as head of the nation which gave the world the Magna Charta, and a Parliament as to push through the Congress a plan where owners and tenants were deprived of their votes, and non-owning Federal officials had the votes and the power.

We urge that this Pennsylvania Avenue Development Corporation not be funded, that it be terminated, and that the Congress -- if it has funds to spend for such frivolous and unnecessary projects then spend them to rebuild the burned-out areas. Don't turn the funds over to the local HUD-backed planners and developers. Build them yourselves or in some other tested way.

Why do we say this? Well, the Washington Post (July 3, 1975) reported that the head of the D.C. Redevelopment Land Agency--the local urban renewal agency--said it had spent $750-million (3/4 of a Billion dollars) in 28 years and had built and completed only 2,236 housing units "for families with low and moderate incomes, of which 900 are in areas devastated by the 1968 riots." The official, John J. Gunther, spoke of the "challenges that face us" in the future and the continuing problems of dealing with "the bitter fruits of years of poverty, discrimination and neglect"

Urban renewal has been Negro and Small business removal programs in the city.

The Federal funds are being spent in the wrong places. Fortune magazine (March 1975) a year ago said that "More than $500 million worth of federal construction is underway. Private investment has generally avoided the area east of the White House." This includes the Pennsylvania Avenue area--proof that Federal funds and Federal powers drives out private funds and private investors. The PADC (Pennsylvania Ave. Development Corp.) would, if funded, make sure that no private funds would come into the area. So it should be dropped, terminated. It has gone on for 15 years--that is too long.

Further, Fortune said that: "Washington (despite these Federal funds spent in the District of Columbia) is one of the sickest cities of all. Outside of the well-groomed Federal area...many of the streets are filthy and

in need of repair. Some of the riot corridors --the streets burned and looted in the riots that followed the assassination of Martin Luther King seven years ago--are still desolate wastelands." (See attached news about riot corridors and D.C. unemployment of 207,000.

The Pennsylvania Avenue Development Corporation has hung like a sword of Damocles over the heads of private investors and developers, and over the heads of small businessmen whom it would herd into the old Lansburgh's Store like sardines in a can, or horses in a corral. But horses aren't smart, as you know.

The Pennsylvania Avenue Plan developed by the PADC is an Imperial Avenue safe for the Biggies, the big builders, developers, and investors, the Rockefellers, Chase Manhattan, Equitable, and so on, it is death for the small businessmen, both owners and tenants. It would deny to the small owners and tenants rights guaranteed by the Constitution and the Bill of Rights.

If the Pennsylvania Avenue Plan were confined to the publicly-owned Pennsylvania Avenue Plan area and the Federal Triangle, that would be OK--why not make them beautiful and lively at night.

What is the Pennsylvania Avenue renewal got to do with the 40-acres north of Pennsylvania Avenue to F Street? Why does it need eminent domain powers, indeed, why does it need $132,000,000, why does it need continuing funds to permit it to continue to lobby the Congress for funds rejected by the House of Representatives on March 15, 1976? It doesn't need them, and it shouldn't have any funds.

I include Rep. SMITH's remarks, and the House vote on H.R. 7743 as part of my statement since I referred to it extensively in my testimony.

In conclusion, we would like to call your attention to a statement made by Rep. Charles Vanik on the floor of the House on October 14, 1972 when the Pennsylvania Avenue Bicentennial Development Corporation Bill, H.R. 10751 was being considered.

We note that there was no roll-call vote on the PADC, and if there had been one it would not have passed in the first place.

That is why we think the vote on H.R. 7743 on March 15, 1976 was so terribly important and why we have come before you to compliment the House of Representatives on its decisive vote on H.R. 7743.

EXCERPT FROM THE CONGRESSIONAL RECORD, OCTOBER 14, 1972

Mr. VANIK. Mr. Speaker, I oppose the passage of this legislation. It creates another bureaucracy, another Government corporation with borrowing authority. This bill would provide for the creation of a corporation with up to $50 million in borrowing authority—borrowing which will not be clearly reflected in the budget picture of the Federal Government—borrowing which will be relatively uncontrolled—borrowing which will place additional pressures on the money markets.

This is another bill to provide special preferences to the Federal City. I recognize the importance of a beautiful National Capital. But we are building this Capital City out of the tax dollars of the hard-pressed cities of the rest of the Nation. We are building a marble city here on the banks of the Potomac—a city which we can show off to the rest of the world—but in the meantime, the rest of our great cities seem to sink into deeper and deeper difficulties. I have no doubt, Mr. Speaker, that the redevelopment problems of my own city of Cleveland, Ohio, could be largely met and overcome if they could be provided with a Federal Government development corporation.

While I agree with the objectives of this legislation, I do not believe that it should be accomplished through a costly multiplication of agencies. Several days ago, $250 million in 7½ percent District of Columbia bonds were sold to the public—guaranteed by all of the taxpayers of America. Several weeks ago this House passed legislation for a multimillion-dollar convention center in the District of Columbia under another authority guaranteed by the taxpayers of America.

What will be left to save the other cities of America which so desperately need our help?

EXCERPT FROM THE CONGRESSIONAL RECORD, MARCH 15, 1976

Mrs. SMITH of Nebraska. Mr. Chairman, I rise in opposition to the unwise legislation which authorizes unnecessary Federal spending to renovate Pennsylvania Avenue. While I would like to see the blighted north side of this historic thoroughfare beautified, it is unjustifiable to expend Federal funds to accomplish that goal.

The Pennsylvania Avenue Development Corporation currently estimates that Federal involvement in this project will require $130 million in direct appropriations, and another $200 million in borrowing authority. Lest we be tempted to consider this as "only a few million dollars," let me refresh our memory as as to how fast these "few million" have multiplied over the past years to send this Nation's budget soaring. Not until 1962 did the Federal budget exceed $100 billion. By 1971 it has passed $200 billion, and by fiscal year 1975, $300 billion. And I do not have to tell you that a 1977 budget estimate of $395 billion is already dangerously close to exceeding $400 billion. Treasury Secretary William Simon linked these figures directly to our raging inflation by saying:

> Nobody likes inflation, but we love what causes it. We love the Government spending programs that lead to massive deficits and runaway inflation.

And yet many today may blindly allow this bill to pass because it is "only a few million." We must begin to exercise responsibility somewhere, and I see this as an effective place to start for two reasons: First, this program could be cut from the Federal pay-outs column without harming anyone. And second, the noble aim of this legislation can be reached simply and effectively by merely allowing private investors to take the initiative in this development.

Before I leave this point, I want to remind my colleagues of some of our past sad experiences with construction spending in the Nation's Capital. We need not look too far to see examples of budget-breaking construction overruns in our capital. The Kennedy Center for the

66-307 O - 76 - pt. 5 -- 27

Performing Arts was estimated to cost $46 million before construction in 1964; today expenditures have already soared to $73 million—double the original amount and the books still are not closed. The National Visitors Center was originally estimated to cost only $16 million. The most recent figures reveal $48.3 million as the current estimate to complete the center—almost three times the initial sum and in this case there have been cutbacks in the original design. So for about three times the money, the taxpayers will get less than they first bargained for. Washington's Metro transit system began with a $2.5 billion estimate in 1969 .By 1974 this had risen to $4.5 billion, and that is nowhere near the ceiling today. This program would like to start with $130 million. Where will it end? The faintest whisper could cause another funding landslide.

With these figures in mind, I regret that, if this action is approved, I must predict that one day Congress will consider it very unfortunate. This program may well become another "Kennedy-Center-type" mistake.

As I noted earlier, this is one spending program that can be cut without harming any special interest groups or jeopardizing any jobs or threatening our Nations energy sources. The reason this is true is that the private sector would happily invest in this avenue and beautify it without Federal funds. This is the grandest street in America. What profitable business would not want to establish a base of operations along Pennsylvania Avenue? It is preposterous to think that only Federal money can clean up this area.

Subcommittee hearings revealed the willingness of private business to develop the area. It was disclosed that Sky-Chef, an American Airlines subsidiary, made attempts to lease or buy and refurbish the historic Willard Hotel, but the deal fell through when the Willard's owners could not guarantee that the Government would not condemn the building.

The Presidential Building, located at 12th and Pennsylvania, is the only substantial private structure that has been built on the Avenue in recent years. This Beautiful building, erected in substantial compliance with the basic plan already adopted by the Pennsylvania Avenue Development Corp., is demonstrable proof of what private enterprise can do without heavy Federal outlays.

Those who support this spending spree claim that this avenue should be a showcase for American success, but America's success through two centuries must be credited to the private enterprize system. If this is to become a showcase for American success, and I would like to see it become just that, let it be renovated by the system we trusted to build America in its first 200 years.

It is my sincere hope that Congress will begin to realize that we have a great responsibility to set a flawless example of sound fiscal management. And that example should begin right here today with the defeat of a "popular" project, but one that would be best handled without expensive Government intervention.

GENERAL LEAVE

Mr. SKUBITZ. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the bill under consideration.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Kansas?

There was no objection.

Mr. TAYLOR of North Carolina. Mr. Speaker, I have no further requests for time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from North Carolina (Mr. TAYLOR) that the House suspend the rules and pass the bill H.R. 7743, as amended.

The question was taken.

Mr. ASHBROOK. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Pursuant to the provisions of clause 3 of rule XXVII, the Chair's prior announcement, further proceedings on this motion will be postponed.

Does the gentleman from Ohio withdraw his point of order of no quorum?

PARLIAMENTARY INQUIRY

Mr. ASHBROOK. Mr. Speaker, I have a parliamentary inquiry.

The SPEAKER pro tempore. The gentleman will state it.

Mr. ASHBROOK. Mr. Speaker, is the Chair putting the question on the bill?

The SPEAKER pro tempore. The Chair would state that the vote has been put over, on the strength of the gentleman's point of order. We would have to have a quorum call if the gentleman does not

withdraw his point of order at this time.

Mr. ASHBROOK. Mr. Speaker, it is my understanding it could be called and we might not have a vote on it. Is that not correct?

The SPEAKER pro tempore. That is correct. The gentleman could have asked for the yeas and nays to order a rollcall vote.

Mr. ASHBROOK. Mr. Speaker, I demand the yeas and nays.

The SPEAKER pro tempore. The gentleman should first ask unanimous consent to vacate the previous proceedings under which the vote was postponed by his point of order? Does the gentleman make that request?

Mr. ASHBROOK. Yes, Mr. Speaker.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. ASHBROOK. Mr. Speaker, I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to clause 3 of rule XXVII and the Chair's prior announcement, further proceedings on this motion will be postponed.

AMENDING THE PENNSYLVANIA AVENUE DEVELOPMENT CORPORATION ACT OF 1972

The SPEAKER. The unfinished business is the question of suspending the rules and passing the bill H.R. 7743, as amended.

The Clerk read the title of the bill.

The SPEAKER. The question is on the motion offered by the gentleman from North Carolina (Mr. TAYLOR) that the House suspend the rules and pass the bill H.R. 7743, as amended, on which the yeas and nays are ordered.

The vote was taken by electronic device, and there were—yeas 149, nays 201, answered "present"—1, not voting 81, as follows:

[Roll No. 105]

YEAS—149

Abzug	Anderson, Ill.	Bergland
Adams	Andrews, N. Dak.	Bingham
Addabbo		Blanchard
Allen	Aspin	Boland
Anderson, Calif.	Baldus	Bolling
	Baucus	Brown, Calif.
Burke, Calif.	Johnson, Colo.	Price
Burke, Mass.	Jordan	Pritchard
Burton, Phillip	Kastenmeier	Railsback
Carney	Koch	Rees
Carr	LaFalce	Reuss
Cederberg	Leggett	Rhodes
Chisholm	Lehman	Richmond
Clausen, Don H.	Lloyd, Calif.	Riegle
	Lundine	Rodino
Conable	McCory	Rooney
Conte	McCormack	Rosenthal
Corman	McEwen	Rostenkowski
Danielson	McFall	Roush
Dent	Madigan	Ruppe
Derwinski	Matsunaga	Ryan
Diggs	Mazzoli	Scheuer
Duncan, Oreg.	Meeds	Sebelius
Early	Melcher	Seiberling
Edwards, Calif.	Mezvinsky	Sikes
Eilberg	Mikva	Sisk
Esch	Mills	Skubitz
Evins, Tenn.	Mineta	Slack
Fisher	Mink	Smith, Iowa
Flood	Mitchell, Md.	Solarz
Foley	Moakley	Spellman
Ford, Mich.	Mollohan	Staggers
Fraser	Moorhead, Pa.	Stanton, J. William
Giaimo	Morgan	
Gibbons	Moss	Stephens
Green	Murphy, Ill.	Stratton
Gude	Murphy, N.Y.	Studds
Hall	Myers, Pa.	Talcott
Hamilton	Natcher	Taylor, N.C.
Hanley	Nedzi	Thompson
Hannaford	Nix	Tsongas
Harrington	Nowak	Van Deerlin
Harris	Oberstar	Waxman
Hawkins	Obey	Weaver
Hays, Ohio	O'Hara	Wilson, C. H.
Heckler, Mass.	Ottinger	Wilson, Tex.
Helstoski	Patten, N.J.	Yates
Hicks	Patterson, Calif.	Yatron
Holtzman		Young, Ga.
Horton	Perkins	Zablocki
Howard	Pettis	
Johnson, Calif.	Preyer	

NAYS—201

Abdnor	Findley	Lott
Alexander	Fish	Lujan
Ambro	Fithian	McDonald
Archer	Florio	McHugh
Ashbrook	Flowers	McKay
Bafalis	Flynt	Maguire
Bauman	Ford, Tenn.	Mahon
Beard, R.I.	Forsythe	Mann
Beard, Tenn.	Fountain	Martin
Bedell	Frenzel	Mathis
Bennett	Frey	Michel
Bevill	Fuqua	Milford
Blouin	Gaydos	Miller, Ohio
Bowen	Gilman	Minish
Breaux	Ginn	Mitchell, N.Y.
Breckinridge	Gonzalez	Montgomery
Brinkley	Gradison	Moore
Brooks	Grassley	Moorhead, Calif.
Brown, Ohio	Hagedorn	
Broyhill	Hammer-schmidt	Mottl
Buchanan		Murtha
Burgener	Harsha	Myers, Ind.
Burke, Fla.	Hechler, W. Va.	Neal
Burleson, Tex.	Hefner	Nichols
Burlison, Mo.	Henderson	O'Brien
Burton, John	Hightower	Passman
Butler	Hillis	Pattison, N.Y.
Byron	Holt	Pickle
Carter	Hubbard	Pike

Clancy	Hughes	Poage
Clawson, Del	Hungate	Pressler
Clay	Hutchinson	Quie
Cleveland	Hyde	Quillen
Cochran	Ichord	Randall
Cohen	Jacobs	Rangel
Collins, Tex.	Jarman	Regula
Cornell	Jeffords	Rinaldo
D'Amours	Jenrette	Risenhoover
Daniel, Dan	Jones, Ala.	Roberts
Daniel, R. W.	Jones, N.C.	Robinson
Daniels, N.J.	Jones, Okla.	Roe
Davis	Jones, Tenn.	Rogers
de la Garza	Kasten	Roncalio
Delaney	Kazen	Rose
Derrick	Kelly	Rousselot
Devine	Kemp	Runnels
Dickinson	Ketchum	Russo
Dingell	Keys	St Germain
Downey, N.Y.	Kindness	Sarasin
Downing, Va.	Krebs	Satterfield
Drinan	Krueger	Schroeder
Duncan, Tenn.	Lagomarsino	Sharp
du Pont	Landrum	Shriver
Edgar	Latta	Shuster
Edwards, Ala.	Lent	Smith, Nebr.
Emery	Levitas	Snyder
English	Lloyd, Tenn.	Spence
Fenwick	Long, Md.	Stark
Steed	Ullman	Wiggins
Steelman	Vander Jagt	Wilson, Bob
Steiger, Wis.	Vanik	Winn
Stuckey	Waggonner	Wright
Sullivan	Walsh	Wydler
Taylor, Mo.	Wampler	Wylie
Teague	Whalen	Young, Alaska
Thone	White	Young, Fla.
Traxler	Whitehurst	Zeferetti
Treen	Whitten	

ANSWERED "PRESENT"—1

Haley

NOT VOTING—81

Andrews, N.C.	Evans, Colo.	Moffett
Annunzio	Evans, Ind.	Mosher
Armstrong	Fary	Nolan
Ashley	Fascell	O'Neill
AuCoin	Goldwater	Pepper
Badillo	Gooding	Peyser
Barrett	Guyer	Roybal
Bell	Hansen	Santini
Biaggi	Harkin	Sarbanes
Biester	Hayes, Ind.	Schneebeli
Boggs	Hébert	Schulze
Bonker	Heinz	Shipley
Brademas	Hinshaw	Simon
Brodhead	Holland	Stanton,
Broomfield	Howe	James V.
Brown, Mich.	Johnson, Pa.	Steiger, Ariz.
Chappell	Karth	Stokes
Collins, Ill.	Litton	Symington
Conlan	Long, La.	Symms
Conyers	McCloskey	Thornton
Cotter	McCollister	Udall
Coughlin	McDade	Vander Veen
Crane	McKinney	Vigorito
Dellums	Macdonald	Wirth
Dodd	Madden	Wolff
Eckhardt	Metcalfe	Young, Tex.
Erlenborn	Meyner	
Eshleman	Miller, Calif.	

The Clerk announced the following pairs:

Mr. Annunzio with Mr. Andrews of North Carolina.

Mr. O'Neill with Mr. Conyers.

Mr. Hébert with Mr. Cotter.

Mr. Biaggi with Mr. Eckhardt.

Mrs. Boggs with Mr. Evans of Colorado.

Mr. Fary with Mr. Holland.

Mr. Wolff with Mr. Howe.

Mr. Moffett with Mr. Sarbanes.

Mr. Pepper with Mr. Karth.

Mr. Badillo with Mr. AuCoin.

Mr. Stokes with Mr. Symington.

Mr. Barrett with Mr. Litton.

Mrs. Collins of Illinois with Mr. Ashley.

Mr. Brademas with Mr. Bell.

Mr. Wirth with Mr. Dodd.

Mr. Evans of Indiana with Mr. Eshleman.

Mrs. Meyner with Mr. Biester.

Mr. Roybal with Mr. Heinz.

Mr. McKinney with Mr. Goldwater.

Mr. Dellums with Mr. Udall.

Mr. Shipley with Mr. Gooding.

Mr. Bonker with Mr. Coughlin.

Mr. James V. Stanton with Mr. Johnson of Pennsylvania.

Mr. Vander Veen with Mr. Erlenborn.

Mr. Chappell with Mr. Broomfield.

Mr. Young of Texas with Mr. McCloskey.

Mr. Thornton with Mr. Guyer.

Mr. Miller of California with Mr. Mosher.

Mr. Long of Louisiana with Mr. Conlan.

Mr. Macdonald of Massachusetts with Mr. McCollister.

Mr. Fascell with Mr. Hansen.

Mr. Metcalfe with Mr. Brodhead.

Mr. Simon with Mr. McDade.

Mr. Nolan with Mr. Peyser.

Mr. Harkin with Mr. Brown of Michigan.

Mr. Hayes of Indiana with Mr. Crane.

Mr. Madden with Mr. Symms.

Mr. Santini with Mr. Schneebeli.

Mr. Vigorito with Mr. Steiger of Arizona.

Messrs. COHEN, YOUNG of Alaska, NICHOLS, MINISH, DE LA GARZA, COCHRAN, McHUGH, DELANEY, BEARD of Tennessee, BAUMAN, WHITE, FLORIO, PIKE, DOWNEY of New York, PICKLE, and WRIGHT changed their vote from "yea" to "nay."

So (two-thirds not having voted in favor thereof) the motion was rejected.

The result of the vote was announced as above recorded.

[From The Washington Star, Wednesday, Mar. 5, 1975]

VISITING MAYORS SEE THE DISTRICT OF COLUMBIA'S SHAME

(By Lorenzo Middleton, Washington Star Staff Writer)

Upwind from the cherry blossoms and the clean white monuments, Washington can be as depressing as any other big city, a group of mayors who took an unusual tour of the Capital learned yesterday.

"If I didn't look at the street numbers and names, I'd say we were in Newark," said Kenneth Gibson, mayor of the northern New Jersey city rated worst in a recent Harper's Magazine survey of America's 50 biggest cities.

Gibson was referring to the countless vacant lots and abandoned buildings along Washington's 14th Street corridor, between U Street and Park Road, which is still waiting for results from the rehabilitation programs that were supposed to have begun right after the 1968 riots.

In town for a two-day convention of the U.S. Conference of Mayors, the 15 officials who took the two-hour bus tour of Washington's most blighted areas said it reminded them, to one degree or another, of the slums back home.

"What we have seen today only reconfirms what each of us is experencing in our cities," said Mayor Lee Alexander of Syracuse, N.Y. "that our nation's current economic crisis is being felt in cities throughout the nation."

District Mayor Walter E. Washington led the tour of what he called "areas that cry out for help" as a prelude to a demand by the mayors for increased federal aid for their local governments, which are being squeezed by inflation and recession at the same time.

At a press conference held in a neighborhood recreation center at the end of the tour, the mayors called for at least $5 billion in grants to aid cities hard hit by unemployment, and $706 million to continue the summer job program for young people.

The problems of rising unemployment and faltering urban renewal projects in America's major cities "cannot be exclusive of each other," said Mayor Richard Hatcher of Gary, Ind., who is co-chairman with Alexander of the mayors' legislative action committee.

While blaming the federal bureacracy for the most part for tying up urban renewal projects in the past, the officials said the problems have been heightened by the recent downturn in the economy.

"The immediate problem," Hatcher said, "is to get people to work to stimulate the economy."

The grant program would provide a pool of at least $5 billion "to prevent further layoffs, decreases in services and increased taxes at the local level," according to Mayor Alexander.

Termed a "counter-cyclical" aid program, the total amount of the grant program would be based on the size of the nation's unemployment rate, becoming inactive once the rate fell below six percent. The proposal is now being studied as a possible legislative package by Sen. Edmund Muskie, D—Maine.

Of more immediate concern, the mayors said, is the need to find summer jobs for 1.2 million teen-agers by the time school is out in June.

This need was dramatized during the tour when the group stopped at a neighborhood youth center on Park Road NW, where teen-agers lined three flights of stairs waiting to apply for summer jobs under a federally funded program for which no congressional funds have been appropriated this year.

"At no time has the country been in more desperate need for a summer jobs program for the millions of youngsters whose incomes this year, in many instances, will be expected to supplement the incomes of parents," said Mayor Hatcher, adding, "crime being committed by teenagers today is no accident and not unrelated to the problem of unemployment."

Mayor Abraham D. Beame of New York City put it more bluntly: "If we don't provide enough jobs for the young people to keep them occupied this summer, we're going to see a very substantial rise in crime."

[From The Evening Star, Tuesday, Sept. 29, 1970]

AVENUE PLAN IS LIKENED TO SW RENEWAL

(By William Grigg, Star Staff Writer)

The Nixon administration's proposal for redeveloping Pennsylvania Avenue is "just a new way to get money for special interest groups," a Washington Unitarian minister has told a Senate panel.

Behind the plan "is the same type of mentality as in the Southwest redevelopment," said the Rev. David H. Eaton, rector of All Souls Unitarian Church.

Eaton, in testimony before a Senate Interior subcommittee, said yesterday he considered the Southwest redevelopment a social failure.

The administration is backing the "Federal City Bicentennial Development Corporation Act," which envisions a massive redevelopment of the Pennsylvania Avenue area of downtown—using federal and private funds—to coincide with the 1976 celebration of the nation's 200th anniversary.

Eaton was joined in his criticism of the redevelopment by the Metropolitan Washington Planning and Housing Association.

James O. Gibson, president of the association, a private group, said, "This is not a people plan. It offers a stale formula of static, sterile monumentality drawn from the so-called classical models of Grecian, Roman and European capitols."

"This plan would have the federal government arrogantly impose new tons of brick and mortar which are indifferent to our serious needs and our precarious stability," Gibson said.

[From The Washington Post, Tuesday, Mar. 18, 1975]

CAPITAL COMMERCE—THE DISTRICT OF COLUMBIA'S UNEMPLOYED PROFILED

(By William H. Jones, Washington Post staff writer)

An advisory council appointed by Mayor Walter E. Washington has concluded that some 207,000 District of Columbia residents are either out of work altogether or underemployed in the local economy each year.

In a draft profile of the city's employment situation, the D.C. Manpower Advisory Committee also said about 21 percent of all families live on incomes of $5,000 or less.

There is an even greater percentage of families headed by females below the $5,000 level, the study reported.

"While it is true that, generally, the economy of the area is expanding moderately, and based on a built-in stabilizer (government employment), it is also true that there are persons in the District of Columbia who are in poverty, unemployed and underemployed who could and should be sharing more of this prosperity," the report stated.

The estimated 207,000 individuals in need of some type of jobs help "are usually hidden under the generalities used to describe the population, the labor force, and the economy of the city and the metropolitan area," said the committee's draft.

Specifically, for the current fiscal year, the advisory panel estimated D.C. unemployment at 88,100, including 30,000 youths in need of summer work. Of the total, 18,900 were described as poor (below U.S. poverty levels), 22,100 as near poor (a level up to 25 percent above the poverty standard) and 47,100 as non-poor.

In addition to the totally jobless, the committee estimated that 44,900 D.C. residents were underemployed—that is, working part-time involuntarily, or employed full time but with a family income below or near the poverty sustenance level.

Finally, based on Labor Department reports, the new report found 74,000 unemployed persons not even included in the so-called labor force for statistical purposes, and therefore not counted among the jobless. Of this group, 43,000 were classified as poor D.C. residents.

In a separate breakdown of the figures, identifying individuals with common backgrounds, the committee found 24,000 were public assistance recipients, 17,000 were veterans (8,200 from the Vietnam era), 59,500 were youths, 33,500 were disadvantaged family heads and 20,000 previously were offenders.

Total D.C. population is estimated at just under 740,000, with a median age between 25 and 29. An estimated 332,000 workers had jobs in the city in 1973.

Senator STEVENS. Mr. Fuss of Systems Research Laboratories. Mr. Fuss? Since he is not here the next witness will be Mr. Tindall of the National Recreation and Park Association.

STATEMENT OF SIDNEY G. LUTZIN, ACTING EXECUTIVE DIRECTOR, NATIONAL RECREATION AND PARK ASSOCIATION

ACCOMPANIED BY MS. NANCY CARSON SHIRK

Senator STEVENS. I welcome you here. I think you have just seen an example of the first amendment in the process.

Mr. LUTZIN. We certainly have.

Senator STEVENS. I am hopeful that you will not take offense at my attitude.

Mr. LUTZIN. I am Sidney Lutzin, Mr. Chairman. I am the executive director of the National Recreation and Park Association replacing Mr. Tindall this morning.

Senator STEVENS. Thank you very much.

LAND AND WATER CONSERVATION FUND

Mr. LUTZIN. The National Recreation and Park Association recommends an appropriation of $450 million for the land and water conservation fund for fiscal year 1977 to carry out programs of parkland acquisition at the Federal level, and planning, acquisition and development at the State and local levels. We further urge an appropriation of at least $24.4 million for the historic preservation grants program of the National Park Service, and amounts sufficient to maintain recreation program capacities of the National Park Service, Fish and Wildlife Service, Bureau of Land Management and the Forest Service.

Mr. Chairman, the National Recreation and Park Association appreciates the opportunity to testify concerning the fiscal year 1977 budget for the Department of the Interior and related agencies. We are particularly interested in those appropriations which affect the capacity and diversity of our country's recreation resources. The National Recreation and Park Association is a private, nonprofit organization devoted to the improvement and expansion of park, recreation and leisure systems and services for all people. Policy is determined by a board of trustees representing lay persons responsible for public policy for parks, recreation and leisure, and professional and technical staff who directly plan and manage a diverse range of park and recreation facilities and services. Our membership exceeds 15,000 individuals, agencies and organizations. Those members professionally employed in this field are primarily from the public sector.

There is strong evidence that at least $450 million in land and water conservation Fund resources could be effectively utilized in fiscal year 1977—$300 million from fiscal year 1977 authorizations, and $150 million from unappropriated balances from previous years. For instance, the Bureau of Outdoor recreation estimates there will be an extremely low carryover of fiscal year 1976 funds, even though the Bureau was not able to certify State apportionment levels until January 1976, well into the present Federal fiscal year. As of March, State and local obligations had exceeded the rate of obligation for the same period in both fiscal year 1974 and fiscal year 1975. Preliminary indications are that carryover funds will be less than $20 to $25 million, even though a State is allowed up to 3 years to obligate any one year's appropriation. Further, there is no evidence of either diminishing interest or ability of State and local government to match

land and water conservation fund resources, despite a generally depressed economic environment. On the contrary, preliminary results of a State-by-State survey now being completed by the National Association of State Outdoor Recreation Liaison Officers reveals a large number of significant projects in each State which clearly qualify for LWCF matching funds, but which will not be funded due to insufficient resources. The survey data is expected to be completed by early May.

As another indication of need, the mayor of a large southwestern city was advised by BOR recently that "We have $40 million worth of critical projects competing for an available $9 million in contingency funds."

Finally, we note with particular interest that the House Interior and Insular Affairs Committee's March 15, 1976 report to the Committee on the Budget contains a recommendation that $150 million be appropriated from unappropriated LWCF balances from previous years. This amount, the subcommittee noted, would complement more substantial increases proposed in pending legislation.

We further recommend that the additional $150 million be divided between eligible Federal agencies and State and local agencies at approximately the same ratio as the basic $300 million appropriation. There is a special reason for this recommendation. An examination of appropriations from previously unappropriated reserves for recent years reveals that these amounts have largely been for line item National Park, National Wildlife or National Forest System units, not for increases in State apportionments. Last year, for example, 100 percent of unappropriated balances of the fund has been used for Federal acquisition. Under our recommendation, $270 million would be apportioned to the States and $180 million would be utilized by Federal agencies.

There is no question the Federal land acquisition needs are critical, especially where the Congress has mandated general acquisition schedules. However, scores of State and local units of government face equally critical land acquisition needs, frequently in the face of imminent loss or conversion of valuable resources. These units of government should benefit on a proportional scale.

I have previously stated that the record of the land and water conservation fund clearly sets it above many other Federal efforts which started with high goals and good intentions. We continue to hold that view. Over the last 10 years, for example, $1.2 billion has been made available for over 13,500 State and local acquisition, development and planning projects. Some 1.28 million acres of parks and open space have been acquired for a wide range of park and recreation uses. States and local governments have matched this Federal commitment and have expended additional billions for maintaining and programing parks, recreation and leisure services. Recently, the Bureau of Outdoor Recreation estimated that State and local expenditures for park and recreation were five times that of Federal expenditures. In addition to the direct benefits provided by the facilities, substantial employment results from these expenditures.

After consultation with 54 State liaison officers in 1974, BOR estimated that $45.6 billion would be necessary to meet State and local park and recreation capital projections over a 15-year period. This

translates into a $23 billion LWCF demand. At current—($300 million)—LWCF levels over the remainder of the act's authority, only $2.7 billion or 12 percent of these estimated needs will be met.

The Federal demand is also substantial, with $2.9 billion estimated to eliminate current known and estimated demands. For instance, in 1975 an estimated $698 million was reportedly needed to complete authorized areas of the National Park Service, Forest Service, Fish and Wildlife Service and Bureau of Land Management; $1.406 billion is needed to purchase Forest Service and Park Service inholdings; $243 million is needed to complete generally authorized protection of endangered species; estimated cost of pending or proposed legislation, ceiling increases and boundary changes is $551 million.

We also urge this committee to restore full funding of $24.4 million for the historic preservation grants in aid program administrated by the National Park Service. Historic preservation, in the modern adaptive use context, has been an important factor in reawakening citizens to the importance and usefulness of certain structures perceived as obsolete.

Senator STEVENS. Let me interrupt you for a minute. You are telling history that I have lived through. We have appropriated that money. I have reviewed them one by one. How much money do you want us to appropriate this year?

Mr. LUTZIN. $450 million.

Senator STEVENS. That is $150 million above the budget.

MR. LUTZIN. $150 million from what is available in unappropriated funds.

Senator STEVENS. We have tried that before. We hope to try again. It has received the support this committee, particularly under Senator Bible and under our present chairman.

You are also urging the committee to restore money for the historical preservation. What is that amount?

Mr. LUTZIN. It is $24.5 million.

Senator STEVENS. Is that grant money you are seeking?

Mr. LUTZIN. Yes, for the historic preservation grants in aid program administered by the National Park Service. The State and local governments bear the greatest financial burden in this effort. The administration's proposed $10 million reduction in the Federal share of this program would substantially undermine these efforts. It is a very critical program.

Senator STEVENS. What is this 1,000 permanent positions for the Park Service?

Mr. LUTZIN. The National Park Service is not capable of adequately maintaining and operating the lands that it now administers because of the shortage in personnel.

Senator STEVENS. I understand. And we have added a considerable number last year. We have been adding every year. I know that is the House committee's request. Did your committee cost that out? Do you know how much money it would cost to add 1,000 more people to the service?

Ms. SHIRK. I don't think it is so much positions.

Senator STEVENS. When you get to a thousand people, that is money. That is a labor intensive budget. We have to cost it out.

Mr. LUTZIN. There have been a great many additional facilities added to the National Park Service without appreciatively increasing the number of personnel to operate it. There are 92 new acquisitions of the National Park Service.

Senator STEVENS. I know we gave them 400 new positions this year alone. I hope you are not misinformed. This committee has responded to the Park Service's request. One thousand on top of 400 last year would be a sizeable increase to Parks.

Mr. LUTZIN. It really requires that kind of input if we are going to maintain and develop our national parks to meet the needs of the tremendously increased participation of the public in the use of these facilities. Otherwise, we end up with destroying our heritage rather than improving it.

Senator STEVENS. We appreciate your concern. We express similar concern. We do not agree with the numbers, but we will try to meet that demand.

Mr. LUTZIN. We certainly appreciate the support this has been given, but what we are attempting to indicate is the need for tremendous expense in these areas and in terms of land and water conservation fund, the fund is funded in part throughout our Continental Shelf base. I am sure there is no need to go into that, but that is approaching nearly $5 to $7 billion annually now. We feel that it is highly appropriate to reinvest revenues from resource consumption activities and to other natural resource programs providing long-term benefits. It is essential that we provide the necessary funds for meaningful recreation options for all Americans.

Senator STEVENS. Thank you very much. We appreciate it.

Mr. LUTZIN. Thank you.

[The statement follows:]

The National Recreation and Park Association recommends an appropriation of $450 million for the Land and Water Conservation Fund for FY 77 to carry out programs of parkland acquisition at the Federal level, and planning, acquisition and development at the state and local levels. We further urge an appropriation of at least $24.4 million for the Historic Preservation Grants program of the National Park Service, and amounts sufficient to maintain recreation program capacities of the National Park Service, Fish and Wildlife Service, Bureau of Land Management and the Forest Service.

Mr. Chairman, the National Recreation and Park Association appreciates the opportunity to testify concerning the Fiscal Year 77 budget for the Department of the Interior and related agencies. We are particularly interested in those appropriations which affect the capacity and diversity of our country's recreation resources.

The National Recreation and Park Association is a private, non-profit organization devoted to the improvement and expansion of park, recreation and leisure systems and services for all people. Policy is determined by a Board of Trustees representing lay persons responsible for public policy for parks, recreation and leisure, and professional and technical staff who directly plan and manage a diverse range of park and recreation facilities and services. Our membership exceeds 15,000 individuals, agencies and organizations. Those members professionally employed in this field are primarily from the public sector.

There is strong evidence that at least $450 million in Land and Water Conservation Fund resources could be effectively utilized in FY 77 — $300 million from FY 77 authorizations, and $150 million from unappropriated balances from previous years. For instance, the Bureau of Outdoor Recreation estimates there will be an extremely low carry over of FY 76 funds, even though the Bureau was not able to certify state apportionment levels until January 1976, well into the present Federal fiscal year. As of March, state and local obligations had exceeded the rate of obligation for the same period in both FY 74 and FY 75. Preliminary indications are that "carry over" funds will be less than $20-25 million, even though a state is allowed up to 3 years to obligate any one year's appropriation.

Further, there is no evidence of either diminishing interest or ability of state and local government to match Land and Water Conservation Fund resources, despite a generally depressed economic environment. On the contrary, preliminary results of a state-by-state survey now being completed by the National Association of State Outdoor Recreation Liaison Officers reveals a large number of significant projects in each state which clearly qualify for LWCF matching funds, but which will not be funded due to insufficient resources. The survey data is expected to be completed by early May.

As another indication of need the mayor of a large southwestern city was advised by BOR recently that "We have $40 million worth of critical projects competing for an available $9 million in contingency funds".

Compounding the situation is the present net worth of LWCF dollars. In May 1975, the Bureau of Outdoor Recreation estimated that the $300 million authorized LWCF level was actually worth $184 million in 1970 dollars, based on "deflation" data obtained by USDA's Farm Land Index (1970-74), and the Department.

Finally, we note with particular interest that the House Interior and Insular Affairs Committee's March 15, 1976, report to the Committee on the Budget contains a recommendation that $150 million be appropriated from unappropriated LWCF balances from previous years. This amount, the Subcommittee noted, would complement more substantial increases proposed in pending legislation.

We further recommend that the additional $150 million be divided between eligible Federal agencies and state and local agencies at approximately the same ratio as the basic $300 million appropriation. There is a special reason for this recommendation.

An examination of appropriations from previously unappropriated reserves for recent years reveals that these amounts have largely been for line item National Park, National Wildlife or National Forest System units, not for increases in state apportionments. Last year, for example, 100 per cent of unappropriated balances of the Fund has been used for Federal acquisition. Under our recommendation, $270 million would be apportioned to the states and $180 million would be utilized by Federal agencies.

There is no question the Federal land acquisition needs are critical, especially where the Congress has mandated general acquisition schedules. However, scores of state and local units of government face equally critical land acquisition needs, frequently in the face of imminent loss or conversion of valuable resources. These units of government should benefit on a proportional scale.

We have previously stated that the record of the Land Water Conservation Fund clearly sets it above many other federal efforts which started with high goals and good intentions. We continue to hold that view. Over the last ten years, for example, $1.2 billion has been made available for over 13,500 state and local acquisition, development and planning projects. Some 1.28 million acres of parks and

open space have been acquired for a wide range of park and recreation uses. States and local governments have matched this federal commitment and have expended additional billions for maintaining and programming parks, recreation and leisure services. Recently, the Bureau of Outdoor Recreation estimated that state and local expenditures for park and recreation were five times that of federal expenditures. In addition to the direct benefits provided by the facilities, substantial employment results from these expenditures.

After consultation with 54 state liaison officers in 1974, BOR estimated that $45.6 billion would be necessary to meet state and local park and recreation capital projections over a 15 year period. This translates into a $23 billion LWCF demand. At current ($300 million) LWCF levels over the remainder of the Act's authority, only $2.7 billion or 12 per cent of these estimated needs will be met.

The Federal demand is also substantial, with $2.9 billion estimated to eliminate current known and estimated demands. For instance, in 1975 an estimated $698 million was reportedly needed to complete authorized areas of the National Park Service, Forest Service, Fish and Wildlife Service and Bureau of Land Management; $1.406 billion is needed to purchase Forest Service and Park Service inholdings; $243 million is needed to complete generally authorized protection of endangered species; estimated cost of pending or proposed legislation, ceiling increases and boundary changes is $551 million.

We also urge this Committee to restore full funding of $24.4 million for the historic preservation grants-in-aid program administrated by the National Park Service. Historic preservation, in the modern "adaptive use" context, has been an important factor in reawakening citizens to the importance and usefulness of certain structures perceived as "obsolete".

Renovated or historic structures can, in addition to their inherent historic or aesthetic uses, represent a commitment to neighborhood strength and character. This program has also nurtured an extremely effective Federal-state partnership. It has enabled the states to employ over 730 qualified professionals to develop state historic preservation plans and to undertake stabilization and restoration of historic properties that might have been physically lost or become the total responsibility of the federal government. While the state and local governments are bearing the greatest financial burden in historic preservation efforts, the Administration's proposed $10 million reduction in the federal share of this program would, we believe, substantially undermine these efforts. As a nation we cannot afford the physical and cultural loss that could result.

The House Interior Committee has also recommended a reasonable approach to the continuing manpower dilemma of the National Park Service. The Committee recommends that 1000 permanent positions be added to the Service, at the rate of 200 year for the next 5 years. These positions would be over and above those provided by the Office of Management and Budget for FY 77. We support this recommendation.

Additionally, we urge this Committee to support the proposed National Park Service public service jobs program at an effective funding level. The National Park Service has estimated that an appropriation of some $44 million would support over 2,700 projects in 141 park areas and would provide an estimated 27,659 work-months of employment in areas of hard core unemployment. This program would, we believe, provide meaningful employment for those persons most in need and, equally important, allow the Service to begin deferred maintenance and improvement in selected NPS areas. We understand that no new program authorities are necessary.

Park, recreation and leisure systems and services offer positive options for all segments of society during this period of high social and environmental stress. Increased crime and delinquency, unemployment, job dissatisfaction and worker frustration, and man's psychological need for creative expression require appropriate public and private actions to provide park and recreation opportunities.

Further, park and similar open space acquisitions are a positive method of influencing desirable land use and community growth patterns, However, lands most important for maximum recreation benefits and orderly development rarely remain available over time, given other development pressures. Price escalation in these situations invariably exceeds the general inflation rate, making a delay in purchase a false economy.

The Land and Water Conservation Fund is funded in part through Outer Continental Shelf lease and royalty receipts which now approximate $5 to 7 billion annually. It is highly appropriate to reinvest revenues from resource consumption activities in other natural resource programs providing long term benefits. It is essential that we provide the necessary funds for meaningful recreation options for all Americans.

STATEMENT OF BOYD L. RASMUSSEN, NATIONAL ASSOCIATION OF STATE FORESTERS, VIRGINIA

ACCOMPANIED BY JAMES E. WILKINSON, VERMONT DEPARTMENT OF FORESTS AND PARKS.

Senator STEVENS. Mr. Rasmussen, National Association of State Foresters.

Let me again state—I don't want to be rude to anybody. I am going to leave here at noon. If people are going to present their testimony, everybody is going to have to summarize their statements. We will examine the statements. We do examine each request. We are trying to make certain that we understand your request in the oral presentation.

We still have a considerable number of people. I hope those people coming from out of town don't find that there is no opportunity to testify.

Mr. Rasmussen, it is nice to see you again, sir.

Mr. RASMUSSEN. It is nice to see you.

Senator STEVENS. I know you understand our problem. We appreciate your appearance.

Mr. RASMUSSEN. I would like to introduce Mr. James E. Wilkinson, the acting commissioner of the Vermont Department of Forests and Parks who will present our testimony for the National Association of State Foresters.

Senator STEVENS. We are happy to welcome you here, Mr. Wilkinson, for your association. I have had the Forest Service every year since I have been on the committee. I am sure we know it very well.

COOPERATIVE FORESTRY PROGRAMS

Mr. WILKINSON. Thank you. My comments will be brief.

I would like to take this opportunity, as you ask, to point up three or four items which we feel are particularly important and which are outlined in detail in the statement which we have presented to you.

We feel particularly concerned about action which the Office of Management and Budget has taken in their recommendations for the budget in cooperative forest management and insect disease control. They have substantially reduced the recommendations for funding in these programs. I think this morning on the news on the TV demonstrated the need for cooperative forest fire control program. There was a fire in South Carolina which burned over 14,000 acres. As of the last report, it has caused millions of dollars of damage to the owners of that land. By cutting the appropriation in half, this is going to make a substantial impact on the States and their programs in forest fire prevention and control. Insect and disease also has been cut substantially by OMB and I would like to think of insect and disease as the silent enemies as far as our forests are concerned. They are not as dramatic, the damage they cause is not as dramatic, but here again it is necessary that adequate funding be made available to the State on a cooperative basis so that insect and disease control measures can be put into effect.

The third area of concern is the fact that although Congress authorized funding for the urban community forestry program under the CFM Act, no money has been appropriated so far for this program. We feel this is an important unit in total forestry cooperative programs between the Federal Government and the States. We would like to recommend very strongly that funds be appropriated this year to start active programs in this particular field.

In summarizing, I would like to point out that 60 percent of the Nation's forests are in private, nonindustrial ownership. These forests are unique basic sources of wealth to our Nation. They are renewable and they are a long-term problem. They are an efficient pollutionless convertor of solar energy and they provide a wide range of products, services and benefits to all of the people of our Nation.

Senator STEVENS. We are familiar with that. I am sure you know in the cooperative forest program, we are getting a great deal of mail and, undoubtedly, we will restore a portion of that money.

However, we have expressed concern in the past—I know I have. I come from a Federal forest area. That forest actually makes money for the Federal Government. Our State gets a portion of it under Federal law.

What kind of procurement are you getting as a State from that? Sixty percent of privately owned forests?

Mr. WILKINSON. That varies from State to State, of course, and the return is relatively low. The potential is a long way from being met as far as the productivity and returns to the owner and the benefits which the States and the communities will derive from that. That is the reason why we have and we are supporting these cooperative programs, to encourage the small private woodland owner to intensify management, so there will be greater benefits.

Senator STEVENS. Our Federal forests just increased stumpage fees in Alaska almost 10 times the amount they charged 2 years ago. I just wonder what are the foresters doing about increasing a return from the State and privately owned forests so that, one, there isn't unfair competition. Obviously, if you are going to pay the Federal Government 10 times the amount for stumpage, there is no comparable increase in the private and State owned level.

Secondly, I don't know why they should not pay a portion of the ever-increasing cost as far as the forest protection goes. Those who have used the State and private forests.

Mr. Wilkinson, do you want to comment on that? In regard to the burden of the OMB request that the States see greater returns from the forest that are under their management, as we have under the Federal management? Is that going on?

Mr. RASMUSSEN. Mr. Chairman, the States who do own forests sell their timber under competitive bidding in the same manner as the national forest timber and other timber is sold.

Senator STEVENS. We set a minimum. Our national forest is a minimum bid and it is competitive over the minimum. But there is a minimum and that minimum, as I said, has been raised almost 10 times over 3 to 5 years ago.

Mr. RASMUSSEN. In the State of Washington, for instance, the timber that is harvested from the State forest is appraised at the current timber markets and then sold under competitive bidding.

Mr. WILKINSON. We do the same thing in the State of Vermont which is a much smaller State. Our State ownerships are on a much smaller scale than they are in Washington and our Federal ownership is much smaller than what it would be in Alaska.

We follow this in the same general principles though.

Senator STEVENS. Why isn't their point valid that there should be greater support for some of these cooperative programs from the non-Federal level in view of this increased value of the timber? Sixty percent of the timber you are talking about is increased in value considerably.

Mr. WILKINSON. The States are contributing a large share of this cooperative program now. I think these funds don't go on the State-owned lands. They go on private land activities.

Senator STEVENS. I understand that.

Mr. WILKINSON. The States are making a very significant contribution now under the CM2 cooperative management program. It is authorized at the 50–50 funding level. Right now, it is about 86 and 14. In other words, 86 percent of the costs are being borne by the States on a nationwide level, and 14 percent by the Federal.

It so happens that in Vermont, it is closer to 50–50. But in other States, they are much wider apart than that. This is why we feel that by cutting the CM2 in half this year with the indication that the whole program would be eliminated next year, it would make an extremely severe impact on the States. It would just not be able to pick up that difference.

Senator STEVENS. We appreciate your testimony and support your objectives, I am sure. Thank you very much, gentlemen.

[The statement follows:]

Mr. Chairman and Members of the Committee:

I am James E. Wilkinson, Deputy Commissioner, Vermont Department of Forests and Parks. I represent the National Association of State Foresters composed of the State Foresters of the 50 states. Here with me is Boyd L. Rasmussen who represents the Association in Washington, D.C. I appreciate the opportunity to appear before this committee and express our views on the Forest Service State and Private Forestry Cooperation Program.

Our major concerns are that the administration's proposed budget for FY 1977 reduces (a) Cooperation in Forest Fire Control (CM-2) from $22,596,000 in FY 1976 to $11,712,000 in FY 1977. Further the administration states that this decrease of $10,939,000 is proposed as a first step in phasing out the grant portion of this program in FY 1978, (b) Insect and disease management from $19,644,000 in FY 1976 to $15,012,000 in FY 1977. And it does not recommend funding for the Urban Community Forestry Program.

The National Association of State Foresters urges the committee to fund Cooperation in Forest Fire Control program at a $25 million level, Forest Insect and Disease Management at $20 million and Urban Community Forestry at $5 million. Our complete recommendations are shown as follows:

	Actual FY 1976	Administration recommendations FY 1977	State Foresters recommendations FY 1977
Cooperation in forest fire control	$22.596 million	$11.712 million	$25 million
Cooperation in forest tree planting (Nurseries)	$337,000	$341,000	$341,000
Cooperation in Forest Management and Processing	$5.6 million	$7.318 million	$7.318 million
General Forestry Assistance	$4.461 million	$5.429 million	$5.429 million
Assistance to the States for Tree Planting title IV	$1.359 million	$1.373 million	$1.373 million
Forest Insect and Disease Control	$19.644 million	$15.012 million	$20 million
Urban Community Forestry	0	0	$5 million

The President transmitted to the Congress on March 2, 1976, a Statement of Policy, a Renewable Resources Assessment and the Secretary of Agriculture's proposed Renewable Resources Program. The reports point out that the greatest opportunity to increase timber production exists on the 59 percent of the commercial forest land owned by farmers and other private nonindustrial forest land owners. We agree with the reports. We strongly support the Secretary of Agriculture's assessment and recommended programs and plan to recommend and assist in future strengthening of the program. We believe that in a greatly strengthened national effort in the state and private sector on this 59% of the nation's commercial forest lands, lies the greatest opportunities for meeting future needs for forest goods and services.

On the other hand the President's policy statement says--further attention should be directed to certain specific items, among them "Evaluating the effectiveness of state and private land owner assistance programs." We do not disagree with the need for further

evaluation. But we would like to participate in the evaluation. We disagree entirely with the administration's decision to cut or eliminate these long time and successful programs without a proper evaluation.

Cooperation in Forest Fire Control (CM2)

Protection of state and private land is a shared state and federal responsibility. The Federal Government provides financial assistance and technical assistance and the states administer the program on the ground. The program was authorized in 1924 by the Clark McNary Act. It has been a highly successful program which protected 284 million acres in 1924 and now protects 708 million acres.

Protection from fire is essential to all of the resources of our forest land--water, timber, wildlife, forage, and recreation. Without fire protection the future for timber and other products would be bleak.

Clark McNary fire protection funds have been a great stimulus to the states in developing fire control capabilities. They have united the states in a common purpose and have strengthened each by the resources available from the other. The cost of fire protection has steadily mounted and the states have assumed more and more of the burden. Originally the program began with 50-50 cost sharing but now it is 86 percent state and 14 percent federal.

Wildfires transcend state boundaries. Watersheds from one state provide water to others. Recreation is supplied to people from other states. Timber products flow far outside state boundaries. Trained firefighters are used outside state boundaries whenever control of catastrophic fires calls for their help.

The federal government has a leadership and financial role in creating strong fire control programs. States are unable to assume more of the fire control costs nor can they extend fire control to the remaining unprotected lands. The present cooperative fire control program is beneficial to both the states and the federal government.

Therefore the National Association of State Foresters recommends that funds for the Cooperative Forest Fire Program be increased to $25 million.

Forest Insect and Disease Management

[illegible] insects and disease do not respect state lines or ownership [illegible]ies. The program applies equally to all forest lands in the [illegible]. Potential timber resources are reduced through killing [illegible] trees and reducing the growth of others.

[illegible] continuing job of non-suppression activities the cost of [illegible] constantly increasing. Detection, evaluation, and pilot [illegible]ing are examples. For instance airplane costs are rising rapidly, [illegible] the southeast several overflights are required each year. The new work load analysis for the ongoing Forest Pest Action Program shows that the states have an additional $1.5 million dollars of qualifying work.

While insect and disease epidemics can fluctuate widely, in view of recent history and probabilities we can expect that a $10 million contingency will be needed instead of the $5.025 million proposed. While a supplemental can be requested it complicates the funding uncertainties when major projects are encountered. New criteria which test each project assures that the federal interest must be met.

Therefore we recommend full restoration of the contingency fund to make a total of $20 million. Of interest are the reports that about 26 billion feet of timber killed by disease and insects are salvageable. Of this amount about 6 billion feet are accessible of which about 1 billion feet are on state and private lands.

Urban Community Forestry

Public Law 92-288 amended the Cooperative Forest Management Act to authorize the "protection, improvement, and establishment of trees and shrubs in urban areas, communities, and open spaces."

This program has not been funded. While the Forest Service has made favorable recommendations it is not in the present budget. Last year, $1 million was added for the program but it did not survive the conference. We believe it is a program that would benefit more than 70 million people living in cities of less than 50,000 population.

We recommend $5 million for FY 1977.

Cooperation in Forest Tree Planting

This program provides funding and technical assistance to cooperating states in the production of forest planting stock for shelterbelt and forest tree planting on non-federal land. It includes procurement of forest tree seeds, and production and distribution of planting stock. Seed and trees are furnished at a modest cost for public efforts to increase timber production and enhance environmental potential.

Cooperation in Forest Management and Processing

The proposed budget provides increases for:

1. expanding the sawmill improvement program,

2. expanding the improved timber harvesting program, and

3. expanding multiple use management technical assistance and more adequately provide assistance to land owners.

This program provides technical assistance to nonindustrial woodland owners, loggers, wood-using industries, communities and organizations concerned with the protection, use and management of private forest resources. The assistance is provided through state service foresters.

About sixty percent of the commercial forest land is owned by nonindustrial private owners. At present these lands are producing less than 50% of their capacity. Most owners do not have the technical forestry skills needed to manage their lands to help provide the nation's needs for forest products including timber.

In 1976, this program reached about 320,000 owners and operators and involved 7.5 million acres of forest land.

We are in agreement with the proposed budget request.

Assistance to States in Tree Planting

This program provides assistance to states for rehabilitation of state and county forest lands and their tree improvement projects. Forty-three states have new or expanded tree improvement projects. Production of genetically superior tree seed through genetic seed orchards offers an opportunity to provide seedlings of superior quality. These seedlings will be used to restore low or non-productive forest lands.

We are in agreement with the proposed budget request.

Senator STEVENS. Mr. Gould? Let me go back and see if Mr. Gamble came in from Missouri. Did Mr. Gamble come in?

Did the representatives from Systems Research Laboratories of Ohio come in?

Is Mr. Gould from the University of Illinois here?

Mr. Jackson, National Association of Conservation Districts?

I hope my tiff with the Pennsylvania Avenue Corporation people didn't scare some of our witnesses away.

STATEMENT BY PATER JACKSON II, CHAIRMAN, COMMITTEE ON PUBLIC LANDS, PASTURE, AND RANGELANDS, NATIONAL ASSOCIATION OF CONSERVATION DISTRICTS

Mr. JACKSON. Mr. Chairman, it almost scared me away.

Senator STEVENS. That is a big fight back here.

Mr. JACKSON. It has got to be something.

Senator STEVENS. It is one of those things.

RESOURCE DEVELOPMENT AND PROTECTION

Mr. JACKSON. I would like to introduce myself. I am Peter Jackson. I come from Harrison, Mont., a town of about 200 people. I can appreciate, after listening this morning, how a large town would be here. I am with the National Association of Conservation Districts and we are 3,000 in number. We cover virtually the entire United States.

Our reason, as entities of State government, to be concerned here, of course, is the charge of our laws for development and protection of our natural resources. I would very much appreciate the opportunity just to simply summarize. I have filed a statement in regard to the appropriations—if that is permissible.

Senator STEVENS. Thank you very much.

Mr. JACKSON. OK. We are very much in favor of the appropriations as they stand. We would like to see some of the others increase because—it is quite obvious when you see our statement—I guess you would say they are totally conservative, but we do see the pressures on these types of land.

Basically, conservation districts are worked primarily with private land, but in the western United States particularly, in my own personal ranch, I have a beef cattle operation, you have a mixture of Federal lands, Forest Service lands, BLM lands and to properly manage these kinds of lands and get development on them, with the pressures of the general public, it takes considerable funds involved by all persons.

So, maybe we could just address ourselves a little bit to a particular range. We see a modest increase in the range management funds for the Forest Service. There is a cry on now for increase of production from these lands and we agree with that.

Fire protection—the fiscal budget was down and our recommendation is that it be returned to $25 million.

I think from a very personal point of view, on my ranch I had a forest fire and when that forest ranger walked up to me, he cried. He had tears in his eyes when he handed me a bill for $25,800.

Senator STEVENS. Is that right? Tell me about that.

Mr. JACKSON. Well, the forest fire was within 2 miles on my ranch of the Forest Service and in their concern that it might get on the forest lands, they stepped out and put the fire out at that cost and because it started on my lands, they handed me the bill.

Well, we did a little dickering around and we cut it down considerably because we determined that quite a bit of land that was put out was public lands and they picked up part of the bill.

But these things get awfully personalized.

Senator STEVENS. But you did not ask them to come. They just came and put out the fire?

Mr. JACKSON. Let's be honest. I didn't stop them either. When the place was burning up and 500 men show up, they were pretty capable.

Senator STEVENS. But then when you got the bill—.

Mr. JACKSON. When I got the bill it was a little different.

Senator STEVENS. I understand.

Mr. JACKSON. The same way with cooperative management of $5 million up to $7 million and we say $15 million. Here, again, just a little quick side comment—I will do this as fast as I can—with the pressures and problems of harvesting some of the timber on public lands, we see a great amount of pressure on private lands and in Montana with the dry areas—there are some trees that are 200 years old that may never be returned. There is a real need for assistance and even developing of cyclic management. So people really appreciate what they are selling off.

Senator STEVENS. After you had that fire on your property, did they offer you some assistance in reseeding?

Mr. JACKSON. Reseeding, yes. Or simply how do you deal with a man who walks in the door and says, "Hey, you've got a section of timber. I would like to buy that. I will give you $2 on the stump." I never knew it was worth anything.

Maybe the next day I see a bulldozer going across the hills leaving a scar that you wouldn't believe. But we realize with careful management—you see people writing up plans and you say, hey, you are not going to do those kinds of things. I don't know about these plans. But I never saw a forester before. That is just a pretty gross example, but it has happened periodically and there is need for assistance in managing some of these isolated forest stands on private property that all of a sudden have developed value because of impact statements.

There was a real fuss and problem of getting some of these things made.

Senator STEVENS. Did you get your assistance from the Federal forester or from the State forester?

Mr. JACKSON. No, we got ours from the State forester because of simply a friendly relationship with the Forest Service. They helped me out. It was sort of a mutual situation.

OK. Well, insects is kind of the same thing. $19 million and it has dropped back to $15 million. We recommend up to $25 million and spruce budworm is an example in our area. These things are—well, they damage a lot of trees. Trees are going to become important to the general economy of our area. We need some control and it gets a little beyond the rank and file of the general public.

Now, for the BLM budgets, the range management budget is a modest increase and we appreciate this, but we feel that if there is a way to stretch it more, we would appreciate it, because with the 212 environmental impact statements, the law suit by Natural Resources Defense Council, we are finding our range management funds are going to writing impact statements and very little being actually applied to improvement of these grasslands.

Here, again, are the pressures of the EPA and the section 208 and their water quality saying, hey, this land must be put in top shape. In the meantime, they spend all their time writing impact statements and why it should be put in top shape. It is sort of confusing, I guess.

On the rest of them—forest development, BLM, this, of course, is ongoing. Indian lands—they have been overlooked a lot and they do need a reasonable increase. The Geological Survey—I happen to come from an area—I have 79 head. That land has never been surveyed. For good management, we certainly need this type of thing.

Well, that in a nutshell is my testimony, Mr. Chairman. We see these lands as very important, these public lands. And they do need to be protected and developed. They are large in number, but they have fantastic responsibility regardless of the many new laws and programs that have been placed upon them.

We thought we were doing very nicely, moving along at a reasonable pace. But when larger organizations marched out and said this is not good enough. Eighty-three percent of the BLM lands are in poor condition, requesting this. But if they have to be speared up, I guess it takes money to answer these charges and requests.

Senator STEVENS. Which one of these items would be most important to a fellow in your circumstances?

Mr. JACKSON. The most important? Well, in my own ranch the BLM range management money. That is where the real pressure comes. By the time they write the environmental impact statement, there is not a penny left for the grass seeding or anything.

Senator STEVENS. In that forestry area, you are asking us to restore the level of 1976 in the BLM management.

Mr. JACKSON. Right.

Senator STEVENS. You don't ask for an increase in range management itself?

Mr. JACKSON. This is a reasonable request. In fact, I tell you, I would much rather have the pressure come off us and let us go along with our own, instead of giving more money. But if they are going to continue pressure, the money has to be there to answer.

Senator STEVENS. I wish we could find some way to limit the use of that money and specifically earmark money for use in impact statements. We have found that all over this area, this resource area, that money is diverted to handle those law suits and impact statements and the actual program suffers.

We tried to identify it one year. I think we asked every witness who appeared. It was somewhere around 12 to 20 percent of the amount that we were giving them were going into notices of activity.

Mr. JACKSON. That is absolutely right.

Senator STEVENS. We certainly thank you very much, Mr. Jackson. We appreciate your taking the time to come in.

[The statement follows:]

Improvement and wise use of natural resources are the objectives of the nation's 3,000 soil and water conservation districts organized under provisions of laws enacted by each of the 50 states, Puerto Rico, and the Virgin Islands. The districts include within their boundaries virtually all of the land of the nation.

Conservation districts provide assistance with erosion control and water conservation on privately-owned lands and cooperate in programs for improved management of public lands. Following are the recommendations of the National Association of Conservation Districts (NACD) for appropriations for the Department of the Interior and Related Agencies for Fiscal Year 1977:

AGENCY AND PROGRAM	FY 1976 Appropriation	FY 1977 Budget	FY 1977 NACD Recommendation
FOREST SERVICE--USDA			
Rangeland management	$ 19,007,000	$ 23,451,000	$ 23,451,000
State and private forestry cooperation			
--Forest fire control	22,596,000	11,712,000	25,000,000
--Tree planting	337,000	341,000	341,000
--Coop. forest management	5,600,000	7,318,000	15,000,000
--General forestry assistance	4,461,000	5,429,000	5,429,000
Total	32,994,000	24,800,000	45,770,000
Rural community fire protection	3,500,000	-0-	7,000,000
Forest insect and disease control	19,644,000	15,012,000	25,644,000
Forest research	80,355,000	84,691,000	99,691,000
BUREAU OF LAND MANAGEMENT--USDI			
Range management	25,800,000	28,007,000	28,007,000
Forestry	40,770,000	36,000,000	40,770,000
Soil and watershed conservation	9,724,000	9,976,000	9,976,000
BUREAU OF INDIAN AFFAIRS--USDI			
Forestry and agriculture	26,820,000	29,647,000	29,647,000
GEOLOGICAL SURVEY--USDI			
Topographic mapping	45,414,000	47,482,000	47,482,000

Programs for the conservation of renewable natural resources are in need of acceleration. Pressures on available funds and personnel have been increased by legislation enacted by Congress in recent years, such as the National Environmental Policy Act and the Federal Water Pollution Control Act Amendments of 1972, and by court decisions which call for more stringent administration of executive orders.

The lands administered by the Bureau of Land Management and the Forest Service are a major source of water, wood products, forage for livestock, wildlife habitat, and recreation. The importance of the wise utilization of resources on public and private lands over the long run is underscored by the recent passage of the Forest and Rangeland Renewable Resources Planning Act of 1974 and the consideration by Congress in this session of bills providing for assessment of rangelands and land and water resources by BLM and the Soil Conservation Service (S. 2081 and S. 2555).

We believe that investments in resource development and management will return substantial benefits to the United States and its people. Such investments help establish jobs in local communities, provide better supplies of raw materials for the nation's economy, reduce erosion and sedimentation of streams and reservoirs, protect watersheds, improve the quality of water, and increase recreational opportunities.

Following are our detailed recommendations:

FOREST SERVICE--USDA

Rangeland Management. We support the President's proposal for increased funds for this work which is essential in meeting future livestock needs while preserving the ability of the lands involved to supply clean water for downstream users, support fish and wildlife resources, and provide recreational opportunities. NACD believes strongly in the need for a substantial

acceleration in programs for the management, improvement, protection, and multiple uses of the National Forests.

State and Private Forestry Cooperation. The Administration's budget proposes a serious setback for these programs. Adequate fire protection is essential in assuring that rural lands will produce required resources. Although federal funds now amount to only 14 percent of the total fire suppression cost, a national program is vital to achievement of consistency, uniformity of standards, and sharing of information. NACD's recommendation calls for an appropriation of $25 million for forest fire control and $15 million for cooperative forest management (including $5 million for the authorized urban forestry program). Such support is important to the state forestry departments which have the responsibility for leadership in the improvement of private forest lands.

Rural Community Fire Protection. This program extends fire protection to rural areas generally and aids in fighting structural fires as well as those which damage forest lands and open country. We urge funding of this third and final year of the pilot program at the full authorized level so that the investments made can be properly evaluated.

Forest Insect and Disease Control. Losses of merchantable timber from the ravages of insects and disease continue at the highest levels ever experienced nationwide. We support the appropriation of $10 million for the contingency fund for this work; continuation of the basic $9.6 million appropriation; and an additional $6 million for financing technical services, aircraft hire, methods improvement, pilot projects, and additional payments to the states for cooperative forest insect and disease control.

Forest Research. NACD requests an increase of $15 million over the FY 1977 budget for research on (1) acceleration of forest resources evaluations to provide more specific data on timber inventories, growth cut, and natural losses; (2) habitat for sensitive wildlife species as required by the Rare and Endangered Species Act of 1974; (3) increasing timber supplies; and (4) protection of forests from insects and disease.

BUREAU OF LAND MANAGEMENT--USDI

Range Management. The budget calls for a modest increase in funds for range management on BLM lands. We support this increase, and more is needed. BLM is faced with a court order which requires preparation of environmental impact statements on 212 resource areas which is causing them to fall further behind in preparation of Management Framework Plans and preparation and implementation of Allotment Management Plans. Meanwhile, the Range Condition Report prepared for the Senate Committee on Appropriations, dated January 1975, indicated that 83 percent of western rangelands are in a less than satisfactory condition. This is only a small improvement over range conditions in 1934. This situation is further aggravated by the division of funds for range improvement to the preparation of court-ordered environmental impact statements.

Forestry. BLM's forestry program suffers from the same pressures as those of other management agencies. We support an increase in funds for this activity so that the optimum return can be realized, with appropriate environmental safeguards, from BLM-administered forest lands.

Soil and Watershed Conservation. Here is another case where more substantial increases are needed if BLM is to do its part in improving national resource lands and watersheds and reducing sediment loads in major streams in the West. These BLM lands are contributing an estimated 60 percent of the total sediment load in major streams in the western states. They also contribute to the salt load and lowered water quality of the Colorado River.

BUREAU OF INDIAN AFFAIRS--USDI

We support the amount requested in the President's budget for forestry and agriculture. These programs help to provide a stable resource base for the Indian population on these lands.

U.S. GEOLOGICAL SURVEY--USDI

NACD is especially concerned with the progress of the topographic mapping program of the Geological Survey. Conservation districts, planning agencies, and many others involved in the management of natural resources use topographic base maps in their work. We urge the completion of topographic mapping at a scale of 1:24,000 and revision of existing maps as required to provide optimum use for resource management.

Senator STEVENS. Mr. Donohue, American Nurserymen?

Mr. Biddle, National Trust for Historic Preservation?

Mr. Biddle?

Let me again find out. We are going to call Mr. Gamble for the last time of Missouri. Did he come in?

How about the Systems Research Laboratories, Inc. of Ohio? Did they come in?

Mr. Gould with the University of Illinois?

We are happy to have you here, Mr. Biddle.

STATEMENT OF LAWSON B. KNOTT, JR., EXECUTIVE VICE PRESIDENT, NATIONAL TRUST FOR HISTORIC PRESERVATION IN THE UNITED STATES.

Mr. KNOTT. Good morning, Mr. Chairman. I am Lawson Knott, executive vice president of the National Trust flying false colors and substituting for Mr. Biddle who has a commitment with the British National Trust and he has asked me to stand in for him.

Senator STEVENS. Let me apologize. I called you by the wrong name. I am sorry. You are substituting for Mr. Biddle.

Mr. KNOTT. It is our fault. We did not correct the record ourselves.

HISTORIC PRESERVATION

In any event, it is a pleasure to be here today. The major thrust of this statement which I would like to file for the record is to point out to the committee some of the impacts of a reduction in the level of funding for the historic preservation activities of the Department of Interior which has in recent years been at the level of around $20 million including this current fiscal year and for the fiscal year 1977—have been reduced to $14.5 million which includes the survey work, the historic marker and building survey and the work in the National Park Service and actually $10 million to be divided up among 55 States and the national trust—55 States and territories.

Senator STEVENS. I see there is a requested cut of $10 million in the 1976 level.

Mr. KNOTT. In the amount that actually goes to the grant.

Senator STEVENS. Is that the main item of your concern?

Mr. KNOTT. That is the main item of our concern.

Senator STEVENS. We have had a lot of mail on that already.

Mr. KNOTT. Right. We are, as of the end of this fiscal year, without authorization, so we have a terrible problem. But there is legislation pending which I think is likely to be completed before May 15 which would cure that. But the administration has recommended last July a level of $24.4 million for the next 2 years. The pending legislation would be larger than that, but in any event, there is clearly support from the administration for $24.4 million. That level of funding is enough to keep the programs going.

The difficulty, Mr. Chairman, is that under the 1966 Historic Preservation Act, the Congress enunciated for the first time a clear policy of Federal involvement and participation recognizing that private enterprise has borne the burden of historic preservation and that the Federal Government should be coming forward.

Now, in support of that policy, beginning in 1968 with a modest amount of $300,000, this has begun to grow to the point where it is felt even in the smaller States where surveys, historic preservation offices have become active, have made surveys.

There are some 6,000 organizations that are active in the field. There is far more money being raised by private enterprise and by States to support to make the matching grants, than is the Federal funding. So that while we don't expect that all the monies that is ever going to be sufficient to take care of all the needs or that the Federal money will take care of more than fifty percent of that contemplated.

Nevertheless, the peaks and valleys—as I am sure you know from your past experience—the peaks and valleys of Federal funding are difficult to cope with in planning programs and the States feel this as keenly as does the National Trust.

Thank you.

Senator STEVENS. I think the National Trust has done a great job and we have done our best to help coordinate the Federal activity. You make a good point. I hope you get your authorization legislation out. We will do our best to assist you on that.

Mr. KNOTT. Thank you. It is up for floor action in the House the first week after Easter, so thank you.

Senator STEVENS. We will be with you.

[The statement follows:]

This statement relates to the 1977 appropriation request of the Department of the Interior, National Park Service, under the heading "Preservation of Historic Properties", page 459, Appendix, the President's Budget. The amount of that request is $14,500,000 of which $10,000,000 is for matching grants-in-aid to the states and to the National Trust as authorized by the National Historic Preservation Act of 1966 (80 Stat. 915). The National Trust urges that the appropriation be increased to conform to the $24,400,000 authorization recommended by the Secretary of the Interior in July 1975.

To further the national policy enunciated in the Historic Sites Act of 1935 (49 Stat. 666), the Congress, by Act of October 26, 1949 (63 Stat. 927), created the National Trust for Historic Preservation in the United States as a charitable, educational, and nonprofit corporation.

The National Historic Preservation Act of 1966 (80 Stat. 915), strengthened the national historic preservation policy enunciated in the 1935 and the 1949 Acts by charging the Department of the Interior with responsibility, which has been delegated to the National Park Service,to establish a Federal matching grant-in-aid program integrating historic preservation into the total fabric of our nation's environment. During the intervening years through fiscal year 1976 the Federal government has increased its support of historic preservation. However, the private sector, led by the National Trust, continues to carry the major responsibility for preserving the principal areas of American heritage in private ownership.

Since 1966 the National Trust has become increasingly effective. Substantial progress has been made in restoration of great historic places. Growing demands by public and private historic preservation organizations at the state and local levels for assistance have required expansion of our technical assistance and educational programs. Federal financial assistance has made it possible for us to progressively step up our efforts to keep pace with this demand. The phenomenal growth of the National Trust's membership, since passage of the 1966 Act, clearly demonstrates the increasing awareness of citizens of the essentiality of preserving our man-made heritage. Our membership numbered only 10,688 in 1966. Today our membership numbers over 100,000 including 1,500 organization members. The National Trust must continue to expand its ability to keep abreast of the demands of a society increasingly concerned with historic preservation as a vital element of our environment.

For Fiscal Year 1976, the National Trust has been allocated matching grant-in-aid funds totaling $2.5 million by the Department of the Interior. These funds, and a larger amount provided by the private sector, are being used for acquisition, development, maintenance and administration of Trust-owned historic properties and for technical and educational assistance to private preservation organizations and individual preservationists all over the United States. Our historic buildings, almost all restored Historic Landmarks, are significant examples of lifestyles in American history and culture administered for the public benefit. Our stewardship of these historic properties, situated across the nation, and their use as community preservation centers and demonstration laboratories, exemplify high preservation standards. Development of new techniques for preservation, restoration and interpretation of our historic properties reflect high standards for the guidance of other preservationists.

The Trust continually upgrades its historic properties and selectively acquires new properties of the greatest significance in American architecture, history and culture. As a new approach to preservation, the National Trust, on a highly selective basis, accepts preservation easements granted by owners of historic properties of the highest caliber to assure preservation of the structures and preclude incompatible development of their surrounding open spaces. Another new approach is cooperatively undertaking, with state, local and private interests, the acquisition, management and adaptive use of historic buildings which might not otherwise be preserved.

Professional knowledge and special skills of architects, historians, archaeologists, landscape architects, museologists and experienced craftsmen are required to preserve, restore and renovate historic houses and display them to people. Restoration and preservation of historic properties requires more time and technical knowledge and is more job-productive than new construction. In the administration of its properties the National Trust applies sound property management practices and offers programs, including educational seminars, environmental, ecological and youth training programs, craft workshops and tours geared to the needs of the communities in which properties are located.

The National Trust: - serves as an information clearinghouse for citizens and organizations in every state, advising them concerning the many technical aspects of restoration and historic preservation; - provides museology, planning, architecture, research and other services to individual preservationists and organizations throughout the country; - collects and publishes, as a preservation resource center, technical and other material on historic preservation for use by lawyers, authors, governmental agencies, professional preservationists and our members, frequently pioneering new technical advances in

architecture and preservation methods; - maintains informational collections on Federal and State governmental historic preservation legislation and on related technical subjects; - provides through summer internships, educational opportunities in historic preservation for undergraduate college students; - conducts conferences providing opportunities for preservationists to exchange ideas and to evaluate past and present historic preservation policies and to project future goals; - cosponsors annually, graduate level seminars for prospective historic property administrators; - sponsors technical conferences on such subjects as museum administration problems, basic conservation techniques, historic districts administration and preservation law and publishes such proceedings for the benefit of all preservationists; - publishes, monthly a newspaper, Preservation News, reporting current activities in the preservation field and a quarterly magazine, Historic Preservation, featuring articles on American history and culture; - makes available to the public, through its Historic Preservation Bookstore, a wide variety of technical preservation-oriented publications; - provides, through the Consultant Service Grant program, modest matching grants to a limited number of historic preservation organizations to assist them in locating and funding specialized consultants to advise them on particular preservation problems; - publishes and circulates selected reports resulting from these grants as technical publications, thereby furnishing for public benefit exemplary solutions to recurring preservation problems; - provides from our National Historic Preservation Fund, small matching grants, interest subsidized loans and other guarantees to preservation organizations to assist them in the establishment of revolving funds for use in carrying out historic preservation at the local level.

To make National Trust services more immediately accessible to the increasing numbers of our citizens who are becoming aware of and concerned with our cultural heritage and the economic viability of preservation, we have found it necessary to establish regional offices in San Francisco, Chicago, Boston and Oklahoma City and in the Mid-Atlantic area. A new field office will be opened this year in the Southeast.

On the international level we represent the American preservation movement by participating in conferences, conducting studies of the preservation practices of other nations and by maintaining contacts with foreign visitors seeking to learn about American preservation policies and procedures.

On the Federal level the National Trust cooperates with Federal departments and agencies such as the Departments of the Interior, Transportation, and Housing and Urban Development, the Environmental Protection Agency, the Smithsonian Institution, the Council on Environmental Quality, the National Foundation on the Arts and the Humanities and, of course, the Advisory Council on Historic Preservation, whose statutory mandate charge them with varying degrees of responsibility concerning historic preservation. Our purpose is to provide the Federal departments and agencies with such assistance in the performance of their preservation-related functions as they may consider helpful to the extent feasible within the limits of and other demands on our capabilities and available resources.

On the State and local levels we work closely with the State Historic Preservation Officers and local organizations in cooperative efforts to carry out the national historic preservation policy.

In the private sector, we maintain liaison and share preservation undertakings with some of the nation's leading private preservation organizations, museums and other cultural institutions.

We have recently initiated the expansion of our maritime historic preservation activities to provide assistance in the preservation of historic ships, sites, structures and objects associated with the maritime history of the nation. In carrying out this aspect of our preservation responsibilities we expect to work closely with and rely heavily upon public and private organizations and individuals now active in the field.

We are proud of our Federal charter and the beneficial association we enjoy with the Federal government in fostering public participation in historic preservation and in otherwise carrying out the purposes of our organic 1949 Act and the Historic Preservation Act of 1966. However, despite our accomplishments we have only made a beginning. Much more remains to be done. A sustained level of Federal funding is essential to continued progress.

In enacting the 1966 Act, the Congress expressly recognized that the major burdens of historic preservation had previously been borne by private agencies and individuals who should continue to play a vital role but found that: "it is nevertheless necessary and appropriate for the Federal government to accelerate its historic preservation programs and activities, to give maximum encouragement to agencies and individuals undertaking preservation by private means, and to assist state and local governments and the National Trust for Historic Preservation in the United States to expand and accelerate their historic preservation programs and activities."

Over the years, from 1968 through 1976, the Congress has, consistent with its avowed purpose as quoted above, progressively increased the level of matching grant-in-aid assistance to all of the states and to the National Trust to the current level of $20,000,000. While far below demonstrated needs and matching capabilities, this funding level enabled major forward strides in carrying out the national historic preservation policy.

There has been an almost unbelievable ground swell of support among our citizenry for the national historic preservation movement. The public is genuinely dedicated and willing to participate, enthusiastically, in this movement. This is best illustrated by the growth in our membership from about 30,000 to more than 100,000 in the span of the last three years.

Historic Preservation is a grass roots citizens movement. It is ironic that, at the peak of its accomplishments in the nation's bicentennial year, that a 50% reduction in the level of Federal financial assistance for this important national program has been proposed.

Evidence of the active support by the nation's populace currently abounds. However, if such a reduction is permitted to occur, we are fearful that it will provoke a comparable reduction in the level of private financial support and a general dampening of the prevailing enthusiasm of our citizens in furthering this nationally significant effort.

The proposed reduction is so drastic that the resultant harm may well be irreparable. There is no doubt that the loss of many historically significant properties will result and, if lost, they cannot later be retrieved--they will be gone forever.

Many state and local historic preservation projects will be adversely affected.

A sampling of the consequences of such a major reduction in Federal financial assistance for historic preservation discloses such dire consequences at the state level, as reported by the State Historic Preservation Officers and their staff members, as are related in Appendix I hereto.

In communities throughout the nation where these and hundreds of other ongoing projects are situated, the many related economic benefits, job and investment opportunities would be significantly reduced and, in some cases, wiped out.

At a time when the Congress has before it legislation, already passed by the Senate and pending in the House, which would authorize progressively increasing grant-in-aid appropriations over the years ahead, it is unthinkable that the Congress will permit these disastrous consequences to occur.

We who are involved on a daily basis in preserving the few remaining vestiges of our nation's heritage are convinced that people in all walks of life throughout the nation believe in and support this effort and that they will feel that they have been let down by the Federal government if it allows this worthy endeavor to be so seriously impaired.

I shall now turn to a brief explanation of the implications of such a budget reduction upon the National Trust itself which the Congress chartered in 1949 to help to lead its citizens toward historic preservation, and to guide and nurture their efforts.

A budget reduction at this time would be felt, directly or indirectly, by most if not all of the 6,000 organizations now working in historic preservation.

The National Trust has gradually grown to our present operating level since 1968 when our annual budget approximated $1.4 million, only $300,000 of which was provided by the first Federal grant-in-aid. We have come to rely heavily on the availability of funds in our staffing and in planning the levels of our many programs.

Our fiscal year 1976 budget is $6.3 million of which $2.5 million is being provided by Federal grants from this appropriation. We are planning a $7.3 million budget for fiscal year 1977, anticipating a Federal grant of not less than the 1976 level.

Our 1977 plans anticipate expansionof program activities over 1976 commensurate with our needs and our historic growth rate to meet current demands to preserve our cultural patrimony. Of our total proposed 1977 budget, $3.5 million would be expended for personal services costs for 258 full-time employees in our headquarters office in Washington, D.C., in our regional and field offices, and at our historic properties located throughout the nation.

The remainder of our proposed 1977 budget, $3.8, would be spent as follows: education - $800,000; preservation services-$700,000; publications-$1 million; maintenance and administration of Trust properties-$1.3 million.

We have not yet fully assessed the adverse impact of a 50% reduction in the level of Federal financial assistance on the historic preservation activities and programs of the National Trust. A most alarming possible impact, as previously mentioned, is the likelihood that such a cut will trigger a comparable reduction in private support. So we may not be talking about a reduction of about one-quarter of our total budget, but a reduction of possibly as much as 50% in total available funding.

It is obvious that such a cut would be devastating and would set us back crushingly in all of our programs and activities and result in: - employment cut backs, job abolishments, people laid off; - severe curtailment of our ongoing preservation services furnished to the public, educational seminars and other educational activities; - deferral of capital improvements, maintenance, repair, restoration and preservation of our historic properties, seriously endangering the long-range protection of these great historic places.

Even if private funding available to us is not lessened as a result of a major reduction in the level of Federal funding and assuming that the National Trust would receive the same proportionate share of the reduced appropriation as has been allocated to us in recent years from larger appropriations, the result would be a reduction of

approximately 25% in total available funding, most of the above-mentioned cutbacks would occur, but to a lesser degree. Nevertheless, the blow to the cause of historic preservation would be major.

Without doubt the adverse impact on our programs and the programs of the states resulting from such a reduction of Federal financial assistance would be catastrophic.

Accordingly, I urge this subcommittee to increase the amount appropriated for Federal grant-in-aid assistance of this important national undertaking to not less than $24,400,000, the lowest amount which would be authorized by the above-mentioned pending authorization bills.

Mr. Chairman and members of the subcommittee, thank you for this opportunity to summarize the historic preservation functions carried out by the National Trust and to give you a brief insight of the serious damage which will be inflicted upon historic preservation undertakings throughout the nation if the proposed buget reduction is allowed to stand.

APPENDIX I TO LAWSON B. KNOTT'S STATEMENT OF APRIL 14

- Massachusetts reports that it will cripple their local matching grants program, hence local projects, with lessened resources, will not be able to hire as many people, such as laborers and this, translated into economic terms will be calamitous; projects such as the ongoing restoration of the old Town Hall in Hancock and the Old City Hall in Peabody, conversion of a Boston waterfront warehouse on Commercial Street into a residential building, and the preservation of open space near the Belcher House in Arlington all could suffer; - Ohio reports that every major city in Ohio has at least one building or archaeological site which will be affected, if not totally lost, and the building industry of the state will be adversely affected through the potential inability of local preservation groups-because of lack of Federal matching grants-to employ craftsmen, bricklayers, carpenters, masons and electricians; adversely impacted projects could include housing restoration in Ohio City area of Cleveland, the Classic Theater in Dayton, which is especially significant in the history of Black Americans, and restoration of James Garfield's house in Mentor and the Rutherford B. Hayes home in Fremont; - California says that projects that could be impaired include the adaptive use of the Eugene O'Neill House in Contra Cost County to a theatrical performance and research center; restoration of the Hershey Woodland Opera House in Woodlawn; and the preservation of archaeological sites near Palm Springs in Tahquitz Canyon; - New York reports that the cut may virtulally eliminate its program of matching grants to local preservation projects; endangered New York City projects could include restoration of the 1830 Old Merchant's House (also known as the Seabury Treadwell House), and the 1799 (with later additions) St. Mark's Church in the Bowery; the restoration of the Oswego City Hall, houses on Hunterfly Road in the historic Black district of Bedford-Stuyvesant and restoration of the Winegar House in Armenia, all dependent on Federal aid; - Florida reports that completion of the ongoing restoration and rehabilitation of Ybor City, a Cuban neighborhood in Tampa, now a National Register Historic District, is dependent upon Federal funding assistance; - Washington reports that projects to continue restoration in Pioneer Square in Seattle, some 700 Victorian residential and commercial buildings in the seaside community of Port Townsend, and some 300 structures dating from the late 19th century in Browne's Addition, Spokane, all will be threatened; - Maryland reports that projects such as the restoration of the 1732 Genesar House on the Eastern Shore, the U.S. Frigate Constellation in Baltimore Harbor, the Fells Point Historic District in Baltimore, the Paca House in Annapolis, and the 18th century Rodger's Tavern in Cecil County are among those that could suffer; - Louisiana reports that projects for the restoration of buildings on the Melrose Plantation, near Natchitoches and the Destrehan Plantation at Destrehan and archaeological research at Poverty Point, near Delhi, could be adversely impacted; - Pennsylvania reports that preservation of one of the last great railroad station hotels in the country, Starrucca House at Susquehanna Depot, could be endangered; restoration of the 18th century Sun Inn in Bethlehem is dependent on help from Federal matching grants, and so is restoration of a 19th century mill in Meshoppen. Among additional Pennsylvania projects awaiting some Federal funding are the restoration of Old Fort Mifflin in Philadelphia and the Philadelphia Waterworks, both of which would be open to the public; - Illinois reported a certified ability to use $4.1 million in Federal historic preservation matching grant money this year; it received about $300,000,less than 10% of its need -- when the Federal appropriation was $20 million; - West Virginia reports that it employs about 374 people on 34 ongoing preservation projects, some of whom would suffer almost total loss of income if Federal assistance is cut back.

STATEMENT OF HAROLD A. GOULD, VICE PRESIDENT, AMERICAN INSTITUTE OF INDIAN STUDIES AND CHAIRMAN, SOUTH ASIA REGIONAL COUNCIL OF THE ASSOCIATION FOR ASIAN STUDIES

Senator STEVENS. I understand that Mr. Gould of the University of Illinois has now come in.

Mr. GOULD. I am afraid you will have to blame this on Washington's parking problems, I guess.

Senator STEVENS. Well, you just missed one of my engagements with people who are disturbed that we are trying to increase the amount of parking and open up some of the spaces in Washington and try to create a new downtown Washington.

I wish that you had preceeded him.

Mr. GOULD. I wish I had, too.

Mr. MOREHOUSE. Senator Stevens, may I identify myself. I am accompanying Professor Gould. My name is Ward Morehouse of the New York State Education Department and I am testifying with Professor Gould on the same subject for the foreign currency program.

SMITHSONIAN FOREIGN CURRENCY PROGRAM

Senator STEVENS. Thank you. The foreign currency program?

Mr. GOULD. Yes. I represent the American Institute of Indian Studies which is one of the major beneficiaries of the excess foreign currency allocation that the Smithsonian receives and my testimony can also be considered to represent the views of the president of the American Institute of Indian Studies, Mr. Edward Dimmock of the University of Chicago who was unable to attend today. Of course, much of what I have to say is contained in the written testimony that I have submitted before the subcommittee. I think I can only perhaps highlight a couple of points in my oral testimony.

I think one of the most important points that I would maybe like to address in this oral testimony is the importance of excess foreign currency allocation which the Smithsonian receives to institutions like the American Institute of Indian Studies. This is the only agency at the present time operating in the United States that provides any major source of funding for scholars and students that want to go to India to do research on that society or who wish to go there for language training purposes.

We, of course, feel that the country needs the expertise that an institute like this provides on a critical world area. It is one of a number of such enterprises that the excess foreign currencies support which the Smithsonian receives. The Middle East studies get quite a lot of benefit from this as well. This is a consortium of institutions, academic institutions, about 26 of them, which contribute through their dues to the operations of this, as well. This is, in a sense, a kind of a partnership.

Senator STEVENS. Pardon me just a moment.

Mr. GOULD. Oh, I'm sorry.

Senator STEVENS. I want you to know that since I have been on this subcommittee first with Senator Bible and now with Senator Byrd, we have been quite interested in trying to provide for the utilization of these foreign currencies. We are always running into questions

about it and I want to thank you for the record you have made about the use of the funds.

What about the process for the selection of the people to whom the funds are made available?

Mr. GOULD. I really thank you for raising that because I think it is an important dimension of an organization like the American Institute of Indian studies.

This organization provides panels of experts who screen applicants very, very carefully and thoroughly.

I might add that this is a national competition, too. It is not confined only to the consortium of institutions in terms of who may apply. The panel of experts that the institute provides goes through applications and does not just automatically grant funds to anybody who applies. These things are granted to those who the panel of experts feel has made a worthwhile application.

Senator STEVENS. Who selects the panel?

Mr. GOULD. The panels are selected by the trustees and the executive committee of the institute. They meet twice a year. There are reports given on all aspects of the operation. There is discussion and so on. Then, this group selects—I hate to use the word "vote" because it is not that large a group. It is two or three dozen people, but there is kind of a consensus that is developed in terms of who will be asked to serve on this committee.

Senator STEVENS. It was pointed out to us that a great many of the recipients of these foreign currency funds are actually employees of the Smithsonian.

Mr. GOULD. Right.

Senator STEVENS. Are you concerned about that?

Mr. MOREHOUSE. May I speak to that point?

Mr. GOULD. Before you do, I would just like to finish my position on the American Institute of Indian Studies. That is to simply point out that no one who is an employee of the Smithsonian, to my knowledge, has ever received a grant from the American Institute of Indian Studies.

Senator STEVENS. We had a discussion with Dr. Ripley concerning the complaints that were made about his use of funds for Indian studies. I think he took offense at it, but we have a job to follow-up the suggestion. That was not under your Institute then.

Mr. GOULD. No, it was absolutely not. As I said, we have offered hundreds of these various kinds of fellowships over the last seven or eight years. I don't think a single Smithsonian employee has ever gotten one from us.

Mr. MOREHOUSE. Could I address myself, Senator Stevens, also to this point? I know it is a subject that came up when Mr. Ripley appeared before you several weeks ago.

I think, first of all, the proportion of Smithsonian scientists who received these grants and the volume of money that they get out of the total program is quite small in all but one category and that is astrophysics. Although I am not a physical scientist, I am told that this is because Smithsonian's work is really preeminent in this field.

Senator STEVENS. No question has ever been raised about that.

Mr. MOREHOUSE. Second, I would say it is my impression as an outside consumer of this kind of research support and as a competitor for it—those outside the Smithsonian have always been treated very fairly.

The third point I would make is that one of the advantages of interuniversity organizations like the American Institute of Indian Studies are their counterpart organizations on these studies in another critical world area which helps to support the development of American expertise and knowledge through this program is that this diverses the selection procedure from the Smithsonian and from any possibility of their being favoritism in the allocation of research funds by putting it in the hands of a group of responsible representatives as some of our leading universities.

I think we get away from this very real concern that I know you have.

Senator STEVENS. It is not so much the concern of this committee. It is the concern of people who sort of watch those items.

Mr. GOULD. I think as far as the American Institute of Indian studies is concerned, we are very cognizant of this kind of conflict of interest problem. We do everything we can within the Institute to present it, not only in terms of the Smithsonian employees, but even in terms of member institutions and so on.

Senator STEVENS. What do you do? Do you notify other institutions on the availability of these funds and the panel's work?

Mr. GOULD. Yes, we do. We send this to all of the South Asian study programs. We use the mailing programs of the Association for Asian Studies which enables us to send that information to no less than 1,000 separate scholars around the country and so on. We really do everything we can to make this widely available.

Senator STEVENS. Do you have a statement, Dr. Morehouse?

Mr. MOREHOUSE. Yes, I do, Senator Stevens. If I may enter it in the record and if I may add just one other point to what Professor Gould has said.

Last year, as you may recall, there was a real question raised, particularly in the House, as to the desirability of continuing this program. I think it is very much, from our point of view, to the credit of you and your colleagues that you saw the importance of continuity in a program like this and did restore some funding for it.

The basic point I wish to make is that these funds are used, not only to support individual research projects of scholars and scientists, but also to maintain a certain institutional capability or capacity of American universities in several key regions of the world. It is vitally important that this institutional capacity be maintained on a continuing basis. In the case of India, certainly, with the current political climate, if an organization like the American Institute of Indian Studies were forced to close down for a year because of lack of funding, I think it is quite clear that we would have little prospect of starting it up again.

I think, it seems to me, if there is any lesson to be learned from our 20 years of isolation from the world's largest country, China, it is that particularly when a country like India is going through a period of great turbulence and political change, it is vitally important

that we maintain as many contacts for communication and cooperation among scholars and specialists as possible.

Senator STEVENS. At what level do you suggest that we maintain these excess currency funds?

Mr. MOREHOUSE. Of the $4.5 million that the Smithsonian is requesting, as I understand it, $1 million is for the temple restoration project in Egypt. I suppose the question of availability of those funds hinges on the Case amendment, whether this would be interpreted as an end play around the provisions as they effect domestically related activities. My own view is that it would not. But that is almost a legal question.

As I understand it, since last year with a very low level of appropriation, the Smithsonian has pretty much exhausted its carryover, a level on the order of $3.5 million does not represent a substantial increase for past year's activities and would make possible—I think this is an importnt point—would make possible in some cases, multiyear funding which would help to assure the kind of continuity that I think is important in this kind of scholarly and scientific research.

So I think that this is a reasonable level for appropriations given the circumstances last year and the fact that one million of it, in fact, is indeed destined for the specific Egyptian restoration project.

Senator STEVENS. Did a representative of your organization appear before the House committee this year?

Mr. GOULD. Yes, we both did last week.

Mr. MOREHOUSE. And we found a much more responsive view on the part of Congressman Yates. I think he, by his own statement, now understands the kinds of activity and institutions that are supported through this program. He certainly left us with the impression that he, at least, was more favorably exposed this year than was the case last year.

Mr. GOULD. Could I make just one quick point, Senator, about this? Rather than try to go into it, because I know time is limited, I would ask that if you could find the time to look at what I say about the excess foreign currency on page 5 of my testimony, what some of the implications are about that for the taxpayer.

Senator STEVENS. Yes.

Mr. GOULD. You could read it. It is there.

Senator STEVENS. I have read it. I have already been in the mining area and several other areas and use of excess currency funds are not looked upon with favor by our colleagues.

Mr. GOULD. Which is a mystery to me, because if I were a fiscal conservative, I would be terribly worried about these monies sitting in these foreign countries literally dissolving through inflation. We pay $3.3 billion for Indian rupees that are not convertible. We have already appreciated $2.2 billion of them away. The $1.1 billion of them that are left are sitting in a noninterest carrier account in India dissolving through inflation. As a taxpayer, I would be bothered by this.

Mr. MOREHOUSE. Since 1970, Senator Stevens, those Indian rupees have lost half their value through inflation.

Senator STEVENS. Maybe you all should take time to visit with some of the editors in the country and impress on them the fact that the use of those funds is not junketing. We all face the same problem.

66-307 O - 76 - pt. 5 -- 29

Mr. GOULD. We need an educational program about that.
Senator STEVENS. Maybe we will let them use some of them.
Mr. MOREHOUSE. Good idea.
Senator STEVENS. Thank you very much.
Mr. GOULD. Thank you, Senator.
[The statements follow:]

STATEMENT OF HAROLD A. GOULD

My name is Professor Harold A. Gould. I wish to offer testimony before the Subcommittee on Appropriations (U.S. Senate) concerning the importance of the Smithsonian Institution's request for $4.481 million in excess foreign currencies for FY77 to the continued operation of the American Institute of Indian Studies and similar institutions engaged in the promotion and support of scientific research in and on foreign world areas. This testimony is presented in my capacities as Vice-President of the American Institute of Indian Studies, Chairman of the South Asia Regional Council of the Association for Asian Studies, and Director of the Program in South Asian Stuides at the University of Illinois (Urbana-Champaign). This statement may also be regarded as reflecting the viewpoint of Doctor Ward Morehouse, Director of the Center for International Programs and Comparative Studies of the New York State Education Department, who also appears as witness before this Subcommittee.

Recent events in South Asia, specifically the declaration of a state of emergency in India by Madam Gandhi through which the national parliament was prorogued, opposition politicians were arrested, and the Indian press (hitherto the most free press in Asia) was shackled have served to bring home to us with great vividness how suddenly world areas in which America has maintained deep and long-standing commitments and concerns can move into crisis. And these developments in turn serve to remind us of how essential to America's national interests are the scholars who spend years mastering the languages and learning as much as possible about the cultures, economies, politics and social life of these regions of the world which often lie so far removed from the ordinary American's experience but whose internal affiars and international behavior are always capable of effecting very profoundly the American experience in the world. For without the expertise this group of specialists provides on countries like India and Pakistan, China and Japan, Egypt and Israel, Angola and Rhodesia, United States foreign policy cannot act in an informed manner, the representatives whom the American people elect to manage their national and international affairs cannot judge, and where necessary criticise, foreign policies that are proposed or initiated.

On the surface, this may seem a strange prelude to testimony concerning the budget request for the Smithsonian Institution, an institution which after all is normally associated in the public mind with museum displays and, these days, Bi-Centennial exhibitions. But, of course, this is indeed a surface view because in fact Smithsonian has long been a premier exemplification of the continuing and always creative relationship that must exist between the disemination and display of man's scientific, technological, humanistic and humanitarian achievements and the cultivation of the minds and skills that eventuate in such achievements. Moreover, Smithsonian exemplifies, as no other such institution in the world exemplifies, the sense of public commitment to a dynamic partnership between science and society that has contributed so fundamentally to this nation's strength and greatness.

The uses to which Smithsonian has put the excess foreign currencies which it has requested over the years are an outstanding instance of how well this partnership with the scholarly community has worked. Rather than allow the local currencies under American control as a result of our aid programs to lie dormant in foreign banks, a wide variety of research and educational activities in the recipient countries have been promoted and funded under Smithsonian auspices which benefit both American and foreign scholars and educators by up-grading their skills and competencies and the American public by materially increasing the quantity and quality of knowledge of all kinds available to them about the world beyond our borders. Some doubts have been voiced in some quarters of the press and the political establishment about the value of overseas research sponsored by Smithsonian's excess foreign currencies appropriations, as we all are painfully aware. But this is superficial and uninformed criticism which arises from the selective and, one cannot avoid the feeling, deliberately pernicious use of the titles of research papers and monographs rather than from a balanced and full perspective on what scientific research involves and what are the full range of activities, purposes and benefits that flow from a generous and enlightened partnership between this nation's scholarly community and both publically and privately funded foundations and institutions (like Smithsonian) dedicated to the expansion and preservation of human knowledge.

The American Institute of Indian Studies for which I and Dr. Morehouse speak is a sterling example of the unusual range of useful, indeed vital, scientific and educational activities which the excess foreign currencies program of Smithsonian in fact sustains. As India, and with her, of course (and inevitably), all of South Asia, moves into a crisis period fraught with potentially difficult and dangerous implications for American long-term interests in the area, it can be safely asserted that a very large majority of the experts on that region of the world upon whose knowledge both government and the public must draw either began their careers with some sort of research or training grant from the American Institute of Indian Studies or else received a grant that enabled them to expand their knowledge of some aspect of that society after having begun their training under the aegis of some other sponsoring institution such as Fulbright-Hays, the Ford Foundation, the Peace Corps, the American Council of Learned Societies, the National Science Foundation, etc. Thus, to eliminate support for the American Institute of Indian Studies would be to eliminate the most important source of support for scholars wishing to go to India to do research on its social, cultural, political or economic institutions. Over the past two years along around two hundred American students and mature scholars have been granted visas to go to India to study Indian languages or pursue advanced research there on grants provided by the Institute, the most of whose funds for these purposes are made available from American ruppee holdings in India made available to Smithsonian through Congressional appropriations.

The heavy dependence of the Amiercan Institute of Indian Studies on excess foreign currency appropriated to the Smithsonian Institution has been a gradually developing phenomenon which reflects the general problems of funding that have confronted innumerable educational and research enterprises in the United States in recent years. Former sources of funding of overseas research and training for American students and scholars either dried up completely or became so reduced that they could not address themselves to more than a portion of the actual need. Thus, American ruppee holdings in India, amassed under PL480 and other aid agreements with that country, became increasingly the principle potential source of funding for research and training in situ. It was in 1966 that the American Institute of Indian Studies, a consortium made up of 28 member institutions, first received Indian ruppee support from the Smithsonian and by FY1968 Smithsonian had become one of the principle sources of support for the Institute's fellowship program. Commencing with FY1966's $77,000 allocation to the American Institute of Indian Studies, the amount of Smithsonian assistance in the form of Indian ruppees reached the equivalent of $542,000 in FY1975, an approximately seven-fold increase over the decade. Correspondingly, other sources of funding shrank from constituting a heavy majority of Institute financial support to approximately one-tenth its total support during the same period.

When Congress seemed inclined to terminate all excess foreign currencies appropriations for the Smithsonian Institution last fiscal year, it was not a handful of isolated scholars who stood accused of having titled their research projects in ways not conducive to good public relations who stood to suffer. It was scientific research itself that stood to suffer a heavy blow against its capacity to serve the public and the nation, most particularly a number of research and training institutions and consortia which have been playing vitally important roles in maintaining and replenishing this country's pool of experts on some of the most strategically important regions of the world. For it was not only the American Institute of Indian Studies whose continued existence was endangered at the very point where it almost alone was in a position to assure the flow of significant numbers of scholars to an India rapidly altering its posture to the world. It was also the American Research Center in Egypt and the American Schools of Oriental Research that were threatened with extinction. The former receives Egyptian pounds from Smithsonian's excess foreign currencies appropriation ($2.678 million over the last decade) to sustain a wide range of research and scholarship on Egyptian society, Islamic religion and culture and ancient Egypt. For it to have been compelled to cease operations now would be to have closed a major portal to knowledge and inter-scholarly contacts at the very point when American diplomacy had successfully persuaded Egypt's leaders to look Westward once again after a very long and painful hiatus in the West's relations with that troubled land.

The American Schools of Oriental Research is made up of 150 institutions of higher learning and three scholarly associations: it has received the equivalent of $307,000 in Israeli pounds and Tunisian dinars to support seven archaeological excavations in Israel and two in Tunisia over a nine year period. The ASOR maintains a year-round scholarly presence in Jordan, Iraq and Cyprus as well as in Israel and Tunisia and experienced no interruptions in scholarly collaboration with these nations even during the recent political and military confrontations which scarred the Middle East. This is a remarkable achievement and an eloquent testimony to the capacity for "quiet diplomacy" and the maintenance of non-official communications channels that lie uniquely in the hands of scholars engaged in many forms of overseas research.

As Congress considers the Smithsonian's excess foreign currencies request for FY1977, we urge the subcommittee's members to be clear in their minds about what such funds actually support in the main and what the real costs to the national interest would be in failing to fully support this request. We are not dealing with monies that are enabling a few 'eccentric professors' to make frivolous junkets abroad or to study exotic trivia as many, I am sure, well-meaning groups and individuals concerned with getting maximum value in public services from their hard-earned and painfully-surrendered tax dollars have charged.

Scholars and students who have received individual grants from Smithsonian excess foreign currencies funds have had their applications harshly scrutinized by qualified panels of their peers. The scholarly publications eventuating from their research profoundly determine, by their quality, the capacity of subsidized scholars to win recognition, promotions and salary increments at their home-institutions--a powerful inducement in itself to strive for scientific excellence.

The American Institute of Indian Studies is in fact an excellent illustration of the rigorous standards which those segments of the American scholarly community who have entered into partnerships with the Smithsonian Institution impose upon themselves. Applicants for pre- and post-doctoral as well as senior research fellowships to India must be judged by panels of scholars from member institutions. No more than a third to a tenth of such applicants receive grants. Language students must be accepted as members of small groups of such students who go to that part of India where the language they wish to learn is spoken. They remain under strict supervision at pre-arranged training centers in India and are compelled to spend long hours each day working intensively on their chosen language.

As a consortium, the Institute is an incorporated body that elects its officers by secret-ballot elections and meets most of its ordinary administrative expenses from the dues it charges member institutions. The Institute maintains an office with an Indian resident director in New Delhi that is partially self-sustaining from indiginous sources of income. It is the job of this office to clear grantees through the Indian government's elaborate visa requirements and to generally oversee the needs, activities and conduct of grantees while they are resident in India. In the face of many obstacles and difficulties, the Institute's New Delhi director and staff have successfully negotiated access for almost every American scholar and student who has received an award. Stipends are modest, and encourage the widest possible disbursal of available funds for scholarly activities. Admittedly, the American Institute of Indian Studies has a limited mandate to execute, but it executes that mandate with fidelity, integrity and strict cost-consciousness.

There is a final observation which it seems to us to be worth making concerning the uses to which Smithsonian's excess foreign currencies are put and the value which the American people derive from these applications. This pertains to the nature of the monies that are being employed. Put in its simplest terms, excess foreign currencies appropriated to fund American research and educational activities overseas are a 'no-cost item' to the American taxpayer in the fiscal year in which Congress appropriates them. This is because we are dealing with foreign currencies that have already been 'purchased' by the taxpayer. There are Indian ruppees, for example, that are 'owned' by the United States because we agreed by treaty to allow India to repay us for some previously appropriated economic aid in non-convertible Indian currency. To have done otherwise would

have depleted India's foreign exchange reserves years ago (since she has yet to generate enough foreign trade to achieve meaningful favorable trade balances) and destroyed her ability to engage in foreign trade at all. It was agreed that the United States would spend its ruppees in India for embassy expenses, socially useful projects, and educational and research purposes.

The balances we hold in India are astronomical even after the Moynihan agreement signed on February 18, 1974. Prior to that date, the United States held two types of financial assets in India. The Indians owed us about $3 billion from hard currency loans made by USAID, export loans from the Export-Import Bank, and dollar repayments of agricultural commodity purchases on credit. Regarding this amount, quoting from a State Department memorandum, "The Indians continue to meet scrupulously their debt service obligations on these dollar loans which amount to $130 million annually and will continue at this average level for the next five years."

The Indians also owed us another 3.3 billion dollars worth of non-convertible ruppees emanating from aid we provided for which we did not demand dollar repayments as a means of sparing Indian foreign exchange balances from unbearable drains. It has been from these funds that the Indian ruppees which Smithsonian has been providing to the American Institute of Indian Studies to support American scholarship in India have been ultimately forthcoming, naturally in proportions reflecting Congressional authorizations emanating from the appropriations process.

The Moynihan agreement, without entering into the reasons why, forgave two-thirds of this ruppee debt. That is, from February 18, 1974, India henceforth owed the United States $1.1 billion of ruppees instead of the previous $3.3 billion. Moreover, to prevent the sum from growing once again, the surviving $1.1 billion has been placed in non-interest bearing accounts in Indian financial institutions. This means, among other things, that inflation has been eating at this surviving balance at a rapid rate.

The upshot of the failure to appropriate Indian ruppees for use by institutions like the American Institute of Indian Studies, which the excess foreign currency budget request from Smithsonian implicitly facilitates, means denying American taxpayers the constructive use by the American scholarly community a foreign currency which taxpayers have already 'bought' and 'paid for.' Not only have they bought and paid for the Indian ruppees we are talking about here, but the taxpayers have already been deprived <u>forever</u> of the right to derive public benefit from over $2 billion which we allowed to remain dormant in Indian banks until economic conditions in India and political relations between us and the Indians forced their amortization. It is imperative that Congress understand the fate that is befalling these vast tax monies that are gradually being eroded away in foreign countries because both Congress and the Administration persist in budgeting them 'as if' they were 'current dollars.' Saving the taxpayers' investment in foreign aid means utilizing excess foreign currencies before they simply disappear down the drains of rampant world inflation and persistant economic and political instability in the underdeveloped regions of the world. In India, the amount of excess foreign currencies remaining in the aftermath of the Moynihan agreement probably cannot be entirely spent in behalf of American interests unless creative ways of spending this sum can be found. Clearly one method of utilizing some of this money in time is to grant Smithsonian's excess foreign currencies request so that within it Smithsonian will find itself able to fully fund the American Institute of Indian Studies.

But beyond this, the American Congress and the conservative fiscal interests who petition the Congress in behalf of the American taxpayer have an obligation to ask themselves whether the under- and in some cases even the non-utilization of excess foreign currencies owned by the American government in several foreign countries is really 'budget-cutting.' Dr. Morehouse and I, and the interests we represent, contend that it is not. Indeed we contend that the failure to find constructive uses for excess foreign currencies for such things as the promotion of American research and scholarship abroad is in reality a colossal frittering away of billions of dollars of the taxpayers money.

The total amount of excess foreign currencies which the Smithsonian Institution has requested for FY1977, $4.481 million, is but a minute fraction of what will have to be appropriated and spent before the American taxpayer would receive genuine repayment for the billions in foreign assistance this country gave to the nations of South Asia and the Middle East during the heyday of our fiscal idealism. It might be worthwhile to create a representative body of Congressmen, government officials, and involved private citizens charged with the task of examining this complex and apparently poorly understood domain of America's excess foreign currency holdings and of making systematic recommendations. Otherwise, the Smithsonian's FY1977 budget request aside, there is danger that billions more dollars will follow billions already lost through a mistaken sense fiscal responsibility.

STATEMENT OF WARD MOREHOUSE

My name is Ward Morehouse. I am the Director for the Center for International Programs and Comparative Studies of the New York State Education Department. I appear before you today on behalf of the Department to support the Smithsonian Institution's request for $4.5 million for its Special Foreign Currency Program.

For the past two decades, I have been engaged in developing programs to strengthen teaching and research about critical world regions and problems at the state and national levels in our colleges and universities. My own personal area of research interest is the Indian Subcontinent, to which I have made over 15 trips during this period. At an earlier stage in my career, I received training in Middle East studies, and my present responsibilities take me from time to time to Egypt and other Middle East countries. I stress these circumstances because they have provided me a number of opportunities to observe American scholarly work in and academic relations between the United States and those countries of the Middle East and South Asia where $3.8 million out of this appropriations request will be used.

Mr. Chairman, we urge you and the members of this Subcommittee to recommend the full amount of the appropriation requested by the Smithsonian Institution for its Special Foreign Currency Program. We urge this course of action for several reasons, including the following:

1. These funds help to sustain an institutional capability (through cooperative organizations of leading American universities such as the American Institute of Indian Studies, American Schools of Oriental Research, and the American Research Center in Egypt) essential to keeping American scholarly competence on these key regions of the world at a high level and in maintaining channels for scholarly communication and cooperation between the American scholarly community and scholarly communities in these regions.

2. The involvement of our academically strongest universities from all regions of the United States in these cooperative organizations which I have just mentioned is an important factor in keeping up a high standard of research undertaken with Smithsonian's Special Foreign Currency Program support.

3. The scientific and scholarly activities supported through this program involve no added burden to the American taxpayer. Indeed, failure to use these funds results in outright waste as their value is eroded through inflation.

I would like to emphasize the significance of this institutional capability for carrying on American scholarly research in countries such as India and Egypt and of the vital importance of continuity in funding of the kinds of institutions which have been created in both of these countries such as the American Research Center and the American Schools of Oriental Research in Egypt and the American Institute of Indian Studies in India. I am most familiar with the American

Institute of Indian Studies, which is an organization of some 30 of our leading universities, but the benefits from its programs reach many more institutions through graduate students trained under AIIS fellowship grants who then move on into teaching positions elsewhere and faculty from other colleges and universities who are eligible for fellowship support on the basis of national competition, even though they are not from a member institution of AIIS.

What the existence of a national inter-university organization like the American Institute of Indian Studies does is to assure that we maintain a national pool of expertise on a key region which includes the world's second largest country. I earnestly hope that the lesson of our 20 years of almost total lack of contact with the world's largest country and the cost to us from that isolation with China have not been so quickly forgotten. How ironical it would be, precisely at a time when India is experiencing a period of significant social and political change, if we were to cut back on support of one of the principal channels which we have for scholarly communication with that country and for enlarging our understanding of this very process of change which is now occurring there.

The same argument about long-term national interest can be made with respect to Egypt, which is the cultural and intellectual center of the Arab world. Egypt plays a key pivotal political role in a region of such obvious importance to the United States today in terms of energy alone, not to mention our vital stake in trying to prevent outbreak of further conflict while working toward a peaceful resolution of differences among Middle Eastern countries, that I do not need to belabor the point before the distinguished members of this Subcommittee.

The kind of institutional capability represented by these organizations is not created in a day. Indeed, I have watched closely the slow, steady growth of the work of the American Institute of Indian Studies in that country since the early 1960's. That the Institute has survived the ups and downs of U.S.-Indian political relations is itself a tribute to the scholarly nature of the Institute's program and recognition by both governments of the long-term value of the relationships and contacts engendered by its continued existence, notwithstanding vicissitudes in political relations. But last year, when the Smithsonian's Special Foreign Currency Program appropriation was sharply reduced by the Congress (and came close to being eliminated altogether), there was real doubt about whether the American Institute of Indian Studies would be able to continue at all. I think it is a reasonably safe prediction that if the Institute were forced to close its doors because of lack of financial support, it would be virtually impossible, in the present climate in that country, for it, or something similar in character, to be reinstituted a year or two later. In other words, an important element in this appropriation goes to support an on-going institutional capacity which simply can not be turned on and off from one year to the next, and in fact, is adversely affected, even though it is able to continue, if it is subject to wide variation in funding levels.

I do not mean to suggest that institutions such as the American Institute of Indian Studies should have a claim in perpetuity on the federal government budget. No institution should, and every institution must be held accountable, year-by-year, for its use of public funds. But I do want to suggest to the Subcommittee that it keep in mind the difficulties in creating these kinds of overseas scholarly institutions and of the importance of their being able to maintain continuity in their activities in considering the most suitable level of appropriation for the Smithsonian's Special Foreign Currency Program in any given year.

Finally, Mr. Chairman, I would like to emphasize the somewhat unusual nature of the funding source. As you and the members of the Subcommittee know well, the Smithsonian's Special Foreign Currency Program is funded out of non-convertible foreign currencies owned by the U.S. Government and in excess of normal U.S. Government requirements. This means that they cannot be converted into dollars for use in the United States and that the balances which our Government owns are so substantial that they are more than adequate to cover on-going operating expenses for our Embassy and other diplomatic activities in the countries concerned. These foreign currencies were accumulated in years past, through the sale of American agricultural commodities to countries like Egypt, India, and Pakistan which were

permitted to pay for these commodities in their own currencies because it was recognized that they simply did not have the capacity to make payment in dollars.

In other words, the expenditure of these funds was effectively made at the time that they were used to purchase American agricultural products in earlier years. Failure to use them now means not only failure to take advantage of a resource paid for by the American taxpayer and available to meet national needs as well as those of U.S. institutions. But over time, failure to use these funds leads to outright loss to the American taxpayer as their value continues to diminish through inflation. Thus, Indian rupees have lost almost half of their value because of inflation since 1970.

The New York State Education Department therefore urges the Subcommittee to give most serious consideration to the appropriation of the Smithsonian Institution's request for $4.5 million for its Special Foreign Currency Program for fiscal year 1977.

Mr. Chairman, I appreciate very much your giving me this opportunity to present our views to you and the other members of the Subcommittee.

STATEMENT OF ROBERT MAURO, TECHNICAL ASSOCIATE AMERICAN PUBLIC POWER ASSOCIATION

Senator STEVENS. Mr. Mauro of APPA.

Mr. MAURO. Thank you, Mr. Chairman. I am going to read excerpts from my prepared testimony.

My name is Robert Mauro. I am technical associate with the American Public Power Association. APPA is a national trade organization representing some 1,400 municipal and other local public power systems in 48 States, Puerto Rico, the Virgin Islands, Guam, and American Samoa.

Senator STEVENS. I used to represent APPA 25 years ago. I know about that.

ERDA ENERGY CONVERSION EFFICIENCY PROGRAM

Mr. MAURO. APPA believes additional funds over the budget request of the Energy Research and Development Administration are required for the Division of Research and Technology in the Office of Conservation if programs initiated to improve energy conversion efficiency are to be pursued. In the fiscal year 1977 ERDA budget submitted to Congress, only $4.6 million was requested in budget outlays for programs to improve energy conversion efficiency. This is $2.4 million less than the fiscal year 1976 ERDA budget outlay figure for this area. APPA believes that $29 million should be expended in fiscal year 1977. APPA supports ERDA's budget request for MHD which we believe represents a vigorous MHD program. The association strongly supports the request by Representative Hechler's Subcommittee on Energy Research and Development calling for an additional $13.9 million over the ERDA budget request for low BTU gasification, including a pilot plant to combine entrained-bed gasification with combined-cycle electrical generation.

Senator STEVENS. $13.9?

Mr. MAURO. Yes.

Senator STEVENS. Is that for the fuel cell or is that additional to the fuel cell?

Mr. MAURO. This is funding for gasification of coal and using it in a combined-cycle plant which is a gas turbine and then a steam-cycle after that.

Senator STEVENS. I see.

Mr. MAURO. An analysis of the ERDA program prepared by the Office of Technology Assessment and published in October, 1975 noted that: "Little attention is devoted to near-term—next 10 years—energy problems". APPA believes that OTA criticism—which could also be applied to fiscal year 1977 budget—might be met in part by adequately funded demonstration projects designed to advance fuel-conserving technologies such as fuel cell, diesel bottoming cycles, improved gas turbines, and Stirling engines.

Senator STEVENS. Pardon me just a minute.

Thank you.

Mr. MAURO. The fuel cell, which uses hydrogen and oxygen to produce electricity, is not a "heat engine" and its efficiency is not constrained by the Carnot cycle. It has potential for significantly increasing effective use of fuels. Current plans call for the building

and operation of a 1-Mw fuel cell demonstrator in 1977. Then in 1979 a 4.8-Mw fuel cell will be placed on a utility system. This work is to be funded by ERDA, United Technologies, and the Electric Power Research Institute. APPA believes that the absolute minimum appropriations level for fiscal year 1977 that would keep fuel cells on schedule is $14 million.

Another promising near-term program is a waste heat utilization system for increasing the generating capacity of diesels and gas turbines. Without additional fuel consumption, this technology could increase a diesel's generating capacity by over 10 percent and a gas turbine's generating capacity by almost 50 percent. This amounts to a savings of $216 million in 1985 alone for $20 a barrel oil. If this system were also extended to gas turbines, ERDA estimates that three times this savings would be realized. APPA believes that if $3 million was appropriated in fiscal year 1977 on bottoming cycles for diesels, this technology could become commercial in 36 months.

As a longer term replacement to the diesel engine, APPA believes the development of a nonautomotive Stirling engine is necessary. The Stirling engine is an external combustion hot air engine which could be in commercial operation by 1985. The advantages of a Stirling engine are: very low noise level with practically no vibration; long life with low maintenance; and a multifuel capability. Since the combustion process proceeds outside of the sealed cylinder, any method of producing heat may be used for this engine. In addition to petroleum, methanol or natural gas, this engine could operate on coal, solid waste, or even solar energy.

Currently operating gas turbines average about 16,000 BTU's per kilowatt-hour. These machines typically operate on natural gas or light distillate petroleum fuel and have a poor reliability record. APPA would like to see a major effort to design and build an industrial gas turbine in the 5- to 20-Mw range with high reliability and efficiency using residual oil and liquified coal.

Senator STEVENS. Mr. Dyer points out to me that it would increase $6.1 million in the budget for improved conversion efficiency. That is for this year.

Mr. MAURO. That includes fuel cells or not?

Senator STEVENS. We had a little battle about fuel cells last year. Yes.

Mr. MAURO. It does include fuel cells?

Senator STEVENS. I have read over your statement. We are generally in concurrence, but this committee is worried about the managability of the program under the new agency in terms of its expansion capability.

Mr. MAURO. I understand.

Senator STEVENS. We have tried to rely on the agency telling us they can really manage. We got into a little argument about that with the Department, but, we have tried to fund their expanded research at the top level of their management capability.

Have you looked into their management capability? That is a very difficult thing. We are not being critical of them. I think the whole concept of expanded research is dependent upon bodies and facilities and I am not sure that they have both in order to expand their budget as much as you suggest in 1 year.

Mr. MAURO. I have put a great deal of detail, Senator, and I know that Dr. Seamans has sent a letter to OMB requesting additional $10 million for fuel cells, both in authorization and appropriation.

Senator STEVENS. Yes, we have that request. It is up from $3.7 million to $10 million in fuel cells alone.

Mr. MAURO. That was in the House. Subsequent to that, Dr. Seamans has requested $21 million in authorization and $14 million in appropriations in a letter that was sent to OMB a week or two ago.

Senator STEVENS. For 1977?

Mr. MAURO. Yes, that is correct, Senator.

Senator STEVENS. We have not received that yet. We will have to be guided to a great extent by what the agency says they can handle because we ran into a situation where we gave them over $100 million that they could not use one year. It was not a question of being impounded, they just could not physically use it.

That ties up everything else in this committee when we over-appropriate one item. So, I would urge you to take a good look on capabilities for expenditures, as well as advisability of funds for research.

Mr. MAURO. I appreciate the position and I would not like to see funds wasted in any sense.

Senator STEVENS. They are not wasted. They are just not used. What that means is the Forest Service and the Park Service or someone else under our budget level just did not get the money that they could have used that year. It is a very difficult thing to over-appropriate.

Mr. MAURO. If you would like, Senator, I will get a copy of Dr. Seamans' letter and supply it for the record.

Senator STEVENS. We will be happy to have it, but we will receive it in due course if it is at OMB.

Mr. MAURO. I could just briefly finish up——

APPA believes that $5 million could be spent directly on this effort in fiscal year 1977. That refers back to the gas turbine effort.

Finally, APPA supports adequate funding for an active magnetohydrodynamics program aimed at commercialization of the technology at the earliest feasible date. It is believed that such a system could be operated at about 55 percent efficiency, a significant increase over existing simple cycle fossil fuel-fired and nuclear generating equipment. We believe the ERDA budget request of $27.3 million for budget outlays in fiscal year 1977 represents an adequate MHD program.

APPA supports adequate funding for programs aimed at coupling low-BTU synthetic gas with combined-cycle generation in the most efficient and economic manner. It is our hope that projects of this type will be brought to an economically viable demonstration as rapidly as possible. A project of this type is planned by the public systems in the Southeast. A group of municipal systems in Louisiana have banded together to form the Louisiana Municipal Power Commission for the purpose of building a 115-Mw synthesis-gas combined-cycle plant. This system is designed to operate on the lowest grade coal or petroleum products. Once begun this project will take 4 years to complete at a total cost of $71 million.

Discussions are underway with ERDA for submitting this project for grant funding. To speed commercialization of this technology, APPA requests that $13.9 million be added to the budget for a pressurized low-BTU synthesis gas combined-cycle plant.

MHD, combined-cycle, and fuel cells represent the most efficient means of generating electricity from gasified coal.

Thank you.

Senator STEVENS. Thank you very much. I am sure—you know we have great interest in MHD. We sat through testimony the other day which was very interesting on that subject.

Thank you very much. We appreciate it.

[The statement follows:]

My name is Robert Mauro. I am Technical Associate of the American Public Power Association. APPA is a national service organization representing some 1,400 municipal and other local public power systems in 48 states, Puerto Rico, the Virgin Islands, Guam and American Samoa.

APPA believes additional funds over the budget request of the Energy Research and Development Administration are required for the Division of Research and Technology in the Office of Conservation if programs initiated to improve energy conversion efficiency are to be vigorously pursued. In the FY 1977 ERDA budget submitted to Congress, only $4.6 million was requested in budget outlays for programs to improve energy conversion efficiency. This is $2.4 million less than the FY 1976 ERDA budget outlay figure for this area. APPA believes that $29 million should be expended in FY 1977. APPA supports ERDA's budget request for MHD which we believe represents a vigorous MHD program. The Association strongly supports the request by Representative Hechler's Subcommittee on Energy Research and Development calling for an additional $13.9 million over the ERDA budget request for low BTU gasification, including a pilot plant to combine entrained-bed gasification with combined-cycle electrical generation.

An analysis of the ERDA program prepared by the Office of Technology Assessment and published in October, 1975 noted that: "Little attention is devoted to near-term (next ten years) energy problems." The OTA report observed that: "The first strategic element in ERDA's Plan is 'to assure adequate energy to meet near-term needs until new energy sources can be brought on line'...However, a review of ERDA's FY 76 budget indicates that only about 5 percent is devoted to solving near-term problems."

APPA believes that OTA criticism -- which could also be applied to fiscal year 1977 budget -- might be met in part by adequately funded demonstration projects designed to advance fuel-conserving technologies such as fuel cell, diesel bottoming cycles, improved gas turbines, and Stirling engines.

These programs involve the demonstration of existing technologies with near-term commercial payoff. This type of program is budget rather than technology constrained. Once a program based on existing technology is initiated it moves rapidly to the demonstration phase which results in rapid cost escalation. This fact is the basis for our request for additional funding.

The fuel cell, which uses hydrogen and oxygen to produce electricity, is not a "heat engine" and its efficiency is not constrained by the Carnot cycle. It has potential for significantly increasing effective use of fuels. In addition, advantages of fuel cells to electric utilities include the facts that:

- They could be mass produced and factory-tested with a short time from order to delivery.
- Their load following capability allows them to perform a variety of generating functions.
- They permit reduction of transmission facilities and decentralization of generating facilities.
- They provide multi-fuel capability including opportunity for efficient use of gasified coal.

Current plans call for the building and operation of a 1 Mw fuel cell demonstrator in 1977. Then in 1979 a 4.8 Mw fuel cell will be placed on a utility system. This work is to be funded by ERDA, United Technologies, and the Electric Power Research Institute. APPA believes that the absolute minimum appropriations level for FY 1977 that would keep fuel cells on schedule is $14 million.

Another promising near-term program is a waste heat utilization system for increasing the generating capacity of diesels and gas turbines. Without additional fuel consumption, this technology could increase a diesel's generating capacity by over 10% and a gas turbine's generation capacity by almost 50%.

There are about 500 municipal utilities in the U. S. using diesel engines for electrical generation. ERDA estimates that by 1985 these waste heat systems on diesels could save 30,000 barrels of oil a day. This amounts to a savings of $216 million in 1985 alone for $20 a barrel oil. If this system were also extended to gas turbines, ERDA estimates that three times this savings would be realized. APPA believes that if $3 million was appropriated in FY 1977 on bottoming cycles for diesels, this technology could become commercial in 36 months.

As a longer term replacement to the diesel engine, APPA believes the development of a non-automotive Stirling engine is necessary. The Stirling engine is an external combustion "hot air" engine which could be in commercial operation by 1985.

The advantages of a Stirling engine are: very low noise level with practically no vibration; long life with low maintenance; and a multi-fuel capability. Since the combustion process proceeds outside of the sealed cylinder, any method of producing heat may be used for this engine. In addition to petroleum, methanol or natural gas, this engine could operate on coal, solid waste, or even solar energy.

ERDA should have a program plan for non-automotive use of this technology, and should be able to expend $1 million in FY 1977 for design and critical component testing. ERDA has only $40,000 available for this use in its FY 1977 budget. APPA believes that $1 million could be expended in FY 1977 on component testing and design of a non-automotive Stirling Engine.

Currently operating gas turbines average about 16,000 BTU's per kilowatt-hour. These machines typically operate on natural gas or light distillate petroleum fuel, and have a poor reliability record. APPA would like to see a major effort to design and build an industrial gas turbine in the 5 to 20 Mw range with high reliability and efficiency using residual oil and liquified coal. APPA believes that this is a path which will lead to developing a gas turbine with the reliability and fuel tolerance to couple with low-BTU gas. APPA believes that $5 million could be spent directly on this effort in FY 1977.

The remainder of the $29 million mentioned for improved electrical conversion equipment should be spent on combustion studies, the development of a corrosion resistant, inexpensive, high temperature heat exchanger, development of improved fabrication techniques and the study of new materials.

APPA also supports an active magnetohydrodynamics (MHD) program aimed at commercialization of the technology at the earliest feasible date. It is believed that such a system could be operated at about 55% efficiency, a significant increase over existing simple cycle fossil fuel-fired and nuclear generating equipment. We believe the ERDA budget request of $27.3 million for budget outlays in FY 1977 represents an adequate MHD program.

APPA supports adequate funding for programs aimed at coupling low-BTU synthetic gas with combined-cycle generation in the most efficient and economic manner. It is our hope that projects of this type will be brought to an economically viable demonstration as rapidly as possible. A project of this type is planned by the public systems in the Southeast. A group of municipal systems in Louisiana have banded together to form the Louisiana Municipal Power Commission for the purpose of building a 115 Mw Synthesis-Gas Combined-Cycle plant. This system is designed to operate on the lowest grade coal or petroleum products. Once begun this project will take four years to complete at a total cost of $71 million. Discussions are underway with ERDA for submitting this project for grant funding. To speed commercialization of this technology, APPA requests that $13.9 million be added to the budget for a pressurized low-BTU Synthesis-Gas Combined-Cycle plant.

MHD, combined-cycle, and fuel cells represent the most efficient means of generating electricity from gasified coal.

STATEMENT OF HIS HIGHNESS PRINCE GALUMALEMANA VAIINUPO ALAILIMA, AMERICAN SAMOA

Senator STEVENS. Prince Galumalemana Vaiinupo, we are very happy to have you here from American Samoa.

We look forward to your annual visits. We are happy to have your statement here and your full statement will be printed in the record, as you know.

POLYNESIAN WORLD PANORAMA

Prince GALUMALEMANA. Thank you.

Mr. Chairman, honorable members of the Appropriations Subcommittee, thank you for the courtesy extended to this Prince, an American citizen and special representative of Samoan villages, Eastern and Western Samoa, who believes in the full participation of Polynesia and her friends—the whole world—in honoring America and the spirit of 1776 in a very unique and special way, "The Polynesian World Panorama."

The panorama, originally intended for Philadelphia only, is now broadened to include other cities: the District of Columbia, Atlantic City, Boston, Houston, Los Angeles and Seattle. It consists of six floating islands representing six major and minor archepelagoes of Polynesia—Hawaii, Samoa, Tonga, Fiji, Tuamotu and Maori; Tokelau, Niue, Nauru, BoraBora, et cetera, six continents of the world: Asia, Africa, Europe, North and South America, Australia and the Oceanic Islands—and a permanent Polynesian world culture center or chain of centers to assure the continuation of the panorama to future generations.

The concept is to present secular cultural activities on weekdays, while holding special religious activities on Sunday, thus making the panorama not only an international exposition but also a special world religious convocation every Sunday. While the name Polynesia is a trade name, the panorama belongs to all ethnic groups; although leadership and major presentation and activities will be that of Polynesia. The panorama is the only Bicentennial project conceived to unite every race, friends and foes in the united spirit of peace, thanksgiving and praise as a gift from all of us Polynesians and her friends—the whole world—to America on her 200th birthday.

Polynesian gold and silver are their culture and daily activities which we will gladly give but we need financial help from you, friends of Polynesia, as your contribution to make possible our gift and our presentation. Since chief clerks of both the Interior and Civil Service Subcommittee have not yet understood the value of the spirit of 1776, the concept of Polynesian World panorama and God's blessings to America, H.R. 10544 and H.R. 11268 sponsored by Congressmen Matsunaga, Conte and Barrett—providing $40 million as America's financial contribution to the panorama—are yet to be scheduled for hearings.

Because of this delay of financial assistance and the recent discovery of the availability of the Dennis Hotel with 500 guest rooms in Atlantic City, meeting our program specification, we suspended building of floating islands and we are now concentrating on securing the permanent Polynesian world culture center first, not only for our Bicentennial acitivities but also for the subsequent years.

Therefore, we respectfully and urgently request an increase of $11 million to the current Budget of the Department of the Interior, Office of Territories to earmark for the culture center $1.5 million for the purchase of the Dennis Hotel-Motel; $2 million for repairs, remodeling, and refurbishing; $4 million for construction of Polynesian and American Indian villages and $3.5 million for administration and operation for the first year.

With assurance that this grant is forthcoming, we will be able to induce banks to loan us $5 to $6 million to start purchasing the hotel and make necessary repairs and alterations to enable us to participate preferably in the Fourth of July celebration in Atlantic City, Philadelphia, and the District of Columbia and to other cities later.

Our initial meeting with two American Indian organizations officials last month was gratifying and, with your support and good will, chiefs and the people of Polynesia and American Indians will gain an opportunity to make a substantial contribution toward the life of our nation.

The culture center will be the home base every year for nationwide international and intercultural tour presentations to the American people. Our projection indicates once the requested investment is made the culture center yearly proceeds will be ample—except for the first year—to one, provide for the needs of the center; two, begin financial assistance to Polynesian and Indian villages, a first of such assistance to Polynesian villages; three, begin financial assistance to Atlantic City, State of New Jersey and Federal Government, the Department of the Interior, Office of Territories; four, create a scholarship and assistance fund for friends of Polynesia—all other ethnic groups; and five, make possible the building of more culture centers in various parts of the nation emphasizing cultural aspects and activities of other ethnic groups in line with the spirit and the concept of our gift and the panorama.

The advantage of securing the existing Dennis Hotel-Motel for the culture center now are: (a) costs 50 percent less than to build a new one, a $20 million saving, (b) it immediately will serve the need of artists from abroad and other parts of the Nation, (c) it facilitates and expedites planning and participation in the Bicentennial celebration, (d) it immediately provides jobs—400 to 500—for many unemployed Polynesians and friends of Polynesia in the States, (e) it provides opportunities for Polynesia and other ethnic groups to make a contribution in bringing the world together in peace and togetherness.

These are goals and aspirations of this Congress, the President and Americans and are worth a lot more than the mere $11 million we are asking the Congress and the President to invest now toward the building of the first Polynesian world culture center in the world. We believe this is the best investment Congress and the President can make this year because in addition to precious benefits aforementioned, the United States will receive back revenues—5 percent of profit yearly, a thousand times more than her original $11 million investment.

Senator STEVENS. Prince, let me interrupt you. We will print this whole statement and your attachments in the record. I think I understand your project, but I think you must understand we will have

to discuss it with our staff. We do not have authority yet for that money until the bill passes to authorize that appropriation.

This committee could not appropriate the money. So if you will take the time to visit with the staff, I am sure they will explain that to you further. But my simple statement to you has to be that we have no authority to appropriate that money and, therefore, while we are happy to have your statement and your request, we would be unable to grant it.

Prince GALUMALEMANA. Mr. Chairman, this is why I am here. We hope that you will bear with us because this opportunity is a valuable opportunity and we hope there will be some authorizations pending since this hearing is going on. That is why we are asking you to give us this unusual way there.

Senator STEVENS. We have to tell you we do not have the authority, Prince, to give you any money for that project until you have an authorization bill passed.

While we are happy to have the statement and we will make it part of the record, we think you should concentrate your activities on getting the bill passed because we could not appropriate money until that bill passes. I am sorry to tell you that there is nothing we can do to grant your request until the bill passes.

We do have your statement and we will print it in full in the record.

Prince GALUMALEMANA. Would the chairman help us, since a friend of Samoa, a very good Samoan and Polynesian and this is also a part of ours together—would the chairman be able to entertain and sponsor a companion bill to H.R. 10544 and 11268 in the Senate or a special one, then, just specifically for this $11 million because the other is $40 million and this one here is——

Senator STEVENS. You had better get a member of that committee to introduce that bill. I am not on that committee. I would not introduce a bill for that committee unless it pertained to my State.

Prince GALUMALEMANA. You mean the Department of the Interior?

Senator STEVENS. I am not on the Interior Committee anymore. I used to be, as you know, but I am not now and I would not introduce that bill I am sorry to tell you. But I do believe you must visit with those who are on the committee and try to secure authorization.

But right now, we have no authority for the money to be appropriated and, therefore, I am sorry to tell you there is nothing that we can do. You must get that bill passed.

Prince GALUMALEMANA. You cannot pass those conditions and authorizations will come through later on?

Senator STEVENS. We cannot act on appropriations until the authorization bill is approved.

Prince GALUMALEMANA. I thought this principle was established before.

Senator STEVENS. Not on a project such as this. This is not for expenditures in American Samoa, my friend, this is for expenditures to buy a hotel on the shore here, as I understand it.

Prince GALUMALEMANA. Yes, but it is Atlantic City whereby American Samoa is utilizing it.

Senator STEVENS. You would have to have specific authority for that. We do not have authority. I am sorry. And I have some other people I have to hear before noon. I appreciate your taking the time, but I must be honest and frank with you. We do not have the authority to appropriate that money and until you get that bill passed, there will be no authority for this committee. We would be subject to a point of order. We would be out immediately if we even try.

So we must have authority for that before we can even act on it. I urge you to talk to members of the Interior Committee and see if it would be forthcoming.

Prince GALUMALEMANA. All right. Thank you very much.

Senator STEVENS. Incidentally, it has to be forthcoming by May 15 or it is too late this year. Under the budget authorization, it has to be by May 15.

Prince GALUMALEMANA. Thank you very much.

Senator STEVENS. Thank you.

[The statement follows:]

Mr. Chairman, honorable members of the Appropriations Subcommittee:

Thank you for the courtesy extended to this prince, an American Citizen and Special Representative of Samoan Villages(Eastern & Western Samoa), who believes in the full participation of Polynesia and her friends (the whole world) in honoring America and the Spirit of 1776 in a very unique and special way, "The Polynesian World Panorama."

The Panorama, originally intended for Philadelphia only, is now broadened to include other cities: District of Columbia, Atlantic City, Boston, Houston, Los Angeles and Seattle. It consists of Six Floating Islands representing six major and minor Archepelagoes of Polynesia (Hawaii, Samoa, Tonga, Fiji, Tuamotu & Maori; Tokelau,Niue, Nauru, BoraBora, etc., six continents of the world: Asia, Africa, Europe, North & South America, Australia and the Oceanic Islands) and a permanent Polynesian World Culture Center or chain of centers to assure the continuation of the Panorama to future generations.

The concept is to present secular cultural activities on week days, while holding special Religious Activities on Sunday, thus making the Panorama not only an International Exposition but also a Special World Religious Convocation every Sunday. While the name Polynesia is a trade name, the Panorama belongs to all ethnic groups; although leadership & major presentation and activities will be that of Polynesia.

The Panorama is the only Bicentennial project conceived to unite every race, friends and foes in the united spirit of peace, thanksgiving and praise as a GIFT from all of us Polynesians and her friends (the whole world) to America on her 200th Birthday.

Polynesian Gold and Silver are their Culture and Daily Activities which we will gladly give but we need financial help from you, friends of Polynesia, as your contribution to make possible our GIFT and our PRESENTATION. Since chief clerks of both the Interior and Civil Service Subcommittee have not yet understood the VALUE of "THE SPIRIT OF 1776," the Concept of the Polynesian World Panorama and God's Blessings to America, H.R. 10544 & H.R. 11268 sponsored by Congressmen Matsunaga, Conte and Barrett(providing $40 million as America's financial contribution to the Panorama) are yet to be scheduled for hearings.

Because of this delay of financial assistance and the recent discovery of the availability of the Dennis Hotel with 500 Guest Rooms in Atlantic City, meeting our Program Specification, we suspended building of Floating Islands and we are now concentrating on securing the permanent Polynesian World Culture Center first, not only for our Bicentennial Activities but also for the Subsequent years.

Therefore we respectfully and urgently request an increase of $11 million to the current Budget of the Department of the Interior, Office of Territories to earmark for the Culture Center. $1.5 million for the purchase of the Dennis Hotel-Motel; $2 million for repairs, remodeling, and refurbishing; $4million for construction Polynesian and American Indian Villages and $3.5 million for Administration and Operation for the first year.

With assurance that this grant is forth-coming, we will be able to induce banks to loan us $5-$6 million to start purchasing the Hotel and make necessary repairs & alterations to enable us to participate preferably in the 4th of July Celebration in Atlantic City, Phila. & D.C. and to other cities later.

Our initial meeting with two American Indian Organizations officials last month was gratifying and,with your support and good will, chiefs and the people of Polynesia and American Indians will gain an opportunity to make a substantial contribution toward the life of our Nation.

The Culture Center will be the home base every year for Nationwide International and Intercultural Tour Presentations to the American People. Our projection indicates once the requested investment is made the Culture Center yearly proceeds will be ample (except for the first year) to: 1. Provide for the needs of the Center. 2. Begin Financial Assistance to Polynesian and Indian Villages, a first of such assistance to Polynesian villages. 3. Begin Financial Assistance to Atlantic City, State of New Jersey & Federal Gov't. (Dept. of Interior, Office of Territories). 4. Create a Scholarship & Assistance Fund for Friends of Polynesia (all other ethnic groups). 5. Make possible the building of more Culture Centers in various parts of the Nation emphasizing Cultural Aspects & Activities of other ethnic groups in line with the Spirit and the Concept of our Gift and the Panorama.

The advantage of securing the Existing Dennis Hotel-Motel for the Culture Center now are: a. Costs 50% less than to build a new one, $20 million saving. b. It immediately will serve the need of Artists from abroad and other parts of the nation. c. It facilitates and expedites planning and participation in the Bicentennial Celebration. d. It immediately provides jobs (400 -500) for many unemployed Polynesians and friends of Polynesia in the States. e. It provides opportunities for Polynesia and other ethnic groups to make a contribution in bringing the world together in Peace and Togetherness.

These are Goals and Aspiration of this Congress, the President and America and are worth a lot more than the mere $11 million we are asking the Congress and the President to invest now toward the building of the first "Polynesian World Culture Center" in the World. We believe this is the best investment Congress & the President can make this year because in addition to precious benefits aforementioned United States will receive back revenues (5% of profit yearly) a thousand times more than her original $11 million investment.

On the other hand, joining the list of endorsement, the Senate of New Jersey, like the General Assembly of the Commonwealth of Pennsylvania, on Monday April 12, unanimously approved Res. No. 23 sponsored by Senator John Horn of Camden and Senator Joseph Mc Garn of Atlantic City which says in part, "WHEREAS, The united States of America is in the midst of commemorating the two hundredth anniversary of the promulgation and signing of the Declaration of Independence which separated this Nation from Great Britain; and WHEREAS, The State of New Jersey historically occupies a position of great esteem and significance in the implementation of those ideals expressed in the Declaration of Independence; and WHEREAS, The Polynesian people have contributed significantly to the protection and advancement of the United States of America and those ideals for which it stands; now, therefore, BE IT RESOLVED by the Senate of the State of New Jersey: 1. That the Senate of the State of New Jersey cordially extends an invitation to the Polynesian people and their friends to join with the citizens of New Jersey in celebratihg this event. 2.That the Senate of the State of New Jersey enthusiastically endorses the plans of His Highness Prince Galumalemana Vaiinupo Ala'ilima and the "Samoan Heritage"--"Alo O Samoa," to utilize the Dennis Hotel Complex in Atlantic City, New Jersey for the construction and operation of an exhibit entitled 'The Polynesian World Cultural Center' which shall express the culture and activities of the Polynesian people and their friends to all Americans. 3. That the Senate requests the cooperation of all bicentennial organizations and government agencies to this end..."

The President and Congress are fully aware of significant Contributions Polynesia has made throughout the history of the United States but specifically major Personal Contribution (without any monetary enumeration or Royalty) Prince Galumalemana and his ancestors made to United States of America are as follows: 1. Great-great-great grandfather (Malietoa Galumalemana -Tupu Tafa'ifa- Vaiinupo) King of all Samoa except Manu'a - 1839 received and granted United States first request: a. Granted Lieutenant Charles Wilkes, (USN) Exploring Expedition the right to survey and map Samoa. b. Granted to United States Merchant Vessels and ships the right to enter Samoan ports. 2. Great-Great Grandfather(Malietoa Tonumaipe'a Talavou) King of all Samoa except Manu'a - 1878 granted United States the right to use the Harbor of Pago Pago as a Naval Base - Treaty of Friendship and Commerce. 3. During World War II United States chose Prince Galumalemana's Official Palace Ground, FALEOLO, as their Air Base without any financial compensation to Prince Galumalemana.

Therefore, in view of the Billions of Dollars United States gave and is still giving to others in return for same and comparable rights and courtesies, I believe it is Fitting and Proper for Congress to approve Prince Galumalemana's humble request.

May God guide and bless us all.

Soifua (Long Live)

Attatchment:

POLYNESIAN WORLD
CULTURE CENTER
ATLANTIC CITY, N.J.

DISCRIPTION OF PROGRAM

There shall be a Permanent Polynesian World Culture Center with a 500 Room Royal Polynesian Hotel comparable to Royal Hawaiian Hotel (operated commerically in order to meet the need of the Center and other Goals of "The Polynesian World Panorama.") The existing Dennis Hotel-Motel with its elegant 500 Guest Rooms when properly remodeled will meet the requirement of the Culture Center. The Court Yard & Roof Areas will be utilized for Polynesian & American Indian Villages not only for Exhibition but the Polynesian Physical Atmosphere will be utilized to blend with the Beach & Ocean panorama of the Board Walk. The Culture Center will be design to be utilized all year around and with its Tropical Setting and Architecture will add a new flavor to the Atlantic City Panorama.
The Center will provide adequate guest rooms and will also feature International Rooms, Japanese Tea Room, Six Continental Ball Rooms, year-round swimming pool, formal dining room featuring Polynesian, Oriental & Continental cuisine and banquet and convention facilities. Every year an International & Intercultural Tour Presentation to all States of the Union will begin and end at the Culture Center.
The anticipated cost - including land, building, furnishings, etc. - is about $32 million in the first year. However, $11 million will suffice to meet the operation need of the Center. The remaining $21 millionwill be generated or secured while the Center is in operation. The Polynesian and Indian Atmosphere is purposely accentuated in the Culture Center because of its uniqueness and Spiritual Concepts of material things which lend themselves to profound, asthetic and commercial value.

ECONOMIC SUMMARY

Anticipated Income:

35% of 12 million tourists gives 4.2 million customers for Native Villages	
@ $1.00 each for admission	$ 4,200,000
@ $1.00 each for souvenir	4,200,000
@ $5.00 each for food & beverages	21,000,000
Store Sales	2,800,000
Hotel-Motel	3,040,000
Total Income	$ 35,240,000

Expenses

Hotel-Motel acquisition	$ 1,500,000
Remodeling, Repair & Refurbishing	2,000,000
Construction - Villages	4,000,000
Administration & Operation	3,500,000
Food & Beverages	6,000,000
Religious Activities	3,500,000
Exhibits & Goods	1,500,000
Salaries	6,000,000
Special Commissions	3,500,000
Promotion, advertising, transportation & insurance	1,500,000
Total Cost of Program 1st year	$ 32,500,000

ANTICIPATED PROFIT

Year	Income	- Expenses	Profit
7/76 - 7/77	$35,240,000	$32,500,000	$ 2,720,000
7/ 77 - 7/78	$35,240,000	$25,000,000	$10,220,000
7/ 78 - 7/79	$35,240,000	$25,000,000	$10,220,000

STATEMENT OF EDWARD R. OSANN, WASHINGTON REPRESENTATIVE, SAVE THE DUNES COUNCIL

Senator STEVENS. Mr. Osann, please.

Mr. OSANN. Thank you, Mr. Chairman, for a chance to testify on the fiscal year 1977 budget of the Department of the Interior. My name is Edward Osann and I represent the Save the Dunes Council here in Washington. I am speaking on behalf of our president, Sylvia Troy.

INDIANA DUNES NATIONAL LAKESHORE

This committee—I would say before I start out—has been very supportive of the efforts of conservation in the past and to the concerns of Indiana Senators in expediting the acquisition on your part, of the Indiana Dunes National Lakeshore. We appreciate your concern and your continuing interest in these projects.

Senator STEVENS. I have been familiar with this project since 1956. I come from Indiana originally. We will print the statement in full. How much money do you want this year?

Mr. OSANN. The principal point we are after this year is the balance of the authorized land acquisition ceiling which is $3,460,000 in land and water conservation funds. As a corollary to that, we are seeking some additional operation funds to provide the Park Service with funding for some additional full-time staff.

Senator STEVENS. How much was requested in the budget this year?

Mr. OSANN. A little arithmetic would be necessary. We have presented the add-ons. On attachment No. 1 it does indicate it is the Interior Department's request.

Senator STEVENS. You want to add on $1.6 million for the land and water conservation fund and $10,000 for another item of planning and construction and $385,200 for park operations.

Mr. OSANN. That is correct.

Senator STEVENS. What progress are you making now? We did give you some additional emergency money. Is that emergency money obligated?

Mr. OSANN. The money has been spent for shoreline erosion control and as an expedient at that time, it has served its purpose of stabilizing the shoreline. This summer, the first principal visitor facilities in West Beach in the bathing area will come on stream and will be open to the public for the first time. So we are just beginning to see some extensive public use of this park.

There is a point that I would like to touch upon very briefly, Mr. Chairman.

Senator STEVENS. Did you get the money we provided last year?

Mr. OSANN. Yes.

Senator STEVENS. Will this public facility be self-supporting?

Mr. OSANN. I don't believe that there are fees charged in this park.

Senator STEVENS. At the bathing facility there is no entrance fee?

Mr. OSANN. I don't believe so, Mr. Chairman. There may be a parking fee, but I am not certain about that. We do have a problem here that I have attempted to lay out on the first page of my statement. It is probably not peculiar to Indiana Dunes, but we are dealing

with a number of local governments. We have about 10 units of local governments involved in the Indiana Dunes. Our problem is, if I can summarize it, the retention of municipally owned lands by municipalities and in some cases, the transfer of private lands to public ownership to present acquisition by National Park Service.

What we have got here, I think, is in a sense a perversion if not an ironic twist to the implementation of some guidelines that this committee made in good faith 8 or 9 years ago to prevent the double payment for parkland when matching grants are made by the land and water conservation fund. It would be unfair to expect the Federal Government to turn around and buy the land back if it was included as a unit in the national system. But here we have several municipalities owning parklands none of which were acquired with BOR matching grants and the lack of transfer to Federal ownership is becoming an impediment to the continued development of the park.

Senator STEVENS. That is an authorization problem, rather than an appropriation problem, I am sorry to tell you.

I am told we did put some guidelines in on the acquisition in the 90th Congress, as you point out. But do you feel that the authority exists in the basic law to acquire those if the report guidelines are clarified?

Mr. OSANN. Yes, Mr. Chairman, that is correct.

Senator STEVENS. We will do our best to modify those, if it is necessary.

Have you checked with the Indiana Senators? Do they concur?

Mr. OSANN. Yes. Senator Bayh supported this.

Senator STEVENS. I think it would be helpful if we had a letter from Senator Bayh and if you could provide us with some language.

Mr. OSANN. It is attached to the statement, Senator.

Senator STEVENS. Thank you.

Mr. OSANN. Thank you very much.

[The statement follows:]

Thank you, Mr. Chairman, for the opportunity to testify once again on the Interior Department's budget request for the Indiana Dunes National Lakeshore. This Committee has been instrumental in the preservation of this park's natural and recreational values, and we are grateful for your continuing interest in the Dunes.

The F.Y. '77 budget for Indiana Dunes proposed by Save the Dunes Council is attached to the end of this statement (Attachment #1). In summary, we recommend $3,460,000 for land acquisition, $38,000 for planning and construction, and $1,129,600 for park operations. These figures represent add-ons of $1,960,000, $10,000, and $385,200 respectively.

At this point I would like to call to the attention of the subcommittee a procedural matter in need of clarification. The Act of 1966 authorizing the National Lakeshore prohibits the Secretary of the Interior from acquiring the Dunes State Park except by donation from the State. While the Act is silent on the acquisition of municipal parklands within the boundaries of the Lakeshore, it has been Park Service policy to acquire such property only by donation as well. Thus far, no municipal property has been donated or otherwise transferred to Federal ownership.

In Senate Report 233, 90-1, accompanying the Fiscal 1968 Appropriations Act, the Appropriations Committee laid down certain procedures for the Federal acquisition of lands held in public ownership. The application of these guidelines has had the effect of frustrating the intent of Congress in the establishment of the Indiana Dunes National Lakeshore. Private owners of the mile-long beach at Ogden Dunes have transferred their property to the local government in order to prevent acquisition by the National Park Service. In some instances, the failure of other municipalities to transfer key parcels to Federal administration will thwart the planning and development of visitor facilities. In a related problem, the absence of Park Service participation in tax delinquency sales conducted by local governments has left land within park boundaries to be purchased by private individuals for later resale to the Federal government.

To rectify this situation, the Council urges that something similar to the attached language (Attachment #2) be contained in the report to accompany the F.Y. '77 Interior Appropriations Act.

Land Acquisition

The principal add-on requested by the Save the Dunes Council is an appropriation of $3,460,000 for land acquisition, an increase of $ 1,960,000 over the Departmental request. This $3.46 million constitutes the balance of the authorization under the present statutory ceiling. As of March 31 of this year, there were 4,395 acres in Federal ownership at Indiana Dunes, leaving about 2% of the privately owned land within its boundaries yet to be purchased. Ten years after the establishment of the Lakeshore, there is a need for more aggressive action to complete the purchase of properties.

Park Operations

For the second year in a row, a major feature of the Council's request relates to the need for additional staff at Indiana Dunes. We are seeking an additional $385,200 in the Lakeshore's operating budget to support, among other things, seven new full time staff positions. Park visitation increased nearly 60% last year, surpassing 100,000 visitors in 1975. With the opening of beach facilities to the public later this summer, this trend can certainly be expected to continue. A listing of the additional positions needed to maintain and interpret the park's resources and provide for public safety is attached to this statement.

Two other elements of the Council's request for park operations ought to be explained. We are requesting $100,000 for site restoration and visitor service under operational funding. We feel that this is important at this time when the park staff will be gaining experience in managing visitor facilities. A relatively small scale and labor intensive approach to such tasks

as building site restoration, heavy junk removal, and picnic table placement is highly preferable to the large contract awards that are associated with line items under planning and construction.

A small but important request is directed toward the establishment of a program to monitor environmental quality within the Lakeshore. Baseline information is presently lacking on air and noise pollution, while the substantial water quality data developed by th U. S. Geological Survey in 1973-74 needs to be kept current. As you know, Mr. Chairman, the vicinity of this park is a region of great environmental stress, and reliable data is essential to protect the Dunes from pollution.

Planning & Construction

Finally, we seek a modest increase in the planning and construction budget to provide for limited project planning for the massive moving dune area known as Mount Baldy. The Council sees a need to expedite the availability of this area to the public, while not foreclosing any options for the future through heavy investment in structural improvements.

Attachment # 1

SAVE THE DUNES COUNCIL
Budget Request for F.Y. 1977 for
Indiana Dunes National Lakeshore

LAND ACQUISITION - from the Land & Water Conservation Fund

Interior Dep't. FY 77 Request: $1,500,000.

Save the Dunes Council Request: $3,460,000.

PARK OPERATIONS

Interior Dep't. FY 77 Request: $ 744,400.

Save the Dunes Council Request: 1,129,600, to include the following amounts:

7 new permanent staff positions**	135,200
Seasonal labor and equipment	100,000
Site restoration & visitor services	100,000
Pilot pollution monitoring program	50,000
Total Add-on	$ 385,200

PLANNING & CONSTRUCTION

Interior Dep't. FY 77 Request: $28,000.

Save the Dunes Council Request: $38,000, to include the following item:

Mount Baldy Project Planning (parking & trails) $10,000.

** 7 new permanent staff positions consist of:

Resource Management Specialist	GS-11
Park Ranger (law enforcement)	GS-7
Park Ranger (interpretation)	GS-7
Park Technician (resource management and visitor protection)	GS-5
Park Technician (interpretation)	GS-5
Maintenance Leader	WL-8
Maintenanceman	WG-8

Attachment #2

Proposed Report Language to Clarify Procedures for Acquisition of Municipal Lands

Without diminishing its previously stated position that publicly owned parklands ought to be acquired for Federal park purposes by donation (S. Report 238, 90-1), the Committee wishes to clarify that:

(1) Federal acquisition by negotiated purchase or condemnation need not be precluded when private property is transferred to public ownership subsequent to the authorization of Federal acquisition; and,

(2) the National Park Service may participate in local tax delinquency sales, where the final purchase price of such properties so acquired does not exceed their fair market value.

Additionally, the National Park Service is directed to report to the Committee those cases where the retention of any parcels of parkland in local government ownership serves to prevent the implementation of a duly adopted master plan, and where efforts to acquire such lands by donation have been unsuccessful.

STATEMENT OF MAXINE JOHNSTON, LEGISLATIVE COMMITTEE CHAIRMAN, BIG THICKET ASSOCIATION, SARATOGA, TEX.

Senator STEVENS. Ms. Johnston of the Big Thicket Association.

Let me ask now, are there any other people in the audience who are scheduled to appear today?

[No response.]

Senator STEVENS. I hear annually from our friends in the Big Thicket.

Ms. JOHNSTON. Yes, sir. I am afraid they are bringing you a bit of bad news about Big Thicket. I believe that Senator John Tower and Senator Lloyd Bentsen have already appeared before this committee to detail part of that problem and I wanted to appear in support of their request for the $3.8 million for emergency funding to save some endangered acres.

I would like to direct your attention first, if I may, to a graphic piece of material that has been given to you that is headed at the top "Big Thicket National Preserve (84,550 acres)."

The National Park Service when it got into Big Thicket knew that we were going to have problems and they identified priorities. The first three priorities on their list were these three units: Hickory Creek Savannah Unit, which was being developed for real estate; Beech Creek Unit, which had a southern pine beetle infestation that has currently wiped out about 1,200 acres of that 4,800 acres unit; and then the Big Sandy Creek Unit where we have had a good deal of development.

Senator STEVENS. What?

Ms. JOHNSTON. Much of this could have been prevented if we had enough money last year. We had $3.1 million in the authorization.

Senator STEVENS. I understand $3.8 million has been added to the supplemental in the House.

Ms. JOHNSTON. Yes, it has. I believe the House passed that bill yesterday.

Senator STEVENS. Yes.

Ms. JOHNSTON. The $3.8 million that we are asking for now is to save some trees that are still standing, but upon which timber contracts had been made for completion within the period largely of 1976; 2,500 of these acres will disappear before the end of 1976. Indeed, in this Rosier Unit we have in the lower thicket, the swampy area that is under water, about 9 months out of the year. So we have to take several months when there is good weather for harvesting. And they anticipate that these areas will again be cut in May, June and July, unless this action by your committee and by the House and by the Interior Committee is forthcoming immediately.

Now, we know that this will solve an emergency problem. We think that the emergencies are probably not over. We think they will probably continue to be hardship cases. There will continue to be beetle infestations. There will continue to be other problems and I understand that in your budget for fiscal year 1977, you have included only $9.3 million.

Senator STEVENS. That is right.

Ms. JOHNSTON. That is not going to be enough to even buy the remainder of these units that you see on these two pages and there are other units that are not pictured here.

We ask that if you increase that figure to a minimum of $18 million—I believe Senator Tower has requested $20 million—and that figure would certainly be probably even more realistic and better than the one I have given you.

My estimate for the $18 million was based on some earlier requests that the National Park Service requested which has since been revised and which they based their purchasing program on—$18 million a year for the first 3 years, I believe, and then a smaller appropriation in a final year to complete acquisition of the land.

According to the terms of the bill, the lands are supposed to be substantially acquired by the Government within 6 years of passage of the law which means 1980 will be the final year. Then the lands must be acquired. So in order to maintain a viable acquisition program, we must have larger funding in each of these earlier years, not only to allow the National Park Service to set up a systematic orderly program whereby they can go from one side of one unit to the other purchasing that land and not have to respond—have a little extra money and not have to respond by taking all of their present moneys for these emergencies that are constantly confronting us.

Senator STEVENS. We have heard from the Senators. Senator Tower has discussed it with me personally. I am sure that we will give serious consideration to your request. We have not acted yet on the other one. I assume we will when we come back—the $3.8 million.

Ms. JOHNSTON. I would like to put it most urgently for increased funding in fiscal year 1977 and for this emergency appropriation to keep about 400,000 acres of trees standing in fiscal year 1976.

Senator STEVENS. Thank you very much.

Ms. JOHNSTON. Thank you.

[The statement follows:]

Summary

The Big Thicket Association urgently requests that $3.8 million for emergency funding be provided in the FY 1976 supplemental appropriation in order to save endangered tracts within the boundaries of the Big Thicket National Preserve. The Association, with the cooperation of the Big Thicket Project Offices, has verified problems involving 4,216 acres on which timber rights have been sold or on which other adverse uses are anticipated. Harvesting of these tracts is expected to begin in May, 1976 so that loggers may take advantage of good summer weather in order to meet contract deadlines.

The Association further requests that the FY 1977 budget for Big Thicket National Preserve be increased to not less than $18 million so that funding for land acquisition can be scheduled more systematically and so that future emergencies can be handled without resort to supplemental requests.

Request for Emergency FY 1976 Appropriation of $3.8 Million

Reports on timber rights sold and hardship cases within the boundaries of the Big Thicket National Preserve started coming to our attention upon passage of the Big Thicket National Preserve law (PL 93-439) in October, 1974, and such reports increased alarmingly after the publication of boundaries in March, 1975. Some of these reports came to us directly from landowners; others we learned about from local Project personnel.

Our first efforts to save these tracts were through Nature Conservancy, but after several months of negotiations, it became apparent that too many problems existed, and Nature Conservancy informed us that they could not help. Other efforts included appeals to landowners to extend timber contracts or loan dates, but this, too, was unsuccessful.

We then learned about the 'declaration of taking' procedure which requires:

1) that the National Park Service secure permission from the House and Senate Interior and Insular Affairs Committees to file such declarations;

2) that funds in the amount of appraisals must be deposited with the Court when such declarations are filed; thus, emergency appropriations are necessary.

The Association appealed to our Texas Senators and Representatives to effect these requirements. These officials were informed by the Interior Department that the Office of Management and Budget would not permit them to request the necessary funds. After further investigation, however, the Department requested permission to file declarations on endangered tracts; this was contained in letters to Senate and House Interior Committee Chairmen dated March 11, 1976.

In the House, Cong. James Haley has informed the Interior Committee that such permission will be granted on April 14, 1976 unless objections are raised by Committee members. We anticipate that equivalent action will be forthcoming in the Senate.

Also, in the House, the Interior Subcommittee of Appropriations has unanimously approved supplemental funds of $3.8 million for FY 1976. We plead with this Committee to provide these funds.

On these 4,216 endangered acres, landowners have waited patiently for us to work out solutions to the problems. We are most fortunate that this responsible attitude has obtained, but we cannot expect it to continue. Deadlines on tracts totalling over 2,500 acres are in the Rosier Unit of the lower Thicket, much of which is swampy; logging activity, therefore, must be carried out in the drier summer months. You can expect to hear from us that trees are beginning to fall in May unless you provide the necessary funding.

Request for FY 1977 Appropriation of $18 Million

The President's budget for FY 1977 contains $9.3 million for Big Thicket. There have been rumors that OMB will deduct the $3.8 million emergency funding from that sum--if authorized by the Congress. This is extremely short-sighted.

The $9.3 million request is totally inadequate and unrealistic to comply with PL 93-439 that the Preserve must be acquired within six years of the Preserve's establishment (i.e., by FY 1980). The provision for the first year and transition period of $3.1 million combined with the low request for FY 1977 will hamper acquisition programs and make it necessary to appropriate much larger sums later. A better-paced schedule would be possible if $18 million were provided for FY 1977 and FY 1978 and maintained at that level until the $63.8 million authorization level has been completed.

The following benefits would accrue from such distribution of funding:

1) better distribution of acquisition programs throughout the period required;

2) the earlier lands are acquired, the less price escalation will occur;

3) tracts threatened by harvesting or destruction can be acquired without resort to emergency funding requests;

4) tracts threatened by harvesting or destruction can be acquired without seriously impairing continuing acquisition programs.

Please increase funding for FY 1977 to $18 million so that an orderly, systematic, viable acquisition program can be maintained.

The requests for both emergency funding of $3.8 million and FY 1977 funding of $18 million is supported by the Big Thicket Coordinating Committee (see attached letter) also.

Big Thicket Coordinating Committee
Dr. Pete A. Gunter, Chairman
1903 Locksley Lane
Denton, Texas 76201
817 387-8948 788-2266

April 13, 1976

The Hon. John McClellan, Chairman
Senate Appropriations Comm.
Washington, D.C.

Dear Senator McClellan:

In order to purchase tracts in the Big Thicket National Preserve which are in immediate danger of severe if not permanent damage, it is necessary that at least $3.8 Million additional funds be provided in the FY 1976 appropriation. Also, the 1977 FY budget should be increased to at least $18 Million in anticipation of such future emergencies.

Efforts to acquire these endangered tracts through other agencies and avenues have failed as have appeals to land owners to refrain from cutting and developing.

The Department of Interior requested permission to file declarations of taking on tracts under direct and immediate assault. The House informed the Interior Committee that permission will be granted on April 14, 1976. Similar action is expected in the Senate.

We have heard that O.M.B. plans to deduct the $3.8 Million emergency funds from the $9.3 Million already budgeted for B.T.N.P. for FY 1977 and fervently hope these rumors are not true as it will further postpone land acquisition and compound present problems. At least $18 Million for FY 1977 and FY 1978 is necessary to maintain a realistic schedule of land acquisition.

We urgently hope that you will act affirmatively on our request.

Sincerely,

Pete Gunter

Pete A. Gunter, Chairman

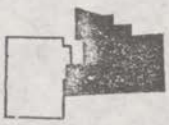
Big Thicket National Preserve
(84,550 acres)

KNOWN AREAS CUT OR CLEARED

JANUARY, 1976

All Units: 4,093 acres

HICKORY CREEK SAVANNAH UNIT



BEECH CREEK UNIT

BIG SANDY CREEK UNIT

Needed: $18,000,000 FY 1977

66-307 O - 76 - pt. 5 -- 31

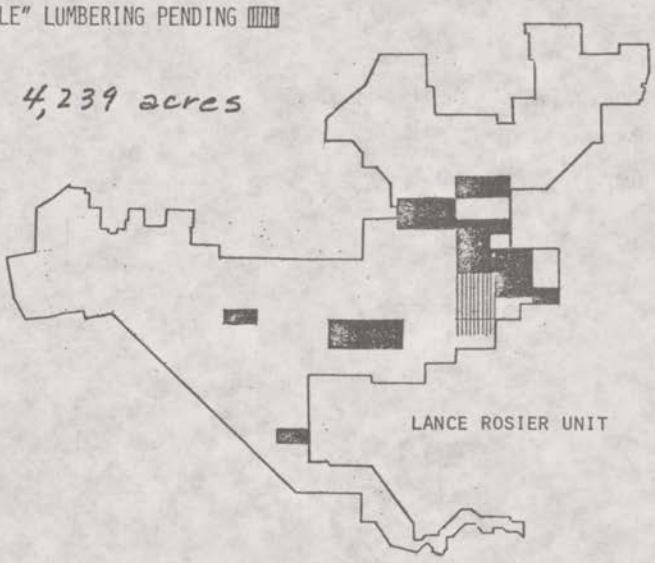
Endangered Acres

KNOWN TIMBER RIGHTS SOLD

KNOWN "PINE BEETLE" LUMBERING PENDING

JANUARY, 1976

All Units: 4,239 acres



KNOWN "PINE BEETLE" LUMBERING PENDING

JANUARY, 1976

LOBLOLLY UNIT

To Keep Trees Standing
Requires $3,800,000 FY 1976

SUBCOMMITTEE RECESS

Senator STEVENS. Have any of the people who were scheduled to appear this morning arrived now?

If not, the subcommittee will stand in recess until 1 p.m.

[Whereupon, at 12:10 p.m., Wednesday, April 14, the subcommittee was recessed, to reconvene at 1 p.m., the same day.]

(AFTERNOON SESSION, 1 O'CLOCK, WEDNESDAY, APRIL 14, 1976)

NONGOVERNMENTAL WITNESSES

Senator MONTOYA [presiding]. The subcommittee will be in order. This afternoon we have quite a number of witnesses who will appear before this committee.

In order to accommodate Congressman Lehman, I would like to accord him the privilege of presenting his constituent. I might add that Senator Pepper has expressed an interest, a very profound interest in what the witness will testify to. Unfortunately, he has been ill and he is not able to be here today.

So, Congressman, you may proceed to the witness table with your witness.

STATEMENT OF HON. WILLIAM LEHMAN, U.S. REPRESENTATIVE FROM FLORIDA

Congressman LEHMAN. Thank you very much, Senator MONTOYA. I am sure that Senator Pepper, who I understand is getting much better and will soon rejoin us in the House, would echo my sentiments.

But it is a privilege for me to introduce Bob Herman, director, of the Greater Miami Opera Association who represents to me the kind of vital leadership, vital young leadership that we need for this kind of cultural benefit for our community.

As we know the arts, the performing arts, the visual arts not only helps our quality of art but has now become one of the real growth industries throughout this country. It not only brings quality but also prosperity, and the benefits are untold.

One of the reasons I am here, my wife was not able to attend herself. But my wife and a friend recently were at Tosca in the Miami area, and it was a very rewarding and very exciting opera that she did attend.

I hope that I may come myself for a performance in the near future. I think Mr. Herman can certainly speak for himself, and I will give back the balance of my time to my good friend Bob Herman from Miami.

Senator MONTOYA. Thank you very much, Congressman, we are very happy to have you here today.

Congressman LEHMAN. Thank you.

STATEMENT OF ROBERT HERMAN, GREATER MIAMI OPERA ASSOCIATION

Senator MONTOYA. Now, Mr. Herman, I have read your statement, and will incorporate it into the record.

If you will, if you care to highlight it, you may proceed to do so, sir.

Mr. HERMAN. Thank you, sir.

Senator Montoya, I should like also, if I may to enter this visual representation of the source of and the use of our opera dollars in fiscal year 1975 into the record, if I may?

Senator MONTOYA. It will be incorporated into the record at this point.

[The statement follows:]

As General Manager of the Greater Miami Opera Association, the 8th largest opera company in the country in terms of total budget and at the very top in terms of financial health and stability, I thank you for this opportunity to tell you briefly about the exciting development of my company and how the economy and the National Endowment for the Arts' grant dollars have affected us.

There can be no doubt that opera is flourishing! Expenditures for opera across our nation have more than doubled between 1971 and 1975, but during the same period audiences have grown manyfold. In my own company, for example, as recently as 1972 total operating expenses were $606,000, 18 performances were given and only 35,000 people attended an opera. During the season just completed last Sunday, a brief three years later, however, expenditures have more than doubled to $1,400,000 but eight times that number of performances were given and our audience has multiplied by 5 to an estimated 175,000. Obviously such growth could only be accomplished by breaking out of the limited traditional approach so prevalent in our country until a few years ago when two organizations were created -- one, The National Endowment for the Arts, a governmental agency that acknowledged the need for some governmental support for symphony, dance, theater, museums and opera, and the other, OPERA America, a professional association of opera companies which has inspired the exchange of information, the sharing of productions and the working together of these companies in a way never before believed possible. Largely through their efforts opera has become truly national today.

Certainly there still exist performances for the wealthy, formally attired and bejeweled social audiences from whom the large bulk of financial support is still derived, but the responsibility shown by these wealthy supporters has now made possible free performances in the schools, in condominium auditoriums, in parks and on city streets that have resulted in opera's becoming the fastest growing art form in our country. Again using my company as an example, last year we gave 60 performances, fully staged and with professional casts in our city's high schools free of charge to 60,000 students, who went away enthusiastically praising this "new experience". Twenty free performances were given in our own Educational Center for handicapped and underprivileged young people and senior citizens -- another 4,000 converts to opera. Nearly 10,000 attended our English language series of major productions at prices ranging from $2.50 to $5.00, and here we set our sights on attracting our enormous Cuban community as well as students and senior citizens. Forty seminars, dozens of artist-in-residence sessions, plus performances in neighboring communities, on showmobiles, and in city streets provided not only enriching entertainment for new audiences but also paying performing opportunities for young American artists. All of these show what opera has become in Greater Miami -- a creation of the people, by the people and for the people.

With earned income nowhere able to meet as much as half the total expenditures and to be able to provide these services to the entire community, we were faced this year with the need to raise nearly $800,000 additional dollars. Federal, State, County and City governments provided us with $108,500 or 7½% of our budget but from where do we obtain the rest? From the opera going public which, except for a few businesses and foundations, is the only source of funds open to us. Contributions, benefits, social activities, the sale of operatic memorabilia, an opera cruise -- all touch the same people, those who continue not only to buy tickets but also to give until their monies cover almost 90% of our total budget.

Public monies, however, no matter how small, do have a great effect on the giving of our patrons -- both individual and corporate. Last season it was anticipated that the National Endowment for the Arts would be able to match $100,000 for my company. I only had to announce that fact from the stage and within 24 hours our matching monies were pledged. Unfortunately, due to the fact that again last year Federal dollars for opera had no appreciable increase, only $50,000 could be matched from Treasury funds so $50,000 had to be returned to the contributors. Fortunately they were willing to contribute that $50,000 to us unmatched but instead of $200,000 the opera received only ¼ that amount. It seems a shame that, because the appropriation level was so low, so much that could be accomplished had to be left undone and so many dollars for the arts had to be lost.

Since 1973 the private dollar received by my company has tripled, increasing from $300,000 to $926,000 while Federal funds have only doubled from $25,000 to $57,500. Nevertheless those Federal funds are important -- they stand as a symbol that America realizes the importance of the arts. It is wonderful to see the reaction that this brings from the public which says "If our government can help, so will we."

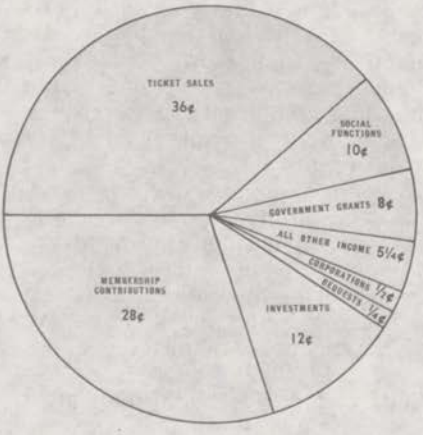
Equally important to the widening of audiences is the encouragement to improve quality. No longer are "instant opera" and floppy, painted sets acceptable. No longer does one "get by" with one stage rehearsal and a dress rehearsal. No longer is today's opera manager, nor indeed his public, satisfied with makeshift lights, flimsy costumes, undressed wigs or amateur makeup. During the last few years a realization has grown that opera must provide the best in music and the best in theater to attract an appreciative audience. National Endowment for the Arts funds have in many cases encouraged and made possible the additional rehearsals and the engagement of truly professional directors, designers, conductors and staff. Now, however, after no substantial increase in Federal funds to opera over a four year period while inflation kept costs rising at as much as 10% a year, many of those improvements can no longer be afforded and many companies are even being forced to cut their programs in order not to fall back to earlier, but now unacceptable standards. President Ford's budget recommendation of only 87 million dollars for fiscal '77 may allow this reverse trend to continue. This is why we come to you to urge you to appropriate the $100 million of program funds recently recommended for authorization in the House and at least $10 million of Treasury funds to encourage, not dollar for dollar, but 3 for 1 matching from the private sector.

One bright spot has appeared this year on an otherwise bleak horizon and that is the Challenge Grant. The authorization legislation before the House recommends appropriation of an additional sum which could be the answer for institutions such as opera companies which have been bypassed for the last several years in favor of new programs, while each year the same grant dollar buys less in materials and services. The Challenge Grant recognizes the need of our institutions in light of the great financial burdens placed on them and provides vital support on a 3 to 1 basis to enable them to make improvements essential to their continued wellbeing. This farseeing program is one which deserves your full support.

Opera is flourishing even in these difficult times. Why? Because it combines all the arts in a unique way that transcends any one of them. In my city it is the opera that is leading the way toward a County Council of Arts and Sciences and the cooperative efforts of the entire cultural community on behalf of and for the good of each and every citizen. When this phase of our program is accomplished, we will look to the task of providing our productions of opera to our entire 4-state area where little opera exists and certainly none of the same level of quality. To accomplish these goals of bringing the arts to an ever broader audience of enthusiastic converts requires each of us to do his part. We are firmly committed to making opera accessible to every young person in our County and the Music Department of the School System is working closely with us to that end. We are committed to filling the operatic void that exists in the Southeastern region of our country but we will need both State and Federal help to accomplish that goal. Our first goal -- that of improving quality has over three seasons largely been reached with the help of National Endowment for the Arts funds. Our productions play to packed houses and companies all over the country eagerly bid for them -- indeed our THAIS built in cooperation with the Baltimore Opera will play right here in Washington next week before being taken to Seattle for performances there. Without more Federal funds, however, cutbacks are inevitable and with opera the art form of the decade, with the public clamoring for more - not less- that would be a sad disservice to our country.

Remember, the monies you appropriate now for fiscal year 1977 will not reach our companies until the 77/78 season, two years hence, and costs keep rising. Our country needs the appropriation of $100 million in program funds, $10 million in Treasury matching funds and as large a sum as possible in addition for Challenge Grants. We urge you to support these levels of appropriation.

Where Does Our Opera Dollar Come From?



REVENUES

Where Does Our Opera Dollar Go?

EXPENSES

What Does Your Opera Dollar Do?

1) A performance of opera will be seen free of charge by 60,000 young people during the 1974-75 season.

2) Substantially subsidized performances of our major operas will be sung in English and attended by 10,000 youngsters and oldsters at $2.50 per ticket.

3) Seminars of opera will be presented for principals and music and drama teachers of the Dade County Schools.

4) Opera demonstrations will be taken to 40,000 children in preparation for their attendance at performances.

5) Education materials will be distributed free of charge to schools for all operas to be presented during the season.

6) Concert and staged performances will be presented to 30,000 senior citizens in their homes through our condominium series.

7) The finest star-studded productions of grand opera will be presented to 45,000 music lovers during our international performances at Dade County Auditorium, Miami Beach Auditorium and Ft. Lauderdale War Memorial Auditorium.

Development Fund Committee
Greater Miami Opera Association

DR. RICHARD A. ELIAS, *Chairman*

MR. DENNIS CLUM
MR. JORDAN DAVIDSON
MRS. URBANO MENENDEZ
MR. EMIL MORTON
COL. ROBERT PENTLAND, JR.
MR. WILLIAM SINGER

GRANTS FOR OPERA COMPANIES

Mr. HERMAN. During the last 4 years our budget has more than doubled, but by now we are giving eight times the number of performances and playing to five times the audience that we did 4 years ago, not counting the estimated audience of 1 million persons a year that has viewed our performances. Obviously, such growth could only be the result of broadening the audience base by taking opera into the schools, the homes, and the surrounding communities where none existed before, and by making it accessible to people who never before had the opportunity to enjoy its inspiration.

At the same time the artistic level of our company has improved, and so we are playing to packed houses, and other opera companies are eagerly bidding for our productions. Beginning last year Miami Productions have played in Milwaukee, San Antonio, Houston, and Baltimore. Our Thais production produced with the Baltimore Opera will play here in Washington, and Miami Opera Productions are scheduled in the next year to go to Seattle and to the New York City Opera.

It is true that public funds provided by the National Endowment for the Arts, our State arts council, and our county and city governments amounts to only 7½ percent of our total annual budget of $1.4 million. Nevertheless, this governmental support stands as a symbol, which has inspired the members of our audience to triple their support from $300,000 to $926,000 in just 3 years. When our citizens hear that matching funds are available their response is immediate. Last year when they anticipated that $100,000 might be matched in Treasury funds an announcement from the stage was all that was needed for the entire sum to be pledged within 24 hours.

Opera is flourishing in these difficult times, and has in the past year become the fastest growing art form in our country. I believe this is because it combines all of the arts in a unique way that transcends any one of them.

Because of the enormous forces it takes to produce operas, however, singers, chorus, orchestra, ballet, stage hands, technical and administrative staff, designers, directors, and conductors, fine opera costs money but at the same time it brings the greatest reward to its audience.

With 90 percent of our budget coming from ticket sales and private gifts, it would seem fair to seek the remaining 10 percent from all public sources together. But that would amount to more than $6 million for opera in the United States.

All Federal funds to opera last year amounted to only $2.6 million. We are not asking for the moon. We are not even asking for that 10 percent. We are asking that you appropriate less than the amount that has been authorized already for the past 3 years. Remember the money that you appropriate now for fiscal year 1977 will not reach our companies until the 1977 season 2 years hence, and costs keep rising.

We urge you to appropriate $100 million of program funds, $10 million in matching Treasury funds, and $15 million for a challenge grant. It is this last area which could possibly present a serious cutback in the vital activities of major institutions such as opera companies

for which grants have stood still in the last 4 years while the costs of materials and services have soared upwards on the wings of inflation.

Thank you, Senator Montoya.

Senator MONTOYA. Thank you very much.

STATEMENT OF MRS. WALTER M. MAYER, OPERA ASSOCIATION OF NEW MEXICO

Senator MONTOYA. Our next witness will be Mrs. Walter M. Mayer representing the Opera Association of New Mexico.

I want to state for the record that I have known Mrs. Mayer for many years. She has been one of the real hard workers and founders of the Santa Fe Opera. She has worked for many years to make the Santa Fe Opera America's leading summer opera festival and all of us in New Mexico take pride in her accomplishments.

I personally look forward to each new opera season, and this year is no exception as we await the beginning of the 20th season which opens on July 7.

I understand Mrs. Mayer is here to testify on behalf of additional appropriations for the National Endowment for the Arts. The national endowment is a very important program which has meant a great deal to the continued development of the Santa Fe Opera as well as other programs.

Mrs. Mayer is a very persuasive advocate on behalf of the arts, and I am sure the committee will benefit from her testimony.

Mrs. Mayer, you may proceed with your testimony. We are sure glad to have you here.

Mrs. MAYER. Thank you, Senator Montoya. I have here a copy of my statement.

Senator MONTOYA. The statement will be made a part of the record at this point.

[The statement follows:]

I am Mrs. Walter M. Mayer of Santa Fe, N. Mex., president of the Opera Association of New Mexico, which produces the Santa Fe Opera, now in its 20th year and regarded by many as America's leading summer opera festival.

The general director of the Santa Fe Opera is Mr. John O. Crosby, who is also president this year of OPERA America, an organization of the 40 major opera companies in the United States and 3 in Canada.

I am here today to ask for help, not only for the Santa Fe Opera but for all American opera companies, in the form of an increased appropriation for fiscal 1977 for the National Endowment for the Arts of $100 million for program money and a separate appropriation of $15 million for the new challenge grant program.

For 20 years I have been working to raise money for opera, and I have been doing it in one of the least likely areas of the United States—northern New Mexico, where there are no great corporations for factories, and where 18.5 percent of the people have income *below* the 1975 U.S. "poverty level", and where unemployment exceeds 20 percent in some places.

New Mexico presents great contrasts—from the opera theater, perhaps listening to Mozart or Verdi, we can look 30 miles to the west and see the lights of Los Alamos, and below lies the Rio Grande Valley where some of the Indians still thresh their grain driving goats over it and winnowing it in the wind. It is interesting to note that the Los Alamos Scientific Laboratory, where they built the bomb, uses the Santa Fe Opera as well as our Indians and mountains to attract nuclear physicists.

As president for 7 years of the Santa Fe Opera, located in an area with few people and virtually no industry to help support it, I can tell you what the National Endowment for the Arts means to opera—and opera is only one beneficiary of the National Endowment's assistance in our State. Our own Senator Joseph Montoya has supported the National Endowment for the Arts since its inception. I know he realizes the importance

of the Santa Fe Opera because he is always concerned for New Mexico's economy and our high unemployment rate.

The Santa Fe Opera might not even be here if it hadn't been for the National Endowment for the Arts. Our company was started by Mr. Crosby in 1957 in a small, unique, open-air opera house on a mountaintop near Santa Fe. Ten years later the theater burned to the ground in mid-season. Mr. Crosby called me after midnight to tell me about the fire and by the time the sun was up we had arranged to use the high school gymnasium the next night; and though we had lost everything except "Barber of Seville" costumes (at the cleaners), we had not lost our will and we produced the rest of our scheduled season without missing a performance.

We opened the 1968 season in a completely new theater—open-air but larger than the old one—designed, built and equipped in less than 10 months! We will always be grateful to the national endowment for the $100,000 grant provided us when we needed it most—struggling with the tremendous financial problems created by the fire and the new opera house. I cite the story of the fire to show how important the national endowment can be in a natural catastrophe like a fire, as well as in the common everyday catastrophe of inflation.

To the cultural riches the Santa Fe Opera brings to New Mexico we add very concrete practical dollar benefits to our entire economy. New Mexico's Department of Development estimates that the tourist industry is one of our three largest, after oil and mining, both of which decrease the State's natural resources. Tourism is responsible for 60,000 jobs directly and indirectly, and tourism generates $500 million (first dollar spending). The Santa Fe Opera is a very important part of this industry since it brings over 30,000 people into the State for several days each year; we estimate they add at least $2 million annually to Santa Fe's economy alone. The Opera employs 300 people during the season and puts more than $1,125,000 directly into circulation.

Last year the Santa Fe Opera drew an audience of over 50,000 persons. They came from 50 States and the District of Columbia, which demonstrates our company's national appeal. Our musical artists came from 33 of our States and 7 foreign countries. That too makes us a national if not international company.

Contributions come to us from every State in the Union, which clearly show an important, broad, national interest in the Santa Fe Opera. Most of these are small gifts from people who have enjoyed the season's productions and are deeply appreciated, significant evidence of the truly national interest in opera per se—but not enough to solve Santa Fe Opera's financial problems.

So, while the Santa Fe Opera has national appeal and a national reputation, it does *not* have significant national financial support. Our need for the national endowment is apparent when you learn that Santa Fe has only 45,000 people; all of New Mexico has only a little over $1 million people and ranks 46th in per capita income in the Nation.

There is no corporation headquartered in New Mexico which would make anyone's list of high-volume companies, so corporate support for the Santa Fe Opera is minimal. When we ask for help from the giant companies, based in major metropolitan areas, they tell us that they contribute to their *local* artistic and musical groups, but not to New Mexico. They sell their products to us in New Mexico and many take their raw materials from New Mexico. But the corporate profits go to corporate headquarters in other States and "remote" musical organizations rarely benefit.

Although our performances are nearly always sold out, still ticket sales and other earned income make up not quite half our costs. We watch expenditures carefully and ticket prices have been increased over the years, but there are limits beyond which we cannot increase prices. If full costs were built into ticket prices, we would no longer perform to full houses and so the move would be self-defeating. We would still not meet costs and at the same time we would narrow the audience to the well-to-do.

We aggresively seek funds from individuals, from foundations, from businesses, from government. But we need more help from all these sources. It is our belief that the new $15 million challenge grant appropriation may have very important results in developing wider private support. In many European countries opera is heavily subsidized by government, for those governments recognize opera's importance to the people and its economic value as a tourist attraction. Those governments pay the costs of sending their opera companies on tour. Some foreign opera companies will perform for our Bicentennial this year. But most American opera companies cannot afford to tour.

Besides offering work, training and experience for the best of America's singers, the Santa Fe Opera provides summer musical employment to musicians from many of our large and small orchestras throughout the United States.

Along with other opera companies, the Santa Fe Opera is important to America and to American artists. While there is a friendly rivalry among opera companies, there is no competition in the business sense, and we cooperate in many cost-sharing activities. Opera companies compete only for the limited number of dollars, and we in New Mexico always have the double problem of no great urban areas and no big industries to whom we can turn for help.

New York's Metropolitan Opera is important to Santa Fe because it creates a demand for fine singers and gives great music to the whole country. In so doing it increases our audience potential and provides incentive to young singers. But the Met also needs the Santa Fe Opera—for Santa Fe and other companies discover and develop talent which the Met can use and in fact must have for its own survival.

A great debt is owed to the national endowment for its support of our apprentice program. We audition hundreds of young singers every winter in various parts of the country and receive applications from other hundreds of young people interested in the technical training we offer. From all these we select the most promising and bring them to Santa Fe to make up our backstage crew and our 45-member chorus. Winthrop Sargeant described our opera chorus in *The New Yorker* as "probably the finest to be found anywhere".

Our high standards make acceptance in the apprentice program eagerly sought by aspiring young vocal artists and technicians throughout the United States. They receive training not only in singing and acting but in other disciplines and crafts of the operatic stage. The Santa Fe Opera spends about $2,500 for *each* of its 91 apprentices annually and the costs are rising. But the rewards are there and we can see and hear them when we listen to international stars who got their operatic start in Santa Fe's apprentice program: Judith Blegen, Sherrill Milnes, Rita Shane, Brent Ellis, and many others, including David Gockley, Houston Opera's general director whom you heard this morning and who also began as a Santa Fe apprentice.

Opera creates a cultural climate in a community and builds interest and audience for all the arts. For example, in Santa Fe the opera has encouraged other musical ventures including the Chamber Music Festival and the Orchestra of Santa Fe, both of which receive grants from the national endowment via the New Mexico Arts Commission. For a town of 45,000, this is impressive.

Our eight opera guilds with a membership of 1,500 families in two States and Mexico play an important part in our educational and fundraising activities, sponsoring our youth opera programs which have consistently received help from the New Mexico Arts Commission as well as developing a unique Pueblo Indian program. (See booklet in folder.)

The Santa Fe Opera is governed by a board of volunteers from 12 States who work devotedly for the opera and contribute generously of their own funds. They receive in reward the satisfaction of helping to provide great music and much beauty to the American public as well as helping the State's economy and providing employment.

I submit, in conclusion, that the Santa Fe Opera is an important economic factor in the tourist business of our State, that our apprentice training program benefits *all* opera and the general public in finding and developing talent, that we provide employment to a company of 300 which in turn adds taxpayers to the rolls and lessens unemployment, and that our productions enrich the lives of thousands of Americans each year.

We are grateful to the Congress for its interest in and support of all the arts. We feel deeply that in 1977 an appropriation of $100 million is imperative and that the new $15 million challenge grant appropriation will have important results in broadening the base of private support of the arts.

Thank you.

OPERA CHALLENGE GRANT PROGRAM

Mrs. MAYER. Senator, I have tried to summarize my statement. With your permission I will read it.

I am Mrs. Walter M. Mayer, president of the Opera Association of New Mexico which produces the Santa Fe Opera. Our general director is Mr. John O. Crosby, who is president this year of OPERA America.

Senator MONTOYA. Would you get closer to the microphone Mrs. Mayer?

Mrs. MAYER. Yes, sir, is this better?

Senator MONTOYA. We want everyone here to listen to you so that they can go to the Santa Fe Opera. It is the best opera in the World.

Mrs. MAYER. I am here today to ask for help not only for the Santa Fe Opera, but for all opera companies, in the form of an increased appropriation for fiscal 1977 for the National Endowment for the Arts of $100 million for program money and a separate appropriation of $15 million for the new challenge grant program.

For 20 years I have been working to raise money for opera, and I have been doing it in one of the least likely areas of the United States northern New Mexico, where there are no great corporations or factories, and where 18.5 percent of the people have incomes below the 1975 U.S. "poverty level," and where unemployment exceeds 20 percent in some places.

New Mexico presents great contrasts from the opera theater, perhaps listening to Mozart or Verdi, we can look 30 miles to the west and see the lights of Los Alamos, and below lies the Rio Grande Valley where some of the Indians still thresh their grain by driving goats over it and winnowing it in the wind. It is interesting to note that the Los Alamos Scientific Laboratory, where they built the bomb, uses the Santa Fe Opera as well as our Indians and mountains to attract staff.

As president for 7 years of the Santa Fe Opera, located in an area with few people and virtually no industry to help support it, I can tell you what the national endowment for the Arts means to opera-and opera is only one beneficiary of the National Endowment's assistance in our State.

Our own Senator Joseph Montoya has supported the National Endowment for the Arts since its inception. I know he realizes the importance of the Santa Fe Opera because he is always concerned for New Mexico's economy and our high unemployment rate. Remember, with everybody who is employed you have people who are off of the unemployed rolls.

The Santa Fe Opera might not even be here if it had not been for the National Endowment for the Arts. Our company was started by Mr. Crosby in 1957 in a small, unique, open-air opera house on a mountaintop near Santa Fe. Ten years later the theater burned to the ground in mid-season. Mr. Crosby called me after midnight to tell me about the fire and by the time the Sun was up we had arranged to use the high school gymnasium the next night; and though we had lost everything except "Barber of Seville" costumes, we had not lost our will and we produced the rest of our scheduled season without missing a performance.

We opened the 1968 season in a completely new theater—open-air but larger than the old one—designed, built and equipped in less than 10 months. We will always be grateful to the National Endowment for the $100,000 grant provided us when we needed it most—struggling with the tremendous financial problems created by the fire and the new opera house.

I cite the story of our fire to show how important the National Endowment can be in a natural catastrophe like a fire, as well as in the common everyday catastrophe of inflation.

To the cultural riches the Santa Fe Opera brings to New Mexico we add very concrete practical dollar benefits to our entire economy. New Mexico's Department of Development estimates that the tourist industry is one of our three largest, after oil and mining, both of which decrease the State's natural resources.

Tourism is responsible for 60,000 jobs directly and indirectly, and tourism generates $500 million. The Santa Fe Opera is a very important part of this industry since it brings over 30,000 people into the State for several days each year; we estimate they add at least $2 million annually to Santa Fe's economy alone. The Opera employs 300 people during the season and puts more than $1,125,000 directly into circulation.

Last year the Santa Fe Opera drew an audience of over 50,000 persons. They came from 50 States and the District of Columbia, which demonstrates our company's national appeal. Our musical artists came from 33 of our States and 7 foreign countries. That too makes us a national if not international company.

Contributions come to us from every State in the Union, which clearly shows an important, broad, national interest in the Santa Fe Opera. Most of these are small gifts from people who have enjoyed the season's productions and are deeply appreciated, significant evidence of the truly national interest in opera per se, but not enough to solve Santa Fe Opera's financial problems.

So, while the Santa Fe Opera has national appeal and a national reputation, it does not have significant national financial support. Our need for the national endowment is apparent when you learn that Santa Fe has only 45,000 people; all of New Mexico has only a little over 1 million people and ranks 46th in per capita income in the Nation.

There is no corporation headquartered in New Mexico which would make anyone's list of high-volume companies, so corporate support for the Santa Fe Opera is minimal.

When we ask for help from the giant companies, based in major metropolitan areas, they tell us that they contribute to their local artistic and musical groups, but not to New Mexico. They sell their products to us in New Mexico and many take their raw materials from New Mexico. But the corporate profits go to corporate headquarters in other States and "remote" musical organizations rarely benefit.

Although our performances are nearly always sold out, still ticket sales and other earned income make up not quite half our costs. We watch expenditures carefully and ticket prices have been increased over the years, but there are limits beyond which we cannot increase prices. If full costs were built into ticket prices, we would no longer perform to full houses and so the move would be self-defeating. We would still not meet costs and at the same time we would narrow the audience to the well-to-do.

We aggressively seek funds from individuals, from foundations, from businesses, from Government. But we need more help from all these sources. It is our belief that the new $15 million challenge grant appropriation may have very important results in developing wider private support.

New York's Metropolitan Opera is important to Santa Fe because it creates a demand for fine singers and gives great music to the

whole country. In so doing it increases our audience potential and provides incentive to young singers. But the Met also needs the Santa Fe Opera for Santa Fe and other companies discover and develop talent which the Met can use and, in fact, must have for its own survival.

A great debt is owed to the National Endowment for its support of our apprentice program. We audition hundreds of young singers every winter in various parts of the country and receive applications from other hundreds of young people interested in the technical training we offer. From all these we select the most promising and bring them to Santa Fe to make up our backstage crew and our 45-member chorus. Winthrop Sargeant described our opera chorus in the New Yorker as "probably the finest to be found anywhere."

Our high standards make acceptance in the apprentice program eagerly sought by aspiring young vocal artists and technicians throughout the United States. They receive training not only in singing and acting but in other disciplines and crafts of the operatic stage.

The Santa Fe Opera spends about $2,500 for each of its 91 apprentices annually and the costs are rising. But the rewards are there and we can see and hear them when we listen to international stars who got their operatic start in Santa Fe's apprentice program: Judith Blegen, Sherrill Milnes, Rita Shane, Brent Ellis, and many others, including David Gockley, Houston Opera's general director, whom you heard this morning and who also began as a Santa Fe apprentice.

Opera creates a cultural climate in a community and builds interest and audience for all the arts. For example, in Santa Fe the opera has encouraged other musical ventures including the Chamber Music Festival and the Orchestra of Santa Fe, both of which receive grants from the National Endowment via the New Mexico Arts Commission. For a town of 45,000, this is impressive.

Our eight opera guilds with a membership of 1,500 families in two outside States and New Mexico play an important part in our educational and fundraising activities, sponsoring our youth opera programs which have consistently received help from the New Mexico Arts Commission as well as developing a unique Pueblo Indian program. You will find in the little folder reproduced we have provided you a program of Indian and youth opera.

The Santa Fe Opera is governed by a board of volunteers from 12 States who work devotedly for the opera and contribute generously of their own funds. They receive in reward the satisfaction of helping to provide great music and much beauty to the American public as well as helping the State's economy and providing employment.

I submit, in conclusion, that the Santa Fe Opera is an important economic factor in the tourist business of our State, that our apprentice training program benefits all opera and the general public in finding and developing talent, that we provide employment to a company of 300 which in turn adds taxpayers to the rolls and lessens unemployment, and that our productions enrich the lives of thousands of Americans each year.

We are grateful to the Congress for its interest in and support of all the arts. We feel deeply that in 1977 an appropriation of $100 million is imperative and that the new $15 million challenge grant appropriation will have important results in broadening the base of private support of the arts.

Thank you.

Senator MONTOYA. Thank you very much.

Mrs. MAYER. If you have any questions, I will try to answer them.

Senator MONTOYA. I think you have given me more information about Santa Fe Opera than I had in my command here. I know it is a very successful opera and that you have played a very great part in the progress through the years. Certainly all of New Mexico is proud of it. I think you have very general support from not only New Mexico but throughout the country.

Mrs. MAYER. You might be interested to know that we have contributions from every State in the Union, including Alaska, obviously, and Hawaii, and even one from Guam this year. That does not mean we are getting a lot of money, but what it does mean is that the people who bought tickets last year are solicited by us and they came from every State in the Union and they sent $10, $15, for which we are terribly grateful. It means a great deal, but it is not enough.

Our budget is $1.2 million this year.

Senator MONTOYA. Thank you very much.

Mrs. MAYER. Thank you.

STATEMENT OF HON. RICHARD STONE, U.S. SENATOR FROM FLORIDA

Senator MONTOYA. We have with us this afternoon my distinguished colleage from the State of Florida, Senator Stone, who will present some of his constituents to this committee.

Senator Stone, we welcome you here.

Senator STONE. Thank you so much, Senator Montoya. I would like to ask Mr. Uhr of the Florida Forestry Association to come up, and also Mr. J. Walter Myers, executive vice president of the Forest Farmers Association, Atlanta, Ga.; and also Mr. H. E. Ruark of the Georgia Forest Research Council.

PITCH CANKER RESEARCH

Mr. Chairman, we are here today to ask for a very minor and modest amount of assistance, $100,000; but it is a very key bit of aid. Since 1945 a disease to trees, mainly slash pine, known as pitch canker, has been observed and known but it was not considered a serious problem.

In 1968 and 1969 we started some pilot studies, but in 1974 we had a very severe, major outbreak of this disease which has not subsided. It is spreading rapidly. It affects Georgia, it affects Mississippi, and could spread rapidly elsewhere. And, we don't know anything about it. We don't know the carrying agent. We don't know an appropriate inoculum for the disease. We don't really know much about reliable control methods, but we have a task force now of industry, of academic researchers, and of government in the South, mainly, which is where the outbreak has occurred.

And, if we can get $100,000 of appropriations now to add on to the budget, then that money plus industry money, and State and local appropriations can trigger appropriate research, at least at this stage, in the modest proportions that we are talking about.

Without going into a lot of detail I would like to ask your consent for a fact sheet and some of the news accounts of this very damaging disease. We are talking about over $18 million worth of damage in one of our counties alone.

I would like to ask whether you would consent to put that in the record at this time?

Senator MONTOYA. Yes. The material which you have supplied will be made a part of the record at this point.

[The information follows:]

PITCH CANKER FACT SHEET

Problem: Pitch canker, a fungus-type disease affecting slash pine. Epidemic in central Florida and reported in other stands throughout the State.

Intensity of the problem: Statewide survey will be completed in May to determine severity and locations. Limited research and observations indicate 10 percent average mortality in infected stands.

Estimated 350,000 acres affected in Flagler and Volusia Counties. Economic loss could exceed $87 million in those counties, alone.

Disease first observed in 1945 was not considered serious problem. Outbreak in 1968–69 prompted study plots by University of Florida. Outbreak subsided, however, with some recovery from disease.

Outbreak in 1974 has not subsided . . . it's spreading rapidly with substantial growth losses and significant mortality.

Current knowledge: Little information is available. Classification of casual organism not definitive, Nothing known of the source of inoculum for disease. Carrier has not been determined. No reliable control methods are known.

The low level of infestation and damage in the past has not given rise to the need for extensive research—results of which are needed now.

Research needs: Immediate research should concentrate on the biology of the fungus, the inoculum source, means of dissemination, effects of host nutrition, role of cultural and environmental factors, and feasible control measures.

Funding needs: An emergency need exists for research funds in the IFAS budget for immediate and concentrated research on this disease. A $100,000 appropriation in the IFAS research budget would make possible the minimum effort needed to get this program underway.

Senator STONE. I do have to catch an airplane. I would like to turn the panel over to Mr. Uhr and his associates and carry on.

Senator MONTOYA. Certainly, Senator Stone.

Senator STONE. Thank you, Mr. Chairman, so much.

STATEMENT OF SELMER UHR, FLORIDA FORESTRY ASSOCIATION

ACCOMPANIED BY:

J. WALTER MYERS, JR., FOREST FARMERS ASSOCIATION
H. E. RUARK, GEORGIA FOREST RESEARCH COUNCIL

Senator MONTOYA. Do you gentlemen have a prepared statement?

Mr. UHR. Yes.

Senator MONTOYA. If it is all right with you people, we will receive those prepared statements and incorporate them into the record at this point.

Mr. UHR. The staff already has my statement.

Senator MONTOYA. If you will just proceed to tell me about this in capsule form, we will read your statements before we mark up the bill.

[The statements follow:]

STATEMENT OF J. WALTER MYERS, JR.

Mr. Chairman and members of the Committee, my name is J. Walter Myers, Jr. I am Executive Vice President of Forest Farmers Association. Forest Farmers Association, as you may recall, is an organization of timberland owners -- primarily small owners -- in fifteen southern states.

Over the year this Committee has demonstrated outstanding support for maintaining strong federal forestry programs. This has been most gratifying and the Committee can be proud of the many accomplishments which have resulted. I would like to thank the Committee on behalf of forest landowners and operators, particularly in the South, for programs these funds have made possible.

Forest Farmers Association has carefully reviewed the 1977 f.y. budget for the U. S. Forest Service and wishes to endorse the items contained therein. We also would appreciate the Committee's consideration to the following increases which are not part of the original budget. These add-ons, in our opinion, are necessary if the nation's forestry programs are to keep pace with current and projected increase needs.

RESEARCH

These are

(1) Increase funds for forest research programs in the South by $6,550,000.

Highest priority items --

A. Strengthening of the renewable resources survey in the South. A five-year resurvey cycle is vitally important, so orderly planning to meet future timber needs can be accomplished. (An increase of $1,445,000, nationwide, is in the present budget but a further add-on of $5,000,000 is needed with $1,700,000 for the South to achieve this goal.) ..... $5,000,000 (Nationwide)

B. Research to increase timber supplies.
   1. Increased utilization of underused hardwoods $620,000
   2. Speed-up growth of fast-growing softwoods $650,000

C. Improved protection of forests from insects and diseases, including research on the control of insects and diseases affecting management of seed orchards and research on methods of control of southern pine canker attacks ..$280,000

(2) Funds for construction of research facilities.

A. Station Headquarters and Forestry Sciences Laboratory, Asheville, N. C. (Architectural plans, $100,000)..... $100,000
Note: Funds for construction of a tree seed processing shop at Stoneville, Miss. are in the original budget in the amount of $79,000. This item is strongly supported.

STATE AND PRIVATE FORESTRY

The President's budget for f.y. 1977 lists $11,712,000 for Cooperative Forest Fire Control (CM-2), a $10,880,000 reduction from f.y. 1976. It is unrealistic to suppose that the states can absorb a cut of this magnitude without seriously reducing the current level of forest fire protection. The federal government has a continuing stake in maintaining a high level of forest fire protection in view of the substantial amount of taxes received from the harvest of forest products, if for no other reason. It isn't sound to ask the states to assume responsibility for protecting this federal interest. Through capital gains taxes on timber alone, the federal government annually collects approximately 30% of net private timber harvest receipts, roughly $300,000,000. (Source: Committee on the Budget publication, U.S. Senate, March, 1976.) It would be reasonable, therefore, for the federal government to pay approximately 30% of the overall cost of basic cooperative fire protection. In f.y. 1974, the latest year for which complete figures are available, the federal government contributed $20,079,000 or 13.3%, while the states contributed $130,286,288 or 86.7% under the CM-2 program. In f.y. 1975 the federal share of CM-2 was $25 million and in f.y. 1976, $22,592,000. Forest Farmers Association strongly supports the request of the National Association of State Foresters for $25 million in federal funds for CM-2 in f.y. 1977, 13% to 15% of the projected total expenditure.

Our association also strongly supports the following recommendations of NASF: Provide the funds necessary for Title IV and CM-4 tree planting programs toward the goal of

all reforestation with genetically superior seedlings. Recommended f.y. 1977 funds for these programs are $1,359,000 (Title IV) and $337,000 (CM-4). Increase Cooperative Forest Management program (CFM) from $5,600,000 to $7,318,000; and provide a $5,000,000 appropriation to initiate a cooperative urban forestry program.

Forest Farmers Association further recommends that $1,583,000 be appropriated to initiate a disease resistance screening center in the South. Fusiform rust is considered the most destructive disease in the South, accounting for an estimated annual loss of $30,000,000 in stumpage and associated losses of $150,000,000 in wood and fiber products. A screening service has been perfected which has reduced pine progeny screening for disease resistance from five to ten years of field testing to six to nine months of greenhouse testing. There is urgent need to construct facilities for upgrading and maintenance of existing greenhouses and headhouses to meet immediate screening needs on stock from improved seed tree orchards. Cost for this would run $223,000. A second phase of the program would require design and construction of a resistance screening facility, including greenhouse-headhouse space capability of handling 600,000 seed lots and necessary office, laboratory and training space, and would cost $1,360,000.

Our association also recommends that $750,000 be appropriated to initiate forest equipment development aimed at design of equipment suited for use on small ownerships in the South. Equipment now available is not economically feasible for use on small ownerships which make up 70 percent or 140 million acres of the southern forest.

JUSTIFICATION OF FUNDS FOR TOP PRIORITY FOREST RESEARCH ITEMS

A. The Renewable Resources Survey -- A top priority item. The survey provides invaluable state-by-state forest resource inventories on a current basis. It is the basis for all forest planning, public and private, nationally and locally. A great need exists to strengthen this program, espcially in the South, with its fast-growing timber and increasing demands on its forest resources. The present 10-year resurvey cycle is not of sufficient frequency to provide the data needed. An increase of $1,700,000 in annual funding over the President's budget for f.y. 1977 is needed in the South, alone, to achieve state resurvey cycles of five years as recommended by the Forest Service.

B. Research to increase timber supplies -- 1. Underuse of hardwoods and overdependence on softwoods is an increasingly serious national problem. A program of research will provide the technology for a 50 percent increase in harvest yields, a 15 percent increase in pulp yields, greater utilization of bark and wood for petrochemical substitutes, etc. Hardwood work in the South would be centered at Alexandria, La. ($285,000); Auburn, Ala. ($100,000);and Asheville, N. C. ($235,000).

2. The Forest Service Renewable Resource Assessment projections indicate substantially larger demands for wood. The productivity of 50 million acres of southern pine forest land can be increased from 40 to 100 percent within 40 years by growing genetically-improved trees under intensive culture. Work in the South to speed-up growth of fast-growing softwoods would be centered at Alexandria, La. ($150,000); Auburn, Ala. ($250,000); New Orleans, La. ($100,000); and Macon, Ga. ($150,000).

C. Improved protection of forests from insects and diseases -- Forest insect and disease pests are causing increasingly unacceptable losses in our nation's forests. A current epidemic of southern pine canker and serious incidence of pine die-back in seed orchards and plantations serve to underscore this problem. These pests require a substantial research effort in order to learn how to keep their populations at levels where the amount of damage is tolerable. Research will provide the biological information necessary to enhance the feasibility of the controls and the basis for silvicultural controls. This work will be centered in the South at Stoneville, Miss. ($180,000) and Athens, Ga. ($100,000).

Forest Farmers Association appreciates the Committee's consideration to these views.

STATEMENT OF H. E. RUARK

Mr. Chairman, and members of the Committee, my name is H. E. Ruark. I am Director of the Georgia Forest Research Council with headquarters in Macon, Georgia. The Council is an agency of the State of Georgia. We are responsible for coordinating, developing, implementing, and encouraging forest research. It is a pleasure to appear before your Committee to discuss forest research needs in the Southeast.

I requested an appearance before you today to testify on the need for increased appropriations for research with the U. S. Forest Service for FY 1977 for the following designated purposes:

CULTURE AND GENETIC IMPROVEMENT OF LOBLOLLY PINE
MACON, GEORGIA

PROGRAM	LOCATION	AMOUNT
Intensive Culture of Loblolly Pine in the Piedmont Province	Macon, Ga.	$150,000
	TOTAL	$150,000

and

DAMAGING DISEASES IN SOUTHERN PINE SEED ORCHARDS
ATHENS, GEORGIA

PROGRAM	LOCATION	AMOUNT
Forest Disease Research	Athens, Ga.	$100,000
	TOTAL	$100,000

INTENSIVE CULTURE of LOBLOLLY PINE
in the
PIEDMONT PROVINCE

Loblolly pine is the most important timber species in the South. In the Southeastern States alone, it is the major species on more than 12.5 million acres of forest land. About 40 percent of all wood products harvested in the Southeastern region come from stands of loblolly pine.

Projected wood demand to the year 2000 dictate an increase of at least 50 percent in softwood yields. With continued growth in and around urban areas, industrial development, and conversion of some better forest land to agricultural use, forest managers are faced with the challenge of doubling productivity on a rapidly diminishing forestland base. Much of this increase in supply must come from loblolly pine. Hence, the need to accelerate forest research on this species in the Piedmont Province in the Southeast.

The greatest potential for increased productivity centers on the Piedmont forests of the Southeast. First and foremost is the need to assure adequate and prompt regeneration following harvest cuts as well as the reforestation of idle and poorly stocked acres as cheaply as possible. Research is required to develop more effective methods of natural and artificial regeneration suitable for both heavily capitalized industrial owners and small woodland operators who have limited capital. In addition, research in creative tree improvement must be accelerated and carefully coordinated with culture for establishment and growth of improved varieties.

With the genotypes now available from first-generation seed orchards, it should be possible to double the yields from managed stands if sound intensive cultural tehniques can be developed within the next 5 years. Long-range projections envision yields of 200 to 250 cubic feet per acre per year from new technology in cultural practices and use of second-generation strains with better growth, form and increased disease resistance. Present yield of an average acre of loblolly pine in the Southeast is 90 cubic feet.

The Southeastern Forest Experiment Station is in an unique position to accept the challenges and opportunities of increasing the supply of loblolly pine timber in the Southeast. Three research work units are presently engaged in research programs that are directly concerned with the management and culture of this species. With a program increase of $150,000, the Station could speed up and improve upon their research capabilities in loblolly pine in the Piedmont Province.

FOREST DISEASE RESEARCH

Outbreaks of new or previously unrecognized diseases of the southern pines are causing increased concern among foresters and the general public in the South. Serious losses have already occurred in intensively managed seed orchards and plantations. These are areas where investments have been the highest, expected returns the greatest, and upon which much of the nation's future timber supply is dependent.

Two newly discovered diseases in seed orchards threaten both seed production and the trees themselves. The yield of improved pine seed is being sharply reduced by flower and conelet abortion and by seed decay. During 1975 over 80% of young first-year conelets were estimated lost in longleaf and slash pine orchards in North Carolina and Georgia. Loblolly pine orchards in at least three states are being severely damaged by a dieback disease which destroys much of the new growth of the trees. In a Mississippi orchard just reaching maturity, over half of the trees were classed as seriously diseased with large portions of their crowns dead. It is obvious that with intensive management it will be necessary to provide intensive protection. These orchards, upon which the South's future forests depend, must be protected as least as well as other orchard crops such as apples and peaches.

The canker disease of slash pine which has caused losses on 350,000 acres of slash pine plantations in North Central Florida, has now been detected to two Georgia counties. This disease also is a threat to the high-value seed orchard trees. For example, one slash pine selection with high resistance to fusiform rust has been eliminated from several seed orchards by this disease.

Intensified research is essential if these diseases are going to be controlled, since some of them are so new that the fungi causing the problem have not yet been identified. Biological, genetic, and chemical controls need to be developed so that these orchards and plantations can

be protected. Preliminary results from limited research has been very encouraging, and there is no question but that favorable results can be obtained if work is started in time.

The $100,000 is urgently needed now at the Athens, Georgia laboratory to positively identify and determine control measures to prevent more serious outbreaks and losses to southern forests from these diseases.

STATEMENT OF DR. JOHN GRAY

Mr. Chairman and members of this Subcommittee, I am Dr. John Gray, Director, School of Forest Resources and Conservation, Institute of Food and Agricultural Sciences, University of Florida, Gainesville. I appeared before this Subcommittee last year to request that you provide an appropriation of $500,000 to the U.S. Forest Service to establish and support an Intensive Management Practices Assessment Center (hereafter identified as "IMPAC") program at our School. The Congress appropriated $300,000 for this purpose and on behalf of our School, the Florida Forestry Association and forestry interests in the southeastern United States, I want to thank you for this support and give you a brief progress report on the program.

This program is designed to identify the effects of commercial forest management in the lower coastal plains of the southeast on soil, water and wildlife resources. The information it will generate is especially needed to provide guidelines to forest managers and enforcement agencies in complying with provisions of the Federal Water Quality Act of 1972--especially Section 208 which deals with non-point pollution as well as Sections 402 and 404 which deal with point source pollution from land management activities such as forest land drainage and road construction.

The first allocation of funds for this program were not made available to us until early this year. Nevertheless, the Forest Service has already located two of its scientists with us. A project plan has been developed. We have established an initial small scale instrumented watershed near Gainesville on our own 2000 acre School Forest. We have collaborated with Buckeye Cellulose Corporation in a larger scale pilot study involving a comparison of effects of harvesting, site preparation, replanting and fertilization on water quality under wetland conditions on their holdings near Carrabelle in west Florida.

On May 18, we will hold a conference for representatives of all interests--forest landowners, enforcement agencies, environmental interest groups--to explain the program, give them an opportunity to identify the information they will need from such research and select and establish a representative Steering Committee.

We will use the FY '76 appropriation to establish and instrument a 1000 acre experimental watershed on lands of Container Corporation of America in the flatwoods area of northeast Florida. In FY 1977, we plan to establish a second fully instrumented 1000 acre watershed under wetland conditions--possibly in collaboration again with Buskeye Cellulose Corporation. In FY '77 we will establish still a third such watershed on rolling, well drained forest land.

The Fiscal Year 1977 Executive Budget Request includes $300,000 to continue this "Intensive Management Practices Assessment Center." We request your continuing support for this. Organizations strongly supporting our request are the 1100 member Florida Forestry Association, the Georgia Forest Research Council, the 2100 member Forest Farmers Association and a number of major landowning forest industries including those who are to participate with us in this research through providing land, carrying out treatments required and assisting in the collection of field data.

STATEMENT OF SELMER UHR

Mr. Chairman and Members of this Subcommittee, I am Selmer Uhr, Chairman, Pitch Canker Disease Task Force, Florida Forestry Association. I am also a professional forester employed as Manager, Woodlands Technical Department, Hudson Pulp and Paper Corporation, Palatka, Florida. My Company owns or controls some 425,000 acres of forest land in north Florida. About 50,000 acres are now heavily infested with the pitch canker disease of southern pines.

The Task Force of which I am Chairman is made up of professional foresters and scientists from forest industry, the Florida Forest Service, the University of Florida, Stetson University and the U.S. Forest Service.

I am appearing on behalf of the 1100 member Florida Forestry Association to identify an emergency need for funds for the U.S. Forest Service to get certain research underway as quickly as possible on pitch canker disease. This disease has been observed in the past on the southern yellow pines from Virginia to Florida and westward to Mississippi. Up until 1974, outbreaks have been small; damage was mostly in the form of a temporary reduction of growth; few trees were actually killed; after two to three years the infestations subsided naturally. Because of this there has been no research conducted on this organism since the mid 1940's.

The most recent outbreak which began in 1974 has very different characteristics. It has increased to epidemic proportions on at least 350,000 acres of pine forests in Florida and unknown amounts of land in south Georgia and Mississippi. In addition to reducing growth rates by half, it is killing a substantial proportion of pines in some locations. One major forest industry landowner has had to clearcut patches of dead or dying trees up to 100 acres in size.

This disease is a threat to some 80 million acres of southern pines across the south which provide more than 60% of the pulpwood and a substantial proportion of the sawlogs, construction plywood logs, utility poles and piling for the nation. There are no known control methods. We must start immediately to identify the specific causal organism, the carrier (which is believed to be an insect), the biology and behavior of the disease, factors responsible for epidemic scale outbreaks, and environmentally and economically acceptable control methods.

The U.S. Forest Service and the University of Florida's School of Forest Resources and Conservation have developed a research plan for attacking this problem. Each is reassigning two existing scientists at least part-time to get work underway. Forest Service scientists will work on identification aspects at the Service's Athens, Georgia Laboratory. University scientists will concentrate primarily on the behavior of the organism, factors responsible for its blow-up to epidemic proportions, and control methods. Additional state and private funds will be sought to support the University effort.

In order to carry out its share of the responsibility for this and for another new disease, loblolly pine dieback, which is threatening seed production orchards, the Forest Service needs an additional $100,000 as described in the attached statement.

We feel the federal government should assume part of the research responsibility because of the multi-state character of the problem, the threat to pine resources on National Forests in the south and the potential disruption of the nation's wood based economic sector should the disease continue to expand and exhibit current characteristics in the absence of controls.

We apologize for identifying this so late in the Fiscal Year 1977 Appropriation process. The epidemic nature of this outbreak was not recognized until mid-Fall, 1975. It has taken some time to involve all those affected in defining the problem and developing a plan of action.

This request is also strongly supported by the 2100 Member Forest Farmers Association which represents the interests of forest landowners in 14 southern and border states.

CRITICAL NEEDS FOR FOREST SERVICE RESEARCH

Damaging Pests In Southern Pine Seed Orchards And Plantations - $100,000, Athens, Georgia

Forest insect and disease pests are causing increasingly unacceptable losses in our nation's forests. The spruce budworm, mountain pine beetle, dwarf mistletoe, hardwood insects, and the larch casebearer are killing trees, reducing growth and quality, reducing our capacity to reforest with superior trees, and disrupting research management programs. In the intensively cultured seed orchards of the South, cone and seed insects and pathogenic fungi are causing unacceptable seed losses and disruption of tree improvement programs. These pests require a substantial research effort in order to learn how to keep their populations at levels where the amount of damage is tolerable. Better means of detection and improved ability to analyze and predict population trends will be sought. At the same time research will concentrate on developing control measures to reduce the existing problems wherever possible. Research will be initiated to provide the biological information necessary to enhance the feasibility of the controls and the basis for cultural controls. Nationally, the Forest Service needs annual funding of $3.0 million to intensify research on the management of forest pests.

The Southeastern Forest Experiment Station research on pathogenic fungi is centered at Athens, Georgia. Current resources are utilized fully in studies of fusiform rust, a widespread and destructive disease of southern pines. New problems have now been recognized in these valuable orchards, including conelet abortion, seed decay, pollen infection, and twig dieback due to pathogenic fungi. A recent outbreak of pitch canker in Florida has spread destruction through central and north Florida. In 1974 two industrial landowners, for example, have estimated growth losses of one-fourth million dollars on 63,000 acres of pine plantations in Volusia and Flagler counties, Florida. In 1975 the severity of infection increased in this same area and outbreaks are now being reported throughout central and north Florida.

The Station has assigned a scientist to isolate and identify the specific fungi resulting in these disease outbreaks. Substantial new resources will be required to develop control technology. An increase of $100,000 in Fiscal Year 1977 would permit description of pathogens and a start on a research program to control the diseases. A pitch canker research program would be developed cooperatively with the University of Florida.

Mr. UHR. I am Selmer Uhr. I am manager of the woodlands technical department of the task force. I am a professional forester employed by Hudson Pulp Paper Corp., as manager of the woodlands technical department.

PITCH CANKER

Senator Stone says this is not a new disease, it has been around since back in the 1940's but it has never caused a great amount of damage. Scattered outbreaks have occurred throughout the South in a number of the southern pine species but it has subsided of its own and has never really created a problem. Not to the degree that anyone has put any research into it.

Like many of the disease and impact problems it is not of a proportion to get excited about. We experienced in our company's lands the first outbreak of any consequence where two of our stations in two separate counties were heavily infected with pitch gain. Twenty percent of the trees were infected by this fungus disease.

It is a fungus disease that is caused by a species of Fusarium. How it gets from tree to tree, how it is spread, why its buildups are so sudden, we don't know. These are the answers that we need. The fungus itself grows under the bark of the tree, and can be a layer of the tree, and girdles the tree at a point at which it is attacked. And if this is halfway down the crown, the other part of the crown will be killed.

We are finding in the younger trees the attacks are occurring down below the main crown, and, of course, this kills the entire tree. Mortality has not been our biggest problem at this point. The growth losses, though, are severe.

We put in permanent plots in this early outbreak in 1969. We followed this through, and trees that are infested with this disease have had their growth rate reduced by more than half. So when you start getting the kind of incidences we have now—our average on my company's lands, for instance, is over 40 percent of the trees in two of our counties, and some 50,000 acres are infested. And when you look at this kind of growth reduction the losses are substantial. We are also finding that on many of our younger stands the trees are being killed, and we are experiencing high mortality.

I have some photographs here that I will——

Senator MONTOYA. Would you suspend for a minute? We will be in a short recess.

[Recess.]

Senator MONTOYA. Please continue.

Mr. UHR. If I can, I will just go ahead and bring these up.

The disease causes a canker on the tree. The tree responds by producing an excess flow of pitch then breaks through, and many times an entire tree stem is coated with pitch. This creates a fire hazard in addition to growth losses and other problems.

Here is a young plantation, 9 years old, in which 90 percent of the trees are infested with pitch canker, and a high percentage of those are dying in younger stands. One of the other problems that goes with it, even though a tree might survive, if the top of the tree is killed by this canker disease, which it is, you can see the

kind of defects that occurs in terms of lumber and so forth. One of the side branches takes over and you have a very crooked tree.

Senator MONTOYA. What is the State of Florida doing with respect to this?

Mr. UHR. In terms of research at this time the State of Florida has assigned two people, two of their researchers to this particular problem. They are at the University of Florida.

We are seeking a $100,000 appropriation from the State legislature. I was testifying yesterday on behalf of this. We are also—in the interim it looks like industry is going to have to start off by funding both the Forest Service funds and some university funds to get this entire research program started. The U.S. Forest Service has assigned one researcher to this and is planning to assign a second researcher to this. But we are asking for additional support money for these people in addition to being able to establish some research grants to universities and so forth to get this program started. So a number of places are going to be starting with research.

We are looking here to a $100,000 add-on for the U.S. Forest Service Research Laboratory at Athens, Ga., which is the center of the pathology work in the South.

Thank you.

Senator MONTOYA. Thank you, sir. Do you have anything to add to the testimony?

Mr. MYERS. Mr. Chairman, if I might, I would like to make a few brief comments on several other aspects in addition.

Senator MONTOYA. Would you identify yourself for the record, sir?

Mr. MYERS.. Yes; and I would like to keep it very short, and I certainly assure you that I will.

Senator MONTOYA. What is your name?

Mr. MYERS. My name is Walter Myers. I am executive vice president of Forest Farmers Association in Atlanta. We are an organization of timberland owners, and primarily small owners who own about 25 million acres of timberland in the South.

We very much appreciate what this committee has done in the past. Dr. Gray was planning to be here. He wanted to thank the committee for $300,000 that they gave last year for impact research, Senator, at Gainesville. This is in the budget again this year. It is a continuing item, and we hope it will be continued.

And, if a short statement from Dr. Gray could be made a part of the record, we would appreciate it.

Senator MONTOYA. That will be made a part of the record.

Mr. MYERS. I would like to speak just very quickly to several items. One of them, the highest priority as we see it is the forest survey. This is the survey of timber resources nationwide as well as in the South, and it is very important that $5 million be added to the budget if we are to have the type of survey that will give us the basic plans, basic data to make our plans nationwide. We need to keep up with whether we are cutting more than we are growing, or whether we are growing more than we are cutting and so forth. This takes place nationwide about every 17 years which is not enough. In the South it is about every 5 years.

Now, the other items here that I have listed in the testimony are underutilization of certain hardwoods which would greatly increase

our timber resources, speed up growth, faster growing trees, and the item on the southern pine canker for insect and disease research is another project in Stonesville, Miss., that needs strengthening. And funds for a laboratory headquarters for the Southeastern Forest Experiment Station in Nashville, N.C., is another item. That would just be planning item.

The one item that I wanted to stress here today, if I might, Mr. Chairman, I would like to endorse the statement of the National Association of State Foresters. They testified earlier. I will not enumerate the items, because their figures are already in the record.

But one item we are very concerned about that affects the State foresters is the cooperative forest management—I mean the cooperative forest fire control program. There is a proposal, and more than a proposal, it is in the President's budget which was cut, fire control funds by $10,880,000. This would affect all of the States over the United States. It is surely impossible for the States to absorb a cut of this magnitude.

The Federal Government was very interested. I checked out and was able to verify that the Federal Government receives roughly 30 percent of all the funds that are received from net private timber harvest receipts under timber capital gains. If the Federal Government receives 30 percent of the receipts, and it seems to follow logically that they should be in a position to pay 30 percent of the insurance costs on the costs of protecting the timber and to turn this over to the States and say we are going to give you the responsibility for protecting our interest, we don't think this is sound business.

The fire control funds, and this was covered in some of the testimony this morning by the State foresters, the States are currently paying about 86 percent of the fire control costs and the Federal Government is paying about 14 percent. Now if it were cut, the Federal Government would be paying about 7 percent. Yet they are taking, the Federal Government is, 30 percent of the timber harvest receipts under timber capital gains. And the source of this, interestingly enough, is a Committee on the Budget publication of the U.S. Senate, March 1976. If it were desirable, I would get a copy of it. I am sure we could verify it.

But the whole point is I believe that our association believes that the Federal Government can justify and is very cost effective in maintaining CM2 funds, at least at the $25 million level, which is what they did in fiscal year 1976.

The rest of my testimony I will enter into the record, Mr. Chairman. Mr. Ruark, I believe has just a few remarks on the various research items.

Mr. RUARK. Mr. Chairman, I am H. E. Ruark, director of the Georgia Forest Research Council. We are an agency that fosters forest research in our interest. It is not only for the State of Georgia but across the region. Because forestry in the South, good forestry in Florida, for example, benefits Georgia and other States.

I would like to speak to two needs in my testimony this afternoon for research with the U.S. Forest Service. One is in timber management research in Macon, Ga., for intensive culture of southern pine. We are requesting $150,000 added to this program. And the second need is to forest disease research at Athens, which Mr. Uhr has already spoken to and Senator Stone mentioned earlier.

The intensive culture of southern pine, principally the loblolly pine is the activity we would like to stress in Macon. Loblolly pine reaches across the Piedmont section and into the coastal plains, and it is one of the most important southern pine species. Forty percent of the wood harvested in the southeastern area is from stands of loblolly pine.

In the Piedmont section, from Virginia down through into Alabama, this section of the country is being rapidly developed in the industrial development, urban development, and much of this land is being taken away or set aside for this purpose, and some into even agricultural uses, and it is being taken out of forestry. Therefore we feel that it is absolutely essential that we move forward with our research programs to intensify the management of these stands and to improve the productivity of those stands. So we would ask this committee for $150,000, which is a real small amount, but it is urgently needed to speed up the programs in loblolly pine. This would benefit some regeneration in the tree improvement programs.

Second, the $100,000 that has been mentioned about the disease. There are two new diseases in the seed orchards which also would be covered with these dollars. The importance right now, of course, is the outbreak of pitch canker in Florida and in some of the other States, and also in the seed orchards.

Mr. Chairman, the thing that is so important here is the investment in these stands and these seed orchards are terrific, and the losses are much greater than would be centered in national stands. As indicated, we need to get on with the research. We certainly would appreciate any assistance you could give us.

Thank you.

Senator MONTOYA. Thank you very much.

STATEMENT OF NELLIE L. LONGSWORTH, EXECUTIVE DIRECTOR, PRESERVATION ACTION

ACCOMPANIED BY:

MRS. MARY PRINGLE SYMONDS, HISTORIC ANNAPOLIS
RONALD SHIBLEY, HISTORIC FREDERICKSBURG FOUNDATION

Senator MONTOYA. Next we have Nellie Longsworth of Preservation Action. She is being accompanied by Ron Shibley and Mary Pringle Symonds.

It was stressed this morning that we have so many witnesses that we have to listen to and we want to give them all a chance. I would appreciate it very much if the panels that appear here this afternoon would submit their statements, and we will certainly have the committee members and the staff analyze these statements.

And if you will just be very brief in your summary, we will be able to hear the rest of the witnesses.

We certainly want to welcome you here, and your statement will be made a part of the record at this point.

[The statements follow:]

STATEMENT OF NELLIE L. LONGSWORTH

SPECIFIC APPROPRIATION REQUEST: TO RESTORE THE HISTORIC PRESERVATION GRANTS-IN-AID PROGRAM OF THE NATIONAL PARK SERVICE TO THE FULL AUTHORIZATION LEVEL OF $24.4 MILLION FOR F/Y 1977. THIS ACTION WOULD NEGATE THE $10 MILLION CUT IN THIS PROGRAM REQUESTED IN THE PRESIDENT'S F/Y 1977 BUDGET.

My name is Nellie Longsworth and I am Executive Director of Preservation Action, the new national citizen's lobby for historic preservation. Our membership is composed of non-profit community organizations, local historic preservation groups, historic societies, and individuals concerned with the protection and enhancement of our man-made environment. Our membership reflects a rapidly increasing number of Americans committed to incorporating the genius of architects, planners, and craftsmen of the past into the fabric of 20th Century life.

Our present concerns go beyond simply preserving the house museum or old fort to embracing the notion of large scale community and economic development. Cities such as Seattle, Savannah, Denver, Charleston, San Francisco, Providence, Pittsburgh, Annapolis, and San Antonio are all currently engaged in broad projects of urban rejuvenation and preservation. These activities include downtown commercial development, creation of multi-family housing units, and saving attractive residential neighborhoods.

All across our Country, local, non-profit historic preservation groups such as Historic Annapolis, the San Antonio Conservation Society, the South Street Seaport Museum, Historic Denver, and the Pittsburgh History and Landmarks Foundation are seeking to protect historic districts and convert their handsome buildings to new adaptive uses, such as stores, restaurants, condominiums, office space, cultural and performing arts centers, educational institutions, and a host of other modern uses.

Preservation in this expanded sense means progress. It means economically viable and attractive new uses. In the words of the National Trust, it means "preservation for the future".

All preservationists agree that the major support for these programs should rightfully come from the state, local and private sector. However, the Federal Government MUST participate in preservation through the funding of the planning and implementation stages of historic preservation efforts.

To date, the Federal investment has been so small that only one Federal program is directly specified for historic preservation. This program, the Grants-In-Aid Program of the National Park Service, is the very program that has been cut from $20 million to $10 million by President Ford in his 1977 F/Y Budget. We are appealing to the Senate Appropriations Committee to restore the funding to the full authorization level of $24.4 million for the following reasons:

1. This matching grant program benefits all 50 States and Territories.

2. This is the only Federal program authorizing capital for investment in preservation projects. During the 10 years since its inception in 1966, the Federal investment has proven its ability to create 5, 10, even 20 times the original amount in state local, and private monies. It is of further importance to note the dramatic property value increases, such as Seattle's Pioneer Square,which soared 2 1/2 times the original value between 1971 and 1974. Annapolis, Maryland saw its bond ratings jump a full notch as a result of its preservation programs. Such successes might never have happened had Federal assistance NOT been made available for the planning phase.

3. Dollars spent for historic preservation components of other Federal programs have decreased during the last four years. Many programs, such as those operating under HUD's Housing and Community Development Act, put the preservationist in direct competition for scarce Federal dollars with such urgent urban demands as police and fire protection, street improvement, education, health care, and tax reduction.

4. The present annual need in dollars for historic preservation programs throughout the nation is estimated, by the National Park Service, to be over $400 million. Local examples include $1 million in North Adams, Massachusetts, $5 million to launch a commercial project in Pittsburgh, $19 million for development in New York City near the South Street Seaport Museum. Therefore, the $24.4 million authorized for F/Y 1977 is just 5% of the total estimated need - and a 50% cut in this amount would certainly take a dramatic toll in the scrapping of plans that would play into the hands of speculators.

5. Where are our national priorities during this Bicentennial Year? Can we not afford to give up the equivalent of 2 miles of interstate highway, estimated to cost $5.182 million per mile, to insure that preservation efforts that enhance communities, large and small, will continue at the same level as F/Y 1976?

There is a sense of urgency to our cause. The wrecking ball is actively removing the beauty of our past: over 40% of the structures on the Historic American Building Survey have been demolished in cities throughout the country. The Grants-In-Aid program has been of great assistance in reversing this trend, acting as a catalyst and incentive to stimulate widespread community support for preservation efforts.

Preservation Action appeals to your Committee to approve the appropriation of $24.4 million for the Historic Preservation Grants-In-Aid Program of the National Park Service. Since this is the level at which the program was funded in F/Y 1976, this request is not in the category of increases or supplemental appropriations. This seems a most significant way for the U. S. Congress to demonstrate its sensitivity to our glorious and irreplaceable past during this Bicentennial Year.

STATEMENT OF MARY SYMONDS

My plea to you in support of full restoration of this $24.4 million National Park Service budget item comes on behalf of the thousands of volunteer preservationist organizations whose hopes of saving their part of America's heritage depends on the seed money grants made possible by National Park Service funds. We are shocked at the proposed cut in funds that are fundamental to the future of American communities.

Preservation today supports the public's right to pleasant living more than any other program devised to ameliorate today's urban problems; preservation encourages the architectural richness and diversity that save and nourish the urban heritage. As you visit the areas where preservationists have succeeded in establishing active programs you will note that these fortunate communities have achieved economic prosperity, architectural beauty and a sense of pride (enclosure 1). This country is the richer because of the effort of these communities and the Congress as the Trustee of the people should be aware of the national values enforced by historic preservation.

The National Park Service grants-in-aid fund is the single most important incentive to the volunteer preservation programs throughout this nation. It has saved buildings small and large that would have been lost without the incentive of Federal endorsement through a "seed money" grant.

I speak on the basis of 10 years experience with an organization, Historic Annapolis, Inc., that has saved the present National Historic Landmark District of Annapolis from certain destruction. Before the National Park Service grants began we lost buildings that could have been saved with the incentive of a grant-in-aid. Local efforts of at least 500 volunteer hours from professional people could not produce the funds or community desire to save a fine commercial building slated for demolition by its out-of-town owner (Photographs A & B). Its replacement (Photograph C) is not an environmental asset to Annapolis. Unless the grant-in-aid program continues many fine buildings throughout the country will suffer the same outrageous fate.

There were no grants-in-aid in 1965 when efforts began to prevent a high rise office building on a 2 acre property in the heart of Annapolis. A Bureau of Outdoor Recreation land and water conservation grant assured development of this crucial part of the National Historic Landmark as a beautiful garden dedicated to recreation and conservation (Photos D & E). The incentive of this $105,000 Federal grant has led to private donations of $131,000 and state and county funds of $317,042.

It has required ten years to raise funds for the William Paca House, a restoration project of Historic Annapolis, Inc. All local funds were exhausted when we received a $44,000 grant-in-aid through the Maryland State Historic Preservation Office which matched other funds which enabled us to finish this home of a Maryland signer of the Declaration of Independence during the Bicentennial year.

It is almost impossible to raise funds for small projects in isolated communities. The Fuller-Baker Log Cabin (Photograph F) in Garrett County, Maryland, in the Appalachian region, received a $5,800 grant-in-aid as a start towards its fund raising drive.

Schifferstadt (Photograph G) in Frederick, Maryland, a remarkable survival was built by some of the first Germans to settle what was then wilderness. A $40,000 grant-in-aid will be the

incentive to the drive for matching funds to restore this exceptionally important community project.

Mr. Chairman and Committee Members, the grant-in-aid fund is essential to the survival of our programs. We are outraged that these funds have been deleted for endeavors of proven value. We have brought economic prosperity, cultural enrichment and a sense of place to our communities. We urge that you restore the full authorized funding level of the grants-in-aid program for FY 1977.

STATEMENT OF RONALD E. SHIBLEY

My name is Ronald E. Shibley. I am the Executive Director of Historic Fredericksburg Foundation, Inc., Fredericksburg, Virginia, and President of the Virginia Council of Preservation Officials (VCPO). The VCPO is a statewide council of professional and volunteer historic preservationists in Virginia. I am here today to testify on behalf of restoration, to the fully authorized level of $24.4 million, of the appropriation for the Grants-in-Aid program for historic preservation which is administered by the National Park Service. The $24.4 million appropriation we are seeking is equal to the current appropriation for the Grants-in-Aid program.

There are very few programs in the federal budget which are as productive of additional private investment as Grants-in-Aid. I do not think it is overstating the case to say that there is no program as important to local level support for historic preservation than Grants-in-Aid. The total federal financial contribution to this program is apportioned to each state and recipients within the states are required to match the federal appropriation dollar for dollar. In addition, eligibility for the program is determined within each state by the state's historic preservation liasson officer. In Virginia these decisions are made by the Virginia Historic Landmarks Commission.

In most cases, the grants made to local organizations and individuals represents funds used for projects which are catalysts for additional private investment. Organizations which receive these federal dollars

generally commit their own funds far in excess of the required dollar for dollar match. These capital construction projects are usually undertaken by local general contractors, thus providing an additional economic boost to the local economy.

I would like to give you some examples of how the Grants-in-Aid program has been used by Historic Fredericksburg Foundation, Inc. My experiences there are similar to those of the other members of the Virginia Council of Preservation Officials and are intended to reflect what can happen on the local level through the use of federal funds provided as an incentive for further investment.

The first grant received by Historic Fredericksburg Foundation, in the amount of $3500, was used to pay fifty percent of the direct costs of a complete preservation survey and plan for the 40-square block Fredericksburg National Historic District. Using this plan, prepared by preservation consultant Russell Wright, the Foundation was able to create enough local interest in historic preservation to organize a Revolving Fund of approximately $200,000 for the purchase and resale, with protective covenants, of historic properties in our city. Since 1973 more than 20 buildings have been sold for renovation by the Foundation within the Historic District. This large-scale investment has generated many other private and public renovation projects. Just last night the local City Council approved a downtown revitalization project of several hundred thousand dollars in the very heart of the Historic District. Without the impetus provided by the Foundation through the preservation plan, this municipal project might not have been approved. It had been delayed for more than twenty years, years prior to the direct involvement of the Foundation. Hundreds of thousands of private dollars have been committed in the District as a direct consequence of the Foundation's programs.

Our most recent grant, of $15,000, was used to begin restoration of the oldest building in Fredericksburg, a stone warehouse built about 1760 or earlier. The federal grant was more than matched by the city government, which provided $17,500, and by the Foundation, which added another $13,500. We are now exploring conversion of the building into a regional art center

and riverfront park activity center. This next phase will involve additional expenses of more than $30,000, which must come from private sources.

Neither of the projects I have pointed out could have been undertaken without the federal grant, but I would like to remind you that the federal expenditure was matched several times over and that the projects funded by the federal grants continue to generate additional private and local public investment in the Historic District.

I hope that the Congress will restore the full appropriation for historic preservation and help prevent future generations from having to mourn the loss of their historic and architectural heritage.

HISTORIC PRESERVATION GRANTS

Senator MONTOYA. You may proceed to give us a summary.

Ms. LONGSWORTH. I am Nellie Longsworth, executive director of Preservation Action in Washington, D.C. With me today are Mary Pringle Symonds, Historic Annapolis and Ron Shibley of Historic Fredericksburg.

We are here specifically about the appropriation for the grants-in-aid program on historic preservation of the National Park Service. We are asking that this program be appropriated at the fully authorized level of $24.4 million and that this be in response to the President's budget which calls for a $10 million cut in this program. Very briefly, since our organizations will be testifying about the components of historic preservation, I would like to address our facts to the local impacts that the grants-in-aid program has had on neighborhoods and communities throughout the United States.

Preservation Action represents historic societies, preservation organizations, and individuals throughout the country who are concerned about preservation. Not only of stately mansions but also of the economic rejuvenation and neighborhood conservation that we are doing throughout the United States.

Briefly I will only make two points, and then I will turn this over to my two colleagues who can talk about what this program has done in local communities.

The first point is this is the only Federal program that is directed toward historic preservation. It is a capital investment program that has returned—proven its ability to create 5, 10 times, even 20 times the original amount of money in State, local and private funds. We have seen property values soar. We have seen cities renewed. We feel these are Government funds used to their best advantage as a catalyst and as an incentive for the communities, private and public funds to match and get these programs going throughout the country. We are asking for this money for the planning components of these programs which is the best way to stimulate funds from the local community.

The second point I would like to make is that this is only a very small fraction of the total amount of money needed for these programs. It has been estimated that over $400 million worth of preservation projects exist in the United States right now. And that $400 million could be put up to match Federal grants if they were available. Therefore, this $20 million is really 5 percent of the national need. And a cut in this appropriation would be rather devastating to the efforts of so many of us. We are asking that during this Bicentennial Year that this amount of money which is equivalent to 2 miles of interstate highway be restored to our program. And to show you what the grants-in-aid program can do I would like to first of all call on Mary Pringle Symonds to talk about Historic Annapolis.

Senator MONTOYA. Ms. Symonds?

Ms. SYMONDS. My plea to you is support a full restoration of this $24.4 million of National Park Service budget item comes on behalf of the thousands of volunteer preservationist organizations whose hopes of saving their part of America's heritage depends on the seed money grants made possible by National Park Service funds. We are

shocked at the proposed cut in funds that are fundamental to the future of American communities.

Preservation today supports the public's right to pleasant living more than any other program devised to ameliorate today's urban problems; preservation encourages the architectural richness and diversity that save and nourish the urban heritage. As you visit the areas where preservationists have succeeded in establishing active programs you will note that these fortunate communities have achieved economic prosperity, architectural beauty, and a sense of pride.

I have some newspaper editorials to submit backing that up.

Senator MONTOYA. They will be made a part of the record at this point.

[The information follows:]

[From the Evening Capital, Friday, Feb. 26, 1971]

ANNAPOLIS IS DOING SOMETHING RIGHT

No one needs to thoroughly digest the grim prose or attentively listen to the cassandrian lectures of learned urbanologists to conclude that downtown areas of many American cities are in wretched condition. To be fully convinced of the nightmarish realities of urban blight, all that is required is a trip through the inner city section of the nearest municipality. Ultimately the instinctive questions are: Did this have to happen? Can it be prevented in the future?

And for answers, one might start by looking at what is going on in Annapolis. Our city has not found all the solutions or even an ample fraction of them. But Annapolis is taking a constructive approach and there is impressive evidence that this is working.

While local preservationists were engaged in their long, relentless campaign on behalf of the historic district ordinance, they constantly and effectively contended that their aims were consistent with the goal of revitalizing commercial activity in the city.

The logic of the argument is quite simple: attractive downtown residential neighborhoods encourage and inspire businessmen to maintain their property in a manner befitting the local environment. Or, put another way, pride is contagious.

Annapolis has discovered that, in terms of urban improvement, community pride must be generated by a cooperative venture; it is absolutely essential that citizens, public officials and merchants work in harmony in order to build and maintain a compatible and enriching atmosphere.

Mayor Roger W. Moyer emphatically indicated the other day that the results of a cooperative, constructive approach to urban revitalization are already being demonstrated in Annapolis. At a hearing before the Maryland Senate Finance Committee, Mayor Moyer said New York bond merchants recently told him Annapolis is one of the few cities where downtown property values have risen in recent years. Bond merchants are not inclined towards puffery; they are cold-eyed, hard-nosed businessmen. The Mayor largely credits Annapolis' reversal of a nationwide trend to the successful preservation efforts in the city.

Moyer noted that Annapolis' assessable base has been increasing $8 million to $10 million a year. Mrs. J. M. P. Wright, of Historic Annapolis, Inc., told the committee that the city's assessable base has soared 112 per cent in seven years.

Mayor Moyer and Mrs. Wright appeared before the committee in support of a proposed $150,000 state grant in the governor's supplemental budget for beautification funds for the city. Because the city has been doing a commendable job on preservation and beautification and because Annapolis is the state capital in which every citizen of Maryland has a stake, we feel this would be a worthwhile expenditure of state funds.

We would not even begin to pretend that Annapolis has performed miracles of urban revitalization. We also fully recognize that portions of the city, West Street in particular, require considerable rehabilitation. But we do know that this city is doing something right by taking the approach that preservation is good for tourism, good for business and good for the community as a whole.

It is also apparent that in its colonial charm and quaintness, Annapolis has unique characteristics to utilize as a foundation for urban rehabilitation that other cities do not have. However, each city has its own individual characteristics that can be developed through imagination and cooperation. These cities, after studying the re-

markable rise in Annapolis' assessable base, may profit by the example that has been established here.

[From The Daily Record, Friday, Aug. 1, 1969]

Historic Preservation Value Shown In Economic Study

An independent study of the Annapolis historic district, to be published by the Washington Center for Metropolitan Studies, as one of a series of reports on Annapolis, confirms what economists and tourism specialists have long contended—that the area is "a key industry which increasingly lends measurable economic support and net benefit to the remainder of the community."

TAX ASSESSMENTS

The study, now being prepared by Robert Gladstone & Associates, Washington, D.C.-based economic consultants, points out that since 1961, "the growth in true value of properties in the historic area has been dramatic, soaring from an estimated $18 million in 1961 to a current level of $38 million—an increase of more than $20 million or about 112 percent. Tax assessments for the historic district are estimated to have risen about 85 percent in this same period, as compared with the static condition of the 1950 decade. With only about seven percent of the city land area, the historic district has about 19 percent of the assessable base of the city as whole. In the past nine years, the historic sector accounted for 17 percent of the new growth in city-wide assessable base, in the face of quite intense development of apartments, homes and commercial buildings outside the district., The report also points out that the pattern of economic revival in Annapolis' "Olde Town" follows the trend established in places like Charleston, Savannah, New Orleans and other communities which have an impressive architectural heritage.

LESS OPTIMISTIC SIDE

While concerned largely with the economic value of historic preservation here, the study also stresses other related major economic factors. It notes that to a significant degree old town Annapolis is a government, educational, tourist and yachting center, as well as a specialized residential neighborhood.

On the less optimistic side, the research reveals that only a fraction of the economic potential of the Registered National Historic District has been realized. This is within the community, about its historic area, a condition which has, since the report was written, been modified to some degree by a city-wide referendum approving a preservation ordinance. The program of Historic Annapolis, Inc. is commended for having saved many structures, attracted new businesses, strived to make the community aware of the value of its historic area and for substantially improving the appearance of the old city. However, a sharp division of local opinion with respect to the degree and character of historic preservation, as well as the nature and source of controls which should be applied, seems to prevail.

DOWNTOWN ANNAPOLIS

Looking to the future, the study finds that property values in downtown Annapolis could rise to $58 million in the 1970's, provided the historic district becomes and remains an even more significant part of the city's economic base. It also suggests an increase in personal income level of $7.5 million and retail sales of about $3 million annually.

The study recommends a program labeled "preservelopment," which calls for the preservation and enhancement of the area's historic character, together with new development that would be strictly compatible with the unique environment of the historic capital.

Commenting on the report, Gilbert A. Crandall, of the Maryland Department of Economic Development, said, "This study underscores what we have long contended, that historic preservation represents a strong force in the economic growth of Annapolis."

[From the Evening Capital, Thursday, May 22, 1975]

Our Say

HISTORIC ANNAPOLIS HELPS OUR CITY

You May have noticed those specially designed seals on more than 200 buildings in the downtown Annapolis area. They have been placed on buildings throughout the Historic district and they point out the buildings whose preservation has been furthered by the advice and assistance given by Historic Annapolis, Inc.

It is amazing what this dedicated group has done to preserve the historic quality of the Annapolis environment without impairing the city's contemporary functions.

Historic Annapolis preservation funds have been invested in 239 buildings to date. With only its headquarters enjoying tax-exempt status, Historic Annapolis is paying taxes on six properties in the city and it has been instrumental in securing more than $2 million in governmental grants for preservation in the city.

A recent survey showed that members of the group have invested more than $15 million of their own money in private preservation.

The millions of dollars invested in the historic development of downtown property has added thousands of dollars in increased tax revenues to both the city and county. Restoration and renewal of Historic District properties has generated millions of dollars in construction and related business enterprises.

In addition, the work of the paid and volunteer members of Historic Annapolis contributes greatly to the ever-growing tourist industry of this city. Each old building restored or architecturally stabilized, each new building designed to maintain the special quality of Annapolis contributes to the atmosphere that brings visitors by the thousands to our city. The Maryland department of Economic Development has stated that the visitors' dollars represent a substantial contribution to the economy of the city.

Historic Annapolis has a small, paid professional staff but its members contribute more than 300 volunteer hours of work each week. In addition to its preservation activities, the group provides tours for thousands of visitors. In the past year alone, a total of 6,653 school children went on the conducted tours and several of their teachers said that this was often the children's only visual exposure to Maryland history.

It is all but impossible to evaluate the many contributions of this dedicated group. Let it suffice to say that Annapolis is the charming city it is today thanks in large part to the efforts of the members of Historic Annapolis, Inc.

Ms. SYMONDS. This country is the richer because of the effort of these communities and the Congress as the trustee of the people should be aware of the national values enforced by historic preservation.

The National Park Service grants-in-aid fund is the single most important incentive to the volunteer preservation programs throughout this Nation. It has saved buildings small and large that would have been lost without the incentive of Federal endorsement through a seed money grant.

I speak on the basis of 10 years' experience with an organization, Historic Annapolis, Inc., that has saved the present National Historic Landmark District of Annapolis from certain destruction. Before the National Park Service grants began we lost buildings that could have been saved with the incentive of a grant-in-aid.

Local efforts of at least 500 volunteer hours from professional people could not produce the funds or community desire to save a fine commercial building slated for demolition by its out-of-town owner. I have pictures of this.

Senator MONTOYA. May I see those?

Ms. SYMONDS. Yes.

Senator MONTOYA. Thank you.

Ms. SYMONDS. Its replacement is easily not a help to Annapolis as you can see. Unless the grant-in-aid program continues many fine buildings throughout the country will suffer the same fate.

There were no grants-in-aid programs in 1975 when efforts began to prevent a high-rise office building on a 2-acre property in the heart of Annapolis. A Bureau of Outdoor Recreation land and water conservation grant assured development of this crucial part of the national historic landmark as a beautiful garden dedicated to recreation and conservation.

That has become the Paca Garden. We have here this picture of the elegant garden that replaces a large rundown hotel right in the center of a small city. And here is another picture where an aerial view shows the whole development around the Paca Garden and how substantially the whole area has improved thanks to that one grant.

The incentive of that $105,000 Federal grant has led to private donations of $131,000, in State and county funds of $17,000, overall in this project. That provided quite an incentive.

It has required 10 years to raise funds for the William Paca House, a restoration project of Historic Annapolis, Inc. All local funds were exhausted when we received $44,000 as a grant-in-aid fund. This was received through the Maryland State Historic Preservation Office and we will match those funds. It has enabled us to finish this home of a signer of the Declaration of Independence during the Bicentennial Year.

It is almost impossible to raise funds for small projects in isolated communities. An example is the Fuller-Baker log cabin which I have here.

Senator MONTOYA. I want to call your attention to the need for brevity here in your presentation. We are falling behind in our schedule, and we are going to deprive other witnesses of the opportunity to be heard. I have read your statement completely. I think I understand your problem and your concern. I personally will impress upon the other members of the committee your concern, and I want to state that I favor the restoration this morning. I really do.

If you will just submit the rest of the statement for the record—it is already in the record—I will sure appreciate it.

Do you have anything to add?

Mr. SHIBLEY. Sir, my name is Ron Shibley, from the Historic Fredericksburg Foundation.

Senator MONTOYA. Do not start reading another statement now.

Mr. SHIBLEY. I am not. I appreciate your taking the time to listen to us this afternoon. The thing I would like to stress in addition to what is in the statement is that this is a grant program which helps to reinforce what the Federal Government is supposed to be all about. These grants are matched within each State, and the decision as to how the grant is to be dispersed is made by the State, on the State and local level. And you have in fact local control over these programs, and you have a multiplier effect which is involved.

Many of these grants, the Federal Government appropriation is matched many, many times over. You are not talking about a 50–50 match. You are talking about 10, 15, 20-fold increases. It is this kind of multiplier effect which is a wise expenditure of the Federal dollar.

Senator MONTOYA. Thank you very much. I wish I could hear more of it, but we don't have the time.

Mr. SHIBLEY. Thank you for taking the time you did, sir.

STATEMENT OF JOHN M. BURDICK, CITIZENS COMMITTEE ON NATURAL RESOURCES

Senator MONTOYA. Mr. John M. Burdick, Citizens Committee on Natural Resources, District of Columbia.

Will you submit your statement for the record, sir?

Mr. BURDICK. Yes, sir. I will be very brief.

Senator MONTOYA. I would sure appreciate it.

[The statement follows:]

Mr. Chairman, I am John M. Burdick, Executive Director of the Citizens Committee on Natural Resources. CCNR was formed in 1954 by a group of distinguished conservationists concerned with the protection, sound management, and proper use of natural resources. My testimony today deals with the budgets of the Forest Service, Fish and Wildlife Service, National Park Service, the Bureau of Land Management, and the Bureau of Outdoor Recreation. Because you have asked that remarks be limited to three pages, I shall not attempt to supply a "shopping list" of requests for these five agencies, but shall speak to only a few items of particular concern to the Citizens Committee. We shall deal with the agencies in more detail in supplemental material.

For years, departments managing America's natural resources have struggled not only with inadequate appropriations, but also under insufficient personnel levels. This latter situation has been exacerbated by arbitrary, public relations-motivated personnel ceilings imposed on the resource management agencies by the Office of Management and Budget. OMB personnel ceilings have forced these agencies to engage in wasteful and inefficient practices in performing their tasks. Work is contracted out which should be done in-house. Personnel are hired at less-than-full time status, with consequent attrition of competent people and with serious lowering of morale.

Last year, in reaction to these practices, the Appropriations Committee directed that 533 new, full-time positions be added to the National Park Service, and that this increase not be made at the expense of other Interior Department agencies. In response, 400 positions have been added to the Park Service, but contrary to Congressional directive, those slots have been provided without increasing the Interior Department personnel ceiling.

While we welcome the much-needed increase in Park Service management personnel, the reductions to other agencies are little short of disastrous. Particularly hard hit is the Fish and Wildlife Service. Recent Congressional hearings have documented serious problems in the management of the Refuge system caused largely by inadequate funding and personnel levels. Yet the Fish and Wildlife Service is being required to reduce its staff by 76 positions to meet the OMB ceiling. This reduction will not only impair the refuge system, but will have serious consequences on other vital Fish and Wildlife programs. Of particular concern is the Fish and Wildlife Service contribution to the Corps of Engineers 404 permit program. Fish and Wildlife personnel should be available to comment on applications for dredge and fill of wetlands made under Section 404 of the Federal Water Pollution Control Act Amendments of 1972. Yet only $750,000, and no new positions, are being made available for this purpose.

Fish and Wildlife Service studies show that under the Administration appropriation request, the 76 slots could be funded, and an additional 140 new positions could be established as well. Three hundred temporary personnel could also be converted to full time status. Thus, 516 full time positions could be added to the Service without additional appropriations. By insisting that the Service be adequately manned, Congress would be providing for greatly improved management without large budget increases.

These personnel level problems which I have illustrated with the Fish and Wildlife Service affect the other resource management agencies as well. The Bureau of Land management has struggled for years with inadequate manpower to supervise the 450 million acres of land under its aegis, as well as over a billion acres of coastal waters. The Forest Service could easily add many more positions without increases in appropriations.

To meet these problems, we hope that Congress will this year take strong, affirmative action, including the adoption of legislative provisions, to insure that the money it has authorized and appropriated is used in the most efficient way for management of the Nation's resources. In short, Mr. Chairman, we hope that Congress will move to put an end to OMB-imposed personnel ceilings.

I would like to comment next, Mr. Chairman, on budget target levels now under consideration by the Budget Committees, which are to be established by Congress under the first concurrent resolution on the budget. Recent Budget Committee action indicates a strong desire to increase the funding for natural resources under the Budget category, Function 300. By law, the concurrent resolution will only set a target for the functions, and will not break down into targets for the subfunctions. This provides both a challenge and an opportunity for conservationists.

Function 300 includes not only resource acquisition and management subfunctions, for which we have always supported increased funding, but also water development projects and Federal energy programs. Conservationists have long looked forward to a day when the Federal government would stop pouring large amounts of money into wasteful and destructive water development schemes, such as the Garrison Diverson Project and the Tennessee-Tombigee Waterway. We are also concerned that the Federal government will be the major financial backer of speculative, environmentally unsound energy programs, such as oil shale development and some synthetic fuels programs.

The point is that we would hope that the Appropriations Committees would act to funnel money under Function 300 into needed resource acquisition and management programs, such as the Land and Water Conservation Fund and the National Park system, rather than into costly water development projects and unsound energy programs. We also hope that the Appropriations Committees will use the Budget process to establish a clearer notion of the long term effects of Federal expenditures. In particular, the tremendous cost escalation likely in some dam projects in later years of construction should be made apparent to Congress before it votes to begin those projects. And the effects of delayed land acquisition for national forests and parks should also be a subject of concern.

Finally, Mr. Chairman, I would like to comment on one important aspect of the Forest Service budget. This is the first year of Forest Service budgeting under the Resources Planning Act of 1974, and by law, the Forest Service budget should be a reflection of the "recommended program direction" set out by the Forest Service in its recently released RPA documents, unless a house of Congress has expressed disapproval within 60 days.

While we are gratified with the strong emphasis on multiple use management expressed throughout the program documents, we are also somewhat concerned with the timber consumption and timber sales figures projected by the Forest Service. Timber sales from national forests would rise from 2.05 billion cubic feet in FY 1977 to between 2.83 and 3.05 bcf in 1979. Sales of up to 3.26 bcf are projected for the decade 1981 to 1990, and up to 4.07 bcf in the final decade of the planning period, 2010 to 2020.

We think that the Appropriations Committee should use extreme caution in funding national forest timber sales of these magnitudes. For one thing, the Forest Service projections are based upon assumptions of future wealth and consumption which we find quite dubious. It is hard to believe, as the Forest Service assumes, that with a shrinking natural resource base and an exploding worldwide population, <u>real</u> per capita disposable income will <u>triple</u> in the next 44 years. Nor should we quietly acquiesce in Forest Service projections of per capita wood--particularly pulpwood--consumption, based on this prediction about income. The Forest Service projects that pulpwood demand will rise from roughly 5.7 billion cubic feet in 1980 to up to 14.2 billion cubic feet in 2020. Leaving aside the mystery about how these huge increases will be utilized, we would like to point out that such consumption levels would have profoundly adverse effects on the forests, and also would place on society a severe burden of disposal of the resultant waste.

I am not arguing, Mr. Chairman, for a decrease in timber management funds for next year's more modest level of sales. I do think, however, that the Congress should not endorse the Forest Service program tacitly through the appropriations process. A full investigation of the assumptions and consequences of that program should come first.

INADEQUATE PARK SERVICE PERSONNEL

Mr. BURDICK. I would just like to make three fast points. They are all in my statement.

The first involves personnel levels. As you know, the Appropriations Committee has expressed a concern last year about personnel levels within the National Park Service, and as a result of that expression of concern 400 new positions have been added to the Park Service this year. However, contrary to the Appropriations Committee request these positions were added at the expense of other Interior Department agencies. We are very concerned about this, Mr. Chairman. Particularly hard hit here is the Fish and Wildlife Service which lost 76 positions. We feel that this may be a very good year for the Appropriations Committee to take even stronger actions to attempt to overcome these OMB personnel ceilings.

These are not requests for higher levels of appropriations. They are higher—higher personnel levels could be appropriated within the present budget. In fact, the practices that these agencies are forced to labor under these ceilings are themselves very wasteful. Sometimes personnel have to be hired at less than full-time status, and these people who are very competent are sometimes lost. Furthermore, a lot of work has to be contracted out which should be done in-house, and could be done in-house less expensively.

FUNCTION 300 FUNDING

The second point I would like to speak to is the first internal resolution on the budget which we anticipate will set a fairly high target level for function 300 which includes not only the resource managment agencies but also water development projects and energy projects. We are concerned about the manner in which function 300 is going to be divided up. We hope that the higher level of funding provided under function 300 will not be an excuse, or not be used as an excuse to fund wasteful, costly water development projects and unsound energy programs, our one factor used for good resource management that has been neglected for many years and that we feel now should receive the real attention that it deserves.

FOREST SERVICE TIMBER SALES

Finally, Mr. Chairman, I would like to speak at slightly greater lengths to an important aspect of the Forest Service budget. This is the first year the Forest Service budgeting under the Resources Planning Act of 1974 and by law the Forest Service budget should be a reflection of the recommended program directives set out by the Forest Service in its recently released RPA documents. That unless a House of Congress has expressed disapproval within 60 days.

We are very gratified with the emphasis on multiple use throughout these program documents. But we are concerned about the timber sales figures projected by the Forest Service. Next year in fiscal 1977 timber sales will be 2.05 billion cubic feet. However, in fiscal year 1979 the sales level will be raised to perhaps 2.83 to 3.05 billion cubic feet, nearly a 50-percent raise in timber sales. Then in the decade thereafter sales of up to 3.26 billion cubic feet are projected. And finally the Forest Service anticipates selling up to 4.07 billion

cubic feet in the decade 2010 to 2020, the last decade of the planning period.

We think that the Appropriations Committee should use extreme caution in funding National Forest Service timber sales of these magnitudes. These projections of the Forest Service are based upon assumptions of our future wealth and consumption which we find quite dubious. It is hard to believe, for example, that with a shrinking national resource base and an exploding worldwide population real per capita disposable income will triple in the next 44 years. That is real disposable income, I should emphasize, that the Forest Service is saying that will triple.

They say that since real disposable income will triple so will our demands for wood consumption. Particularly pulpwood consumption will go way up. But it is hard to believe that we will all want to use so much pulpwood. One wonders what the Forest Service thinks people will be consuming here.

We would like to point out that such consumption levels will have profoundly adverse effects on the forests and will also place on society a severe burden of disposal of the resultant waste. I am not arguing for a decrease in timber management funds.

I do think, however, that the Congress should not endorse the Forest Service program tacitly through the appropriations process.

Thank you, Mr. Chairman.

Senator MONTOYA. Thank you, sir. The committee will be looking into the OMB personnel ceiling problem again.

Mr. BURDICK. Thank you, Mr. Chairman.

STATEMENT OF JOHN A. TAYLOR, NATIONAL COMMITTEE FOR SYMPHONY ORCHESTRA SUPPORT, OKLAHOMA

Senator MONTOYA. Mr. John Taylor, National Committee for Symphony Orchestra Support, Oklahoma. Your statement will be made a part of the record, Mr. Taylor.

[The statement follows:]

I appreciate this opportunity to appear today before the Senate Appropriations Sub-committee on the Interior Department in support of pending appropriation for the National Endowment for the Arts for fiscal 1977. This appearance is in favor of the National Committee for Symphony Orchestra Support made up of a representative cross-section of Symphonies throughout these United States. I come here today from Oklahoma City and speak to the subject of how the Oklahoma Symphony Orchestra has been able to provide services to people throughout Oklahoma of all ages, income, and ethnic groups which would have been only barely possible without support provided by the National Endowment for the Arts. I am President of the Oklahoma Symphony Orchestra, an entity which reaches back to 1923, and is the oldest continuous cultural institution in the State of Oklahome. As ohe of the younger states, we are still occupied with re-ordering our priorities and especially toward the arts that Oklahoma, so richly and natively endowed, has lent its talent to other areas.

The office I hold with the Symphony is elective and otherwise I am an independent businessman in the petroleum industry, being a graduate in geology, engineering, and finance. It might be said that I represent an increasing participation within the arts industry of this country, that is, the expanding activity of businessmen in the arts. I am new to the arts business, having assumed Presidency of the Oklahom Symphony Orchestra about a year ago, but have been tremendously impressed to see the value that one can generate from a contribution-dollar in a typical symphony orchestra, certainly in our symphony orchestra. If I can earn 10% on my money I will be acheiving what most of major industry shoots for as an objective. In the oil business if we can make a purchase on an oil producing property that will provide an annual rate of return of, say 20%, we will have achieved a commercial coup.

Now, let us, by the analogy of our Orchestra, see how we handle such dollars in the symphony business. Today I would like to demonstrate how we achieve far more than these percentages quoted, indeed how we are achieving at least a $3 return for every dollar invested, or even $4, in our activities, not to mention the real purpose of creating appreciation for fine music, expanding education and cultural values, and the stimulation of greater interest especially among our young people, that cannot be measured in dollars. How can one measure in dollars the interest created in a third or a fourth grader's heart and soul when he hears for the first time the captivating music from a woodwind section of an orchestra and explained by an articulate and sympathetic spokesman? Or the pride in the eyes of a young Indian boy in one of our Indian schools as he hears a new creation premiered by a graduate of music and composer from his own tribe? This is arts education at its best, coupled with an efficient use of money that would do justice to the very best financial institution. Let us look for a few minutes at the Oklahoma Symphony as a case history of how these things can be achieved with aid provided from the National Endowment for the Arts.

The Oklahoma Symphony receives appropriations from the NEA through two avenues, namely (1) appropriations from the State of Oklahoma Arts and Humanities Council as a partnership arrangement between the State and Federal government, and (2) direct appropriations from the NEA based on approved projects.

Now let us talk a little while about how our Orchestra used the funds through Federal-State partnership entity last year. This appropriation was used to expand our tour program throughout the State outside the metropolitan Oklahoma City area. We will have appeared in 23 cities this season and will have played for approximately 30,000 people, at least half of which will be school children who attended our educational concerts. A total of approximately 55 concerts will have been done reaching out to towns from 4,000 to 45,000 in population. Indian schools and black communities were an integral part of that program. Our appropriation was $40,000 which the individual cities we visited matched dollar for dollar, but the important thing was, that in servicing this activity the Symphony incurred expenses of $120,000. When the matching activity of individual cities is added the total matching revenue comes to $160,000 worth of direct dollar value generated from an original appropriation of $40,000. In other words, a return of $4 worth of hard dollars was had for every dollar invested. Furthermore, the resultant $40,000 remaining deficit ($120,000-80,000) was contributed by citizens in the State. This is not the much desired 20% figure for

annual rate of return mentioned earlier as being a good business proposition, but is a 400% annual rate of return , not to mention the enhancement of education and cultural values provided by the Orchestra in its program. Many citizens in these towns consider the Orchestra's visit to be the high point of the year for them.

We would like to expand our tour program next year by at least 15%. We consider this program to be an educational institution and have expanded it by approximately 75% this year over that of the previous year. This expansion would have been impossible without aid of the NEA. The NEA support has definitely been the principal underpinning to greatly strengthen our statewide activity, indeed a statewide educational agency.

Now let us look at the other major avenue from which we receive appropriations, and that is directly from the NEA. We received a $25,000 grant this past year toward which $25,000 was contributed from our citizens, in what was, in effect, matching funds. This fund was directed toward a program located almost entirely within the Oklahoma City metropolitan area and included concerts to the middle school grades, a series of family concerts, and finally a new innovation called counter-point concerts. The philosophy behind this series, other than educational, is to bring the Orchestra to as many people as possible, especially young people, with either no admission price at all, or one of such nominal amount that no one need turn away. Indeed, accessibility of the concert hall to all income levels for every concert we hold in our entire series, educational or otherwise, is made possible by our ticket price structure.

Now, let us look at this second program and see how it compares to the program we described at the outset. This next year we can carry out a more expanded and better program if the financial support can be improved. We would plan a program that entails over a $150,000 cost to the Symphony. If, similar to the current season, we are obliged to match a $25,000 grant; then our total cost, in effect, would be $175,000, or a return of $7 per dollar invested or if the $25,000 matching amount is merely considered a contribution to the NEA program, then the earnings ratio becomes $3 per dollar invested or a little more.

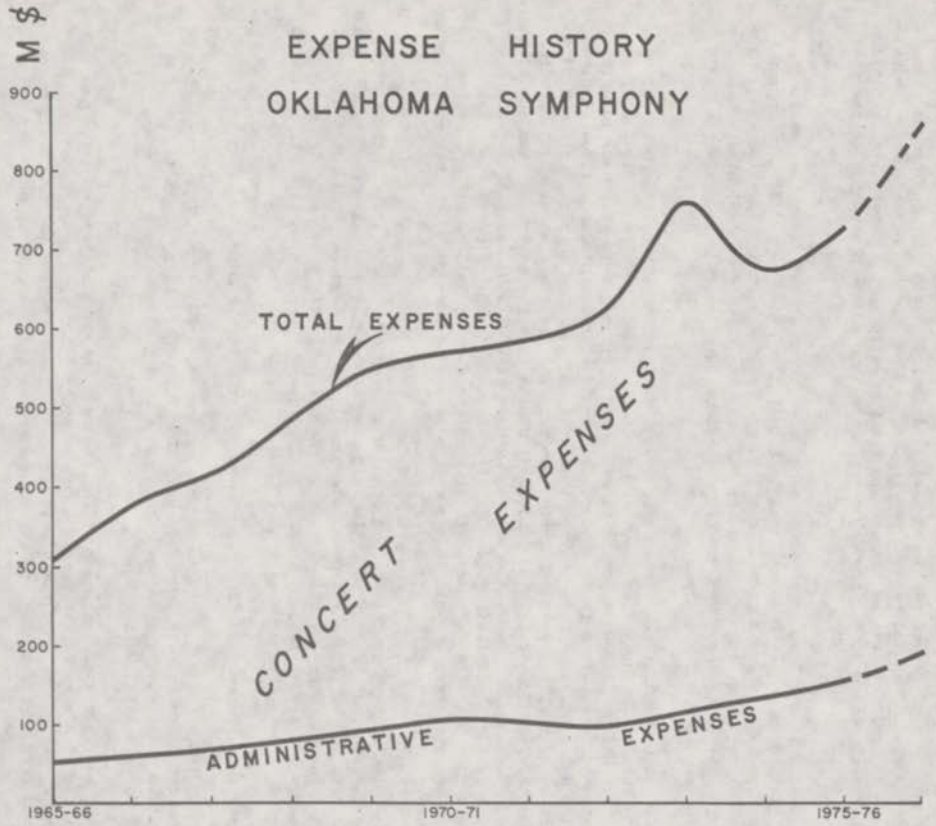
Furthermore, we had a couple of small items assisted by the NEA. One grant enabled us to premier a work on Will Rogers composed by a Quapah Indian from Oklahoma. Another enabled us to premier a work by a native,black composer as an orchestral work.

Like most symphonies throughout the country, the cost of staying alive has risen greatly in recent years, and the contributions of money to balance these espenses has not risen nearly so fast. Support from the NEA has come at a very critical time, to assist orchestras such as ours to pull through these times of trouble.

Our Orchestra has made it on a bare-bones budget and continues to do so, and we are not unique among orchestras in that. We have made good and prudent use of your money in stretching it a long way, and it is paying dividends in the educational and cultural service we are providing statewide for our people, young and old, of all income levels, in response to their desire for improvement. Furthermore, our native artists are being given a chance to exercise their talents and to bring them to the area of public view.

Thus, we urge every possible consideration be given to a significant increase in the appropriation for the National Endowment for the Arts. We have briefly outlined a case history of what a fairly large regional orchestra has accomplished with this aid. We submit that the resources of the NEA are being used very efficiently if the case history of the Oklahoma Symphony is any guide and that an increase in these appropriations is desperately needed to meet rising costs and to carry out the charge we have assumed to the citizens of our area of the country.

I appreciate very much the opportunity to be here today to tell you how much we value what the National Endowment for the Arts has done for us and to relate the additional dividends we can deliver with increased financial support.


M $
EXPENSE HISTORY
OKLAHOMA SYMPHONY
900
800
700
600
500
400
300
200
100
TOTAL EXPENSES
CONCERT EXPENSES
ADMINISTRATIVE EXPENSES
1965-66
1970-71
1975-76

NATIONAL ENDOWMENT FOR THE ARTS

Grants to the Oklahoma Symphony Orchestra

YEAR	DIRECT	FEDERAL-STATE PARTNERSHIP
1970-71		$6,745
1971-72	$20,000	$9,047
1972-73	$25,000	$13,451
1973-74	$25,000	$20,517
1974-75	$25,000	
1975-76	$25,000 (with $25,000 local match) $5,500	$40,000

POSITION PAPER ON CHALLENGE GRANT

The symphonies of this nation strongly endorse the House Reauthorization subcommittee's recommendation of $15 million dollars for a Challenge Grant Program within the National Endowment for the Arts.

This should of course be in addition to the President's recommendation of $87 million for basic funding. The basic grants assure that the partnership between the private sector and government remains strong and viable. They allow us to continue our tradition of delivery of public services, they insure public access to the concert hall and service to young people. Those grants also insure that we shall continue as resource organizations to serve other performing arts disciplines such as dance, opera and theater.

We have been able to use them well as documented particularly with our use of the Treasury Fund method. In a typical two-year grant cycle orchestras have in each and every instance fulfilled entirely their contracts with the National Endowment. There has not been one default. In 1974, $1,493,000 of Federal money was matched dollar for dollar with private money and sustained programs of $5,521,340. In 1975 treasury money to symphonies was $1,589,250 matched equally by private funds which generated $7,240,924 in program activity. These moneys have helped secure the underpinnings of ongoing year to year programs. This program money has been most valuable but clearly insufficient in scope to meet the needs. We know for instance that the shortfall in orchestras alone in 1974-75 was $5 million the President's recommended increase for 1977 for the total program.

At the same time we must look to the future. What we can see clearly from our studies of the profile of orchestra finances is that we must dramatically increase all sources of support if we are to steer a sound fiscal course. The Challenge

Grant money would be seed money with which to launch a beginning. That money would be specifically earmarked toward increasing our own fund raising capabilities. This then is the basic difference between the Challenge Grants and the Treasury method. The funds would be directed to "institutions of high quality and great need" more specifically toward increasing our own ability to broaden the number of contributors and the actual dollars from the private sector. We believe as many legislators do that Federal dollars should be used as a catalyst and not a crutch and this program is a unique example of that concept.

We ask Congress to give us a new impetus and leadership in the same spirit in which the National Endowment for the Arts was created ten years ago. It plainly and simply enhances and reinforces our own ability to help ourselves. We must enact each of those recommendations in the language of the bill and we must do so rapidly:

1) to increase the levles of continuing support and increase the range of contributors
2) to provide better administration and management particularly in long-range planning
3) to increase our audiences
4) to cooperate with other cultural institutions on a community-wide basis
5) to gain greater citizen involvement in planning the total cultural development of a community.

Orchestras have struggled long and hard with remarkable success to be the resources we are expected to be in our local communities. We respectfully request your earnest consideration to insure our own capability to help ourselves.

Mr. TAYLOR. Thank you, Mr. Chairman.

Senator MONTOYA. If you will proceed to summarize it instead of elongating it, we are running behind schedule and I have to catch a plane at 2:30. I am trying to listen to as many witnesses as I possibly can.

ORCHESTRA SUPPORT FROM THE NATIONAL ENDOWMENT FOR THE ARTS

Mr. TAYLOR. Very good. I am very happy to be here, Mr. Chairman. I am the president of the Oklahoma Symphony Orchestra in Oklahoma City, Okla. which is a regional orchestra. I am here representing today a representative cross section of symphonies under the aegis of the National Committee for Symphony Orchestra Support. The Oklahoma Symphony has been in existence since about 1923, and we have been especially concerned about expanding our activities throughout the State, indeed to become a statewide orchestra rather than just a so-called Oklahoma City orchestra.

In a way I think it might be curious or interesting to look at a case history where I not having been a professional in the arts business, or the arts industry as it is called, I am merely a businessman in the Oklahoma City area—as a matter of fact, in the petroleum industry—and how I would view what has happened to the Oklahoma Symphony, and how that case history in our eyes tells a very good story of how the National Endowment for the Arts money is used effectively.

In doing so, I think we might say that the usual business feels that it captures a very excellent commercial coup if it can consider a 20 percent annual rate of return on its money and pay out in 5 years. Well, let's see now what the Oklahoma City is able to do this past year with the help of the NEA money that it had. It receives its money in two ways. One through the avenue of the State of Oklahoma Arts and Humanities Council which is the so-called Federal-State partnership arrangement. The other avenue is received money directly from the NEA on an approved grant basis.

Now through this first avenue, for instance, this past year we have expanded our services throughout the State to some 55 concerts in 23 cities. Indeed, a 75-percent increase over the past year which was a low year for us, and in this program by virtue of the $40,000 that was granted to us secured dollar-for-dollar matching funds by the citizens in those towns who wanted our symphony, wanted it to come. And in servicing this program the Oklahoma City itself incurred a $120,000 expense.

In other words, it was willing and did put that money up and encouraged it to service for a $40,000 income item matched by the citizens, which ended up with a total deficit of $40,000 yet remaining which was again made up by contributions by citizens in Oklahoma. Mostly the Oklahoma City area in that case.

So we got actually out of that money $40,000 per dollar invested. So as far as a business proposition, we think that works pretty well. Not to mention the fact that our young people are being led to, and indeed are trying, for greater exposure to this type of thing throughout our State.

I might mention that the other avenue has been the direct appropriation subject to approval by the NEA, and in those funds we got $25,000. We were obliged to match that $25,000 directly, even to get those to $50,000. The $25,000 money there actually levered in services a ratio of indeed about $7 per dollar invested if we assume the $25,000 matching was part of the expense basis.

Senator MONTOYA. What specific appropriation do you recommend for the arts?

Mr. TAYLOR. I am recommending, sir, that it be increased significantly over the appropriation that was last in evidence.

Senator MONTOYA. What do you mean significantly? Let's get down to dollar figures.

Mr. TAYLOR. Well, first of all, Senator, I am really mostly speaking as a case history of the Oklahoma Symphony here. I will answer your question directly, and I am not entirely familiar with the national scene. I only know what it has done for us, and what it could do if we were able to increase it.

Senator MONTOYA. Of course, we have developed through the other witnesses what amounts they want.

Mr. TAYLOR. I am not really qualified to speak to that.

Senator MONTOYA. I appreciate that. Thank you very much, sir.

Mr. TAYLOR. Yes, sir. Thank you, sir.

Senator MONTOYA. Our next witness is Mr. Richard McLanathan. A very unusual name. Is he here?

[No response.]

Senator MONTOYA. Mr. Gerald F. Prange. Are you speaking on the same thing?

STATEMENT OF GERALD F. PRANGE NATIONAL FOREST PRODUCTS ASSOCIATION

Mr. PRANGE. I am speaking on the forest resources survey, Mr. Chairman. I will be very brief.

Senator MONTOYA. I think if you read your statement it will be more effective than if you summarize it. The summaries have been longer here than the statements.

Mr. PRANGE. I assure you this one won't be. I think it would take me longer to read it.

Very quickly——

Senator MONTOYA. It will be made a part of the record at this point.

[The statement follows:]

Mr. Chairman and Members of the Subcommittee:

I am Gerald F. Prange, Vice President for Technical Services of the National Forest Products Association. NFPA is a federation of twenty-six other associations and organizations representing over 2500 manufacturers and distributors of lumber and wood based products as well as timber growers.

We appreciate this opportunity to appear before you to discuss Forest Service appropriations. My comments will be confined to forest research.

Energy supply and price problems and the growing awareness that the world's supply of many basic materials are limited has underscored the tremendous value of our Nation's renewable timber resources. If this national asset is to be fully and effectively employed to provide the goods and services our society needs and desires, we believe it imperative that comprehensive, accurate information on the volume, type, quality and location of timber on all our forest lands be made available on a regular basis.

The forest survey conducted by the Forest Service is the only program that exists to provide this baseline information needed by government and private industry planners. At present support levels, the time between complete timber inventory surveys is seventeen years. We have long held the view that this is much too lengthy a cycle for adequate decision making. If the Forest Service is to be responsive to the provisions of the Resources Planning Act of 1974, which directs that plans be developed to insure that the United States has an adequate future supply of renewable resources available from the Nation's public and private forest and range lands, a shorter timber inventorying cycle must be achieved.

The Administration's 1977 budget includes a $1,445,000 increase for Renewable Resources Evaluation. However, we understand that these funds will be used to inventory non-timber resources, such as wildlife, range land and recreational capability, as called for by the Planning Act. We therefore urge your support for an additional appropriation increase of $3,555,000 for the Renewable Resources Evaluation program. In addition to providing for the survey of non-timber resources, the proposed total appropriation of $10,708,000 for Resources Evaluation would provide for reduction in the nationwide timber survey cycle from seventeen to ten years, and would permit five year reinventory cycles in critical regions.

The $3,555,000 additional appropriation also would provide $350,000 for accurately determining how much wood is presently being required in housing, commercial and industrial construction and in manufacturing. The end-use or timber requirement survey program presently has a budget of only $200,000. Because of this low level of funding, much of the information available on the quantity and type of wood being used for various purposes by the public is out-of-date or is of questionable accuracy.

If government policy and action to insure an adequate future supply of renewable resources are to be on target and responsive to the needs of all segments of society, an accurate data base on timber inventory and on timber uses is sorely needed. Your support for adequate funding of the Renewable Resources Evaluation program is requested.

FOREST RESOURCES SURVEY

Mr. PRANGE. We feel that the pressure is on the forest resources from the energy conservation problems worldwide are going to demand that we know more about what we have in the forest, both industry and Government.

Presently the Forest Survey is conducted at an interval of about 17 years by the Forest Service. We feel this is much too long an interval and we need much better data than that. The administration has requested about $1½ million dollar increase for the forest resource survey. Much of these funds will go for wildlife, rangeland and recreational purposes.

We are recommending an additional $5 million to concentrate specifically on the forest resource. We think this will enable us to reduce that interval from 17 to 10 years, and in some cases to 5 years in the areas of critical need. It would also give us an opportunity to find out more about where our forest products are going. We think this is essential to industry and to the Government in really conducting an enlightened forest management process.

Thank you very much.

Senator MONTOYA. Thank you very much.

STATEMENT OF ROBERT HILTON SIMMONS, FREE LANCE WRITER OF WASHINGTON, D.C.

Senator MONTOYA. Mr. Robert Simmons? Your statement will be made a part of the record at this point, Mr. Simmons. You may proceed to summarize it, sir.

[The statement follows:]

In a democracy such as ours, supported willingly by the hard-earned money of citizens and taxpayers, the disposition of Federal funds is of major importance. Appropriation of taxpayers' money without proper legislative authority, misapplication of appropriated funds for objects for which the appropriations were not made, and other "irregularities" are serious violations of the law. In this Bicentennial Year of celebration of the Declaration of Independence and the founding of our Nation it is cynical indeed for Congress to continue to look the other way when financial irregularities willfully committed by those Federal agencies that are responsible for spending the taxpayers' money are exposed.

Congress has a special agency created and funded by the taxpayers specifically to investigate financial irregularities committed in the disposition of Federal funds. This is the General Accounting Office (GAO). The present witness calls on the Senate Appropriations Committee to initiate a GAO investigation of the Smithsonian Institution—from top to bottom—from fiscal year 1964 to date.

Nearly every year since 1970, the present witness has taken to the House and Senate Appropriations Committees evidence of serious irregularities committed by the Smithsonian Institution. Little has been done to rectify these matters and the same people remain in charge of fiscal activities at that Institution, just as though they were not responsible for the mischief.

The reason for this overlooking of serious violations of the law is plain. The Smithsonian is administered by a Board of Regents, chosen not by the President, as the Constitution demands, but by Congress itself. Included in this Board of Regents are three Senators and three Representatives—again in violation of the Constitution. When the present witness testified a few days ago before the House Appropriations Subcommittee on Dept. of Interior and Related Agencies in matters of Smithsonian financial irregularities, the Chairman of the subcommittee was himself a Smithsonian Regent. Thus, the witness was asking the Chairman to investigate his own mischief—surely a condition not intended by the Founding Fathers when they drafted the Constitution.

This and other serious irregularities are discussed in the following points:

(1) *Secretary's "Reserve Fund"*

(a) on page E-8 of the Smithsonian Budget Justifications for fiscal year 1977 there appears a table included in the Smithsonian Treasurer's official report to Congress for fiscal year 1975. This is called "Table 3. Application of Federal Appropriations fiscal year 1972 through fiscal year 1975."

Is this a deliberate false statement in violation of Federal laws relating to the making of false statements in such matters?

It is indeed false in that it does not mention the 2 percent skim-off transferred into the so-called "Secretary's Reserve Fund," commonly called "Ripley's Slush Fund."

(b) According to testimony before the Senate Appropriations Subcommittee on March 23, 1976, Smithsonian Secretary S. Dillon Ripley and his assistants admitted, under questioning, that they have been taking at least 2 percent from the top of appropriations every year. This sum, admitted to have been more than $1,000,000 last year, goes into the so-called "Secretary's Reserve Fund," or "Discretionary Fund," to be used according to the preference of the Secretary rather than according to the purposes for which Congress appropriated it.

(c) This seems to be a violation of 31 U.S.C. 628, a basic law applied to appropriations, which states: "*Application of moneys appropriated.* Except as otherwise provided by law, sums appropriated for the various branches of expenditure in the public service shall be applied solely to the objects for which they are respectively made, and for no others."

This law was discussed in the General Accounting Office report to Congress dated July 1, 1970, and entitled "Improvement Needed in Financial Management Activities of the Smithsonian Institution, Washington, D.C. (B-133332)."

The GAO report stated, in part: "Our review of selected transactions relating to construction funds administered by the Smithsonian identified expenditures and obligations of Federal appropriations of about $380,000, which appeared to be questionable in view of the purposes for which the funds were appropriated . . ."

The GAO report explained thereafter: "The basic law governing the use of appropriated funds (31 U.S.C. 628) provides that, except as otherwise provided by law, sums appropriated shall be applied solely to the objects for which they are made."

Later in July, 1970, this GAO report on the Smithsonian's financial irregularities was discussed extensively at hearings on legislative oversight on the Smithsonian conducted by the House Subcommittee on Library and Memorials. Mr. Allen Voss, Associate Director, Civil Division, GAO, restated the matter as follows: "There is a principle involved here, and that principle is that the law says appropriations shall not be used for any other purpose except that which it is appropriated for, whether it be $40,000 or $40 million. We are talking about a principle."

Now, it appears that the Smithsonian—which at that time seemed to indicate that it would be careful to obey the law in the future—went right along violating the law in the use of even larger sums of money. If the "Secretary's Reserve Fund" siphoned off only the admitted $1,000,000 per year, that total since 1970 amounts to $7,000,000. That is a lot of taxpayers' dollars to be spent according to the private discretion of one man and his assistants.

This matter of discretionary funds should be thoroughly investigated by the General Accounting Office, starting with fiscal year 1964 and ending with fiscal year 1976. This so-called reserve fund has been a secret apparently unknown to any Congressional committees and unknown to the Office of Management and Budget.

(2) *The private arrangement made between Secretary Ripley and Museum Director Daniel Boorstin to provide Federal employees in the production of a private-profit book*

Last year, the subcommittee questioned the Smithsonian about the substance of an article by Jack Anderson, published August 19, 1974, that exposed the arrangement whereby Daniel J. Boorstin, then Director of the Smithsonian's National Museum of History and Technology, used certain Federal employees under his supervision to assist in the production of his book, *The Americans-The Democratic Experience*, published by Random House in 1973.

The response of the Smithsonian was less than adequate.

Later in 1975, President Ford nominated Boorstin to be Librarian of Congress. In the course of hearings on the nomination conducted by the Senate Rules Committee, it was revealed that a total of $111,971 in Federal appropriated funds had been expended on salaries for Boorstin's research assistants and typists to work on the book, for which Boorstin had a private contract with Random House.

This in effect provided the Boorstin-Random House team with Federal subsidy money that had never been approved by Congress.

In its final report, the Senate Rules Committee, while apparently agreeing to Boorstin's innocence—because of lack of knowledge of how the Federal Government

works—stated its opinion that the Smithsonian Institution had committed a violation of the law in making and carrying out this essentially private arrangement.

The report stated: "The Committee's view, as supported by testimony and documentation, was that Dr. Boorstin was not aware of this practice of using government employees for his private use, *despite the fact that such use represented not only an impropriety but was an illegal expenditure of taxpayer-appropriated funds by the Smithsonian Institution.*" [Emphasis added.]

In other words, the Smithsonian Institution again apparently violated Federal law in matters of serious fiscal activities. The sum of $111,971 is not a pittance.

It is the opinion of this witness that proper legal action should be initiated by the present subcommittee to return all illegally spent funds in this matter to the United States Treasury.

(3) *$303,000 for additions to Joe Hirshhorn's collection in less than 2 years*

Last year, it was revealed that the Hirshhorn Museum had diverted some $67,000 appropriated for other expenditures into the purchase of works of art. Discussion before the Senate appropriations subcommittee indicated that Congress was not advised about this reapportionment of appropriated funds.

For fiscal year 1976, according to the base for the Hirshhorn Museum, that museum has spent another $93,000 in purchases of works of art.

In the budget for fiscal year 1977, the Hirshhorn, for the first time, is openly asking for special funds to purchase works of art to be placed in the Mall memorial dedicated to Mr. Joseph H. Hirshhorn. The sum requested of the American taxpayers is $143,000.

The total taxpayer's moneys requested for Mr. Hirshhorn's new works of art thus amounts now to $303,000—less than two years after the opening of the museum.

It is estimated that this sum represents more than the total spent by the National Collection of Fine Arts since its establishment in 1938. Although there is legal authority for the NCFA to seek appropriations for purchases of works of art, there seems to be no legal authority in the Act of Congress establishing the Joseph H. Hirshhorn Museum and Sculpture Garden to justify appropriations of taxpayers moneys for such purposes. "Operations and maintenance" do not embrace purchase of speculation-commodities such as paintings and sculpture.

The present witness recommends that the $143,000 currently requested for the Hirshhorn Museum be disallowed by the subcommittee. In turn a like amount of $143,000 should be added to the $150,000 requested by the National Collection of Fine Arts budget for art purchases. The NCFA has specific legislative authority to make such purchases in pursuit of its goal to foster American art of contemporary and past times. The NCFA is by Act of Congress the proper "national museum of contemporary art." The Hirshhorn Museum has legislative authority only to display Joe Hirshhorn's private collection. Providing taxpayers' money to support widesweeping and influential purchase and propaganda programs for Joe Hirshhorn's Museum—with no legislative authority whatsoever—is a violation of the responsibilities placed upon this appropriations subcommittee.

(4) *Antiquities in the Hirshhorn Collection allegedly stolen*

Last year, the present witness pointed out to the subcommittee that a Jack Anderson article had criticized the Smithsonian for its apparent arrangements to accept works of art from Joseph H. Hirshhorn that were removed from archeological sites in foreign countries and exported illegally. At the same time, the Smithsonian had been taking a widely advertised position against such arrangements.

Secretary Ripley, at hearings before the House subcommittee, denied that the Hirshhorn Collection included such illegally exported works of art and implied strongly that the Anderson article was untrue and that the present witness had provided Anderson with false information on which the article was based.

The subcommittee should know, and can easily verify, that the Hirshhorn Collection, as listed in the transcript of hearings held in 1966 by both Senate and House committees, included a few hundred antiquities, including pre-Columbian objects from Mexico and other countries in Latin America. All these countries have had laws against the export of such objects for many long years.

In the case of two important objects in the Hirshhorn Collection—intended to be transferred to the Smithsonian's collections—they are officially recorded as having been stolen from known and recorded sites in Mexico.

In his book, *The Plundered Past*, published in 1973, Karl E. Meyer lists on page 216, under the heading, "Pillaged Maya Sites in Mexico," the following:

[1] La Mar, Chiapas . . . Stela 1 . . . In Hirshhorn Collection, New York, 1958.

[2] Yaxchilan area, Chiapas . . . Lintels . . . Hirshhorn Collection, New York.

In discussing such stelae and lintels Meyer noted: "Most are in unguarded sites in Mexico and Guatemala, and to carry them away the looters—known as *esteleros*—cut them into pieces. They are reassembled by restorers and sold for prices that range from $50,000 to more than $200,000, depending on the condition and the beauty of the carvings. No other form of looting has caused so much scandal."

(5) *$50,000 for planning buildings on site not owned, and perhaps never to be owned, by Smithsonian*

On page A–93 of Smithsonian Budget Justifications for fiscal year 1977 the Smithsonian requests of the American taxpayers the sum of $50,000 for *planning* exhibitions on a plot of land on the Mall opposite the East Building of the National Gallery of Art. Request states:

"Funds would be used for consultants, term appointments of specialists and other non-recurring expenses. Funding for the actual fabrication of the exhibits will be requested in the fiscal year 1978 budget."

The Smithsonian does not yet have this plot of land and may never get it. It belongs to the National Park Service, which is spending taxpayers' money to plan and construct its own uses of this land. PL 94–74 only provides that if ever this land is transferred from NPS it will go to the Smithsonian, unless the law is amended.

(6)*The John Dobkin Affair*

At last year's Smithsonian hearings before this subcommittee the Federal funding of Cooper-Hewitt Museum—in New York City—was discussed. There is no legislative authority for such funding of this New York museum and Federal funding was not contemplated when arrangements were made several years ago to establish the new facility.

At last year's hearing Secretary Ripley stated that Federal funds had not been used and would not be used for "programmatic" purposes.

How then can Federal funds be used to employ a "Program Director" for the Cooper-Hewitt? The answer to the question lies in the kind of favoritism at the top practiced at the Smithsonian. This favoratism was spelled out as a principal failing of Smithsonian employment practices in the September, 1973, review of the Smithsonian published—but suppressed—by the Civil Service Commission.

One John Dobkin has been "Program Director," or "Program Officer," for Cooper-Hewitt, at a salary of about $25,000 per year—even though there has been *no program whatsoever* at this New York Museum. It has not even been open.

Dobkin had been Executive Assistant to Secretary Ripley in the 1960's. As such he was involved in the scandal reported by investigative journalist Maxine Cheshire in the Washington Post on September 25, 1969.

Around 1970, Dobkin quit the Smithsonian and was said (by himself) to have gone to work for Columbia Broadcasting System.

In 1971, he was hired by Secretary Ripley for work at Cooper-Hewitt in one of the top museum jobs in the country. The decorative-arts collections of the museum are among the finest in the world. As Program Director the museum should have employed one of the best-qualified museum professionals it could find. There are a great many highly qualified men and women looking for such positions.

Dobkin had and has no qualifications whatsoever. He is not an art historian. He is not a museologist. He is a trained lawyer. He was, however, a Ripley favorite and so he was employed as GS–13 making some $25,000 per year for doing virtually nothing.

Furthermore, it came out at last year's hearings that Smithsonian Secretary Ripley had authorized the use of Federal funds to restore and decorate the "Miller House" adjoining the Carnegie Mansion in which Cooper-Hewitt Museum resides. Mr. Dobkin was the person who was given the use of this apartment on Fifth Avenue—apparently free of charge.

This is an example of the kind of use of Federal funds for unauthorized purposes, often of benefit to nobody except favorites of the Secretary, that is common at the Smithsonian Institution. Apparently, Dobkin has received some $150,000 over the past six years that he has been at the Cooper-Hewitt as "Program Director"—with no programs to direct.

FINANCIAL IRREGULARITIES AT THE SMITHSONIAN INSTITUTION

Mr. SIMMONS. Thank you, sir. I am Robert Hilton Simmons, a free-lance writer in Washington, D.C. I have been, Mr. Chairman, testifying before this committee and others in Congress over the last

7 years about matters at the Smithsonian Institution, the Hirshhorn Museum and others.

Senator MONTOYA. You have 5 minutes allocated to you.

Mr. SIMMONS. Yes. I will just summarize briefly the points I want to make this year.

We have this year a total appropriation of $102 million for the Smithsonian, a Federal appropriation. One of the very curious matters that came up a couple of weeks ago in testimony before this committee was the matter of my point one, the Secretary's Reserve Fund.

I have noted here on page E–8 of the Smithsonian budget justification for 1977, there is a table that appears there called application of Federal appropriations for fiscal year 1972 to 1975. That is part of the official annual report of the treasurer of the Smithsonian to Congress which is a requirement of the law under the legislative mandate of the Smithsonian. I point out that this list of application for funds does not include what came out to be an admitted 2-percent assessment for a special fund for the—to be spent by the discretion of the secretary. I would suggest that there is something amiss here that is quite serious.

A few years ago there was a General Accounting Office report on the Smithsonian, and specifically I have this in my statement—specifically this was in 1970. It stated that the Smithsonian had spent money in violation of the law; that law being a matter of application of appropriated money. The law states that you have to spend appropriated money for that object for which it is appropriated and no others unless it is excepted by the law.

Here is a matter now embracing millions of dollars over the past few years, an exception of that very same law. I would suggest that the committee study this matter very carefully. An accounting has been requested by your committee for the past 3 years, where the money came from and where it went in this discretionary fund. But I would suggest that you request the General Accounting Office to go back even further than that.

The Smithsonian testified that this has been a matter of common practice as long as they can remember, but my sources which are some very high sources, indicate there was no such thing in the Smithsonian until around 1965, after the coming of Secretary Dillon Ripley. He then informally began assessing certain things in the Smithsonian for other purposes than which the money was appropriated, and apparently made it a kind of semiofficial thing. If the GAO actually got into this matter, it would find a lot of money that has been apparently misapplied.

The second point I wanted to make is a matter of some $112,000 that was discovered to have been spent in the production of a book for private profit written by one of the directors of the museum, of the Smithsonian Institution.

Last year President Ford nominated Daniel Boorstin to be a librarian of Congress, but in the course of the Rules Committee's investigation of various background matters it turned out that he had indeed used at least three employes in the preparation of this book with which he had a contract with Random House for private profit and so on. The book got the Pulitzer Prize, and they are all very proud of it, but it is a simple fact that it is against the law to do this

kind of thing. In the Rules Committee's final report that stated that while giving Mr. Boorstin the benefit of the doubt saying perhaps he didn't understand these laws—although I might point out he is a trained lawyer. That is what his doctorate is in. He got his doctorate in that grant. They said "despite the fact that such use represented not only an impropriety but was an illegal expenditure of tax appropriated funds by the Smithsonian Institution."

Here again is a Senate committee finding, an illegal expenditure by the Smithsonian Institution, something that again the GAO could well look into in its investigation.

Point three is a matter of $303,000 that Congress is being asked to expend, appropriate and expend over a period of less than 2 years since the Hirshhorn Museum opened, and this is for purchases of works of art for that museum.

One of the things they bought a couple of years ago with the sum total of $67,000 nobody knew they were spending. There is a sculpture that stands out in the garden of the Hirshhorn Museum is not identified as being provided by the taxpayers. It seems to be just one of these pieces that was given by Mr. Hirshhorn.

And you may note in today's Post and Star there is an article about Henry Moore and a photograph on that same page of Mr. Hirshhorn and Mr. Moore joined together. This is now come out. They are asking for $143,000 for the next fiscal year to buy works of art. They have so many works of art they don't know what to do with them up there.

Senator MONTOYA. I think you are running out of time, Mr. Simmons. I have given you more than 5 minutes already.

Mr. SIMMONS. The other matters are matters you can explore here at your leisure.

Senator MONTOYA. We will incorporate your statement in the record and we will review it. We will have the staff study it.

Mr. SIMMONS. If I may just have 2 seconds, I would advise perhaps the reading of part of this book "Game Plan for Disaster" by Clark Mollenhoff. On page 173 he discussed the Hirshhorn Museum. This was just published a couple of months ago. It is something that is not academic.

Senator MONTOYA. Thank you.

STATEMENT OF MRS. ELIZABETH CHITTICK, PRESIDENT, NATIONAL WOMEN'S PARTY

Senator MONTOYA. Mrs. Elizabeth Chittick, National Women's Party, Washington, D.C.

Mrs. CHITTICK. Senator Montoya, thank you for allowing me to testify. I will be as brief as possible.

Senator MONTOYA. Your statement will be made a part of the record. You have 5 minutes.

Mrs. CHITTICK. I hope I won't take that long.

Senator MONTOYA. I hope you don't.

SEWALL-BELMONT HOUSE

Mrs. CHITTICK. As you know, Public Law established the Sewall-Belmont House on Capitol Hill. The house that is here on the corner

of Constitution and Second Avenue as a national landmark and national historic site in commemoration of the women's rights movement as being the only house left standing where the contemporary women's rights movement went forward.

Senator Jackson sponsored the bill to restore the house with an appropriation of $500,000. Last year I had to come to the committees for moneys to start the restoration. And the idea behind the intent of Congress was to restore the house so it would be ready and open to the public by the Bicentennial Year.

Unfortunately, the Interior Department did not see fit to ask for any funds, so I came and I did get $100,000. Out of the $100,000 I am told $25,000 has been taken for contingency funds. I asked what the contingency fund was and I was told that it was to pay for some special services. In other words, for salaries of people whose salaries had, and positions had been appropriated but not funded.

So, therefore if we are going to continue with certain percentage taken out of our funds we only really have $350,000. There were no requests in the Interior Department budget for supplemental 1976 interim, 1976 or 1977. So I am here today asking for funds as per my statement.

I have been told by the Park Service that if they receive the full amount of restoration funds they could have the house ready within 4 months. Then it would be open to the public which was the intent of Congress.

Senator MONTOYA. Who will have title to the house?

Mrs. CHITTICK. The National Women's Party has signed a cooperative agreement and the ceremony took place on April 7. The National Women's Party retained ownership of the house and will put their offices in the so-called basement of the house. The second and third floors are open to the public, and we have had a very, most harmonious—we have had harmonious conferences and the wonderful cooperative agreement.

The fact is I have no quarrel with the National Park Service Capital Park Area. We are all in agreement. The fact is we need the money. And also when we need the money we need to have something added for the so-called contingency fund which is now going up to 31 percent for restoration and 6 percent for operations.

I think you can see on my statement that the minimum amount which we would require is $254,182. Without that this house and the intent that was meant by the passage of the bill in Congress will be voided because it will not be open in time for the Bicentennial. And I ask you and the committee to consider this appropriation for the women of the United States.

Senator MONTOYA. Thank you, Mrs. Chittick. Your statement will be placed in the record.

[The statement follows:]

I am Elizabeth Chittick, President of the National Woman's Party, with headquarters at the Sewall-Belmont House, 144 Constitution Avenue, N.E., Washington, D.C.

Public Law 93-486 was signed into law on October 26, 1974. This Bill established the Sewall-Belmont House as a National Historic site for the benefit and inspiration of the people of the United States. The Secretary of the Interior was authorized to enter into a cooperative agreement to assist in the preservation and interpretation of this historic site.

The Bill stated that the cooperative agreement should contain specific provisions outlined in detail as to the extent of the participation by the Secretary in the restoration, preservation and maintanence of the site. It also stated that the Secretary through the National Park Service, should have the right of access at all reasonable times to the public portions of the property covered by such agreement for the purpose of conducting visitors through such property and interpreting it to the public.

Five hundred thousand dollars was authorized to be appropriated to carry out the purposes of this Act.

Last year the Congress appropriated $100,000 to begin the restoration. On April 7, 1976 a ceremony was held at the Sewall-Belmont House during which the site was designated a National Landmark. A Cooperative Agreement was formally signed by the National Park Service representing the Secretary of the Interior and the President of the National Woman's Party.

Although $100,000 was appropriated for restoration of the Sewall-Belmont House, the National Park Service has informed me that $24,000 has been taken from it for a contingency fund for some service center operations. This leaves us with only $76,000 for restoration.

Obviously, if 24% of each $100,000 is to be taken from every line appropriation, and this is a correct procedure, it is apparent that this must be considered when granting further appropriations.

Since work began on the Sewall-Belmont House, $4,600 has been charged against the $76,000 for the termite control($700.00) and drainage($3,900.00). Of the balance remaining, $71,400, after installation of a $45,000 heating and air conditioning system, $26,400 is left to do the terrace, which is falling down, and part of the first floor. There are no funds for maintenance, operation or interpretation of the house.

One of the purposes of establishing the Sewall-Belmont House as an historic site was to have the building restored and ready for public viewing in this Bicentennial year. Unless we receive appropriations in the 1976 supplemental budget, this will not be possible.

I am, therefore, requesting a line item appropriation for the 1976 supplemental budget to cover the balance of restoration and repair as well as funds to interpret, operate and maintain the house so that it will be ready for public viewing before the end of this Bicentennial year. The National Park Service has informed me that if they receive restoration funds in one lump sum the house could be restored within four months from this date. That would mean the house would be ready to show by the end of July 1976.

I do not quite understand why 24% is deducted from funds alloted for restoration, but I have been told that taking 24% or more from appropriated construction funds used for rehabilitation and stabilization projects is a common practice of the National Park Service. Furthermore, that this contingency fund is used to pay for appropriated positions which have not been funded by direct appropriations. It seems odd that line appropriations are reduced to pay salaries of people not used for that specific project.

With the above premise in mind, I am asking for restoration funds needed in the total amount of $333,000 including $79,000, or 31% of $254,000, which the National Park Service wishes to take for its contingency fund. In addition, we are asking for $31,482 including $1,732 for a 6% contingency fund. The latter will cover the interpretation, operation and maintenance on a half year basis ending this fiscal year, September 30, 1976. This is based on an estimate given by the National Park Service at the rate of $59,400 per year for operation, maintenance and interpretation, without contingency funds.

The figures above are truly minimal. Attached herewith is a letter from the National Park Service which substantiates these figures.

As the above funds were not requested by the National Park Service in their Supplemental 1976,interim or 1977 budget, it is very important that this appropriation request be given a line item and added to their 1976 Supplemental budget in order that they will be able to complete the restoration approved by Congress last year.

The approval of this line item appropriation request is necessary in order that the intent of Congress be carried out and the Sewall-Belmont House be restored and open to the public during the Bicentennial year.

I want to go on record to say that the National Park Service and the National Woman's Party have a very cordial and cooperative relationship. Superintendent Hutchinson of Capital Park-East, and his assistants and staff have been simply wonderful. Arriving at the final draft of the Cooperative Agreement was the result of a beautiful understanding and harmonious conferences. We have no disagreements about anything. However, the National Park Service needs money to proceed with the restoration and operation of the Sewall-Belmont House.

I am, therefore, requesting a line item as follows for restoration and operation of the Sewall-Belmont House. These monies would enable the National Park Service to complete the restoration within a four month period and open the House to the public during the Bicentennial year.

BUDGET FOR SUPPLEMENTAL 1976

Rehabilitation Costs, including contingency	$333,000	
Operation, Maintenance and Interpretation Costs for three months ending June 30, 1976	15,741	
TOTAL - Supplemental 1976.		$348,741

BUDGET FOR INTERIM PERIOD ENDING SEPTEMBER 31, 1976

Operation, Maintenance and Interpretation Costs.	$15,741

BUDGET F/Y ending SEPTEMBER 30, 1977

Operation, Maintenance and Interpretation Costs.	$62,964

(ALL ABOVE OPERATIONS COST REQUESTS INCLUDE 6% CONTINGENCY COST)

If only part of the Rehabilition funds requested for Supplemental 1976 are granted, then the difference is requested for the Interim period and/or F/Y 1977.

In any event, the total amount of $333,000 is required to restore the Sewall-Belmont House.

Of the t otal amount of Rehabilitation funds requested, there is an immediate need for $254,182. This is the minimum amount needed to enable the National Park Service to do the essential work necessary to complete the first floor renovation,

terrace, which is falling down, roofing, and other restorations in order to partially open the Sewall-Belmont House to the public this year.

I, respectfully, request your approval of a line item appropriation for at least $254,182, if you cannot approve the total amount needed of $348,741.00.

* * * * * * * * * * * * *

SEWALL-BELMONT HOUSE APPROPRIATION REQUEST

URGENT PRIORITIES

1. Heating	$45,000
2. Basement	40,000
3. Roof	45,000
4. Terrace	15,000
5. Fire Detection	25,000
TOTAL	$170,000
Contingency Fund - 31%	52,700
Restoration Funds Needed	$222,700
Operating Funds	$29,700
Contingency Fund - 6%	1,782
Operating Funds Needed	31,482
PRIORITY FUNDS NEEDED - RESTORATION/OPERATION	$254,182

STATEMENT OF JOHN C. HALL, JR., AMERICAN FEDERATION OF MUSICIANS

PREPARED STATEMENT

Senator MONTOYA. Mr. Hal C. Davis?

Mr. HALL. Mr. Davis cannot be here. I am here for him today.

Senator MONTOYA. Are you submitting a statement for him or for yourself?

Mr. HALL. For myself on behalf of the American Federation of Musicians.

Senator MONTOYA. It will be made a part of the record at this point.

[The statement follows:]

Mr. Chairman, distinguished members of the Committee: My name is John Hall. I am an assistant to Hal C. Davis, President of the American Federation of Musicians, who has asked me to convey to you his regret that negotiations with the Television Industry precludes his ability to personally appear before you today.

This distinguished Committee and the American Federation of Musicians are no strangers to each other. The AFM, as you know, is the largest organization of performing artists in this nation, representing over 300,000 professional musicians who are citizens of the United States.

The Federation and its members have over the years strongly supported both the concept and the work of the National Endowment for the Arts. Indeed, the AFM urged establishment of both the Endowment and the National Council on the Arts long before it was fashionable to do so. We realized then, as we do now, that if we are to preserve our artistic heritage, it has to be done on a grander scale than simply the archival achievement of visual and audio recordings. Today's generation must also prosper from a viable artistic community, but can only do so by providing a financial stability to our nation's talented and creative artists.

It should be noted here that every recent administration -- regardless of which political party was in office -- has supported the government's role in encouraging the arts, on the now proven theory that everyone in the nation gains immeasurably more than the small amounts of money appropriated for the Endowment.

Last year, the Congress funded the National Endowment for the Arts to the tune of $82 million. Under Congressional legislation authorizing the Endowment, an appropriation of $126 million could have been approved.

This year the President has requested $87 million, an amount which we strongly feel is inadequate. We therefore urge that this Committee recommend an appropriation of the full amount authorized, namely the $126 million. Since Congress set this amount as a guideline in recognition of the vital role that the arts play in this country, it is appropriate that the $126 million be appropriated.

All the arts, as you know, are labor-intensive activities. They cannot be automated or made to conform to efficiency-expert demands. A symphony orchestra, in order to remain a symphony orchestra, cannot reduce its compliment of musicians; or it becomes something else -- something considerably less.

This Committee knows that although the news media in the metropolitan centers of our nation provide greater publicity and exposure to the 35 or 40 nationally known symphony orchestras and major opera companies, there are literally hundreds of other such U. S. cultural institutions assisted by the Endowment. They, too, make vital contributions to their communities. Indeed, a cultural activity produces a ripple effect on the economy of any community it serves: When musicians play and audiences gather to hear them, restaurants, parking lots, taxis, print shops, caberets -- all these and many others derive the benefits. And when the arts suffer, they suffer, too; their people are denied employment, the local tax base dwindles, and a community begins to repel, rather than attract.

So we appeal to you today not just on behalf of the artist -- of course, that is our own self interest -- but we also have in mind the needs of the entire nation, and the many small munici-

palities which depend on the arts as much as they do on major industries.

The need to foster accustomed arts activities at every level and in every region of our country, does not deny the necessity of turning also to other important work, thus far left undone. It remains unfinished simply because necessary funds have not been made available. I refer to our abiding, fervent hope that the Arts Endowment will in the future be able to extend the availability of great works through film, television broadcasts and other techniques, whereby more people can be served on an on-going basis. Aside from commercial phonograph recordings and motion pictures, it has never been possible to devote the necessary funds to make a permanent record of the performing arts, thus preserving them for posterity. Unfortunately, many of the activities most deserving of lasting preservation do not lend themselves to commercial expolitation, and thus, are not recorded for future generations.

Our nation has developed a proud tradition in the arts, and these acheivements ought to be preserved. History has proven to be kind only to those nations whose arts have flourished freely. As this Committee knows all other major nations of the world have subsidized their arts for many years while we just recently assumed a like responsibility to our great society. However, on a per capita basis we are still far behind others. Even in face of these great odds, our music, theater, motion pictures, dance, opera and all other segments of the performing arts, have contributed some of the most rewarding and lasting artistic creations ever experienced by mankind.

Much more needs to be done, not because we seek special treatment on behalf of our nation's musicians and other artists, but because the amount that our government spends to support their activities remains inadequate in terms of the enormous contributions -- culturally and economically -- that the arts make to every person and municipality in this nation.

That is why we urge this Committee to recommend appropriation of the $126 million for the National Endowment for the Arts which the Congress so wisely authorized.

NATIONAL ENDOWMENT FOR THE ARTS FUNDING

Mr. HALL. I would like to make just two statements supplementing this, Mr. Chairman.

First of all, the American Federation of Musicians also represents musicians in Canada. In Canada last year the arts were funded to the tune of $32 million. In the United States the administration is asking for $87 million. The per capita differential is ridiculous.

The second statement, Mr. Chairman, is in our own self-interest. Over 95 percent of our musicians in the United States, over 300,000 of them must supplement their income with another job. Less than 5 percent in the United States are active musicians who make their living solely as musicians, and that is in the United States.

Mr. Chairman, thank you very much.

Senator MONTOYA. Thank you very much, sir.

STATEMENT OF CYNTHIA WILSON, NATIONAL AUDUBON SOCIETY

Senator MONTOYA. Ms. Cynthia Wilson, National Audubon Society of the District of Columbia?

Do you have a statement?

Ms. WILSON. Yes, I do.

Senator MONTOYA. It will be made a part of the record at this point.

[The statement follows:]

The National Audubon Society is one of America's oldest and largest conservation organizations with local chapters and affiliates in all the states and, as of March 1, 1976, 345,360 members.

The budget for the Fish and Wildlife Service, as presented by the Administration to Congress, would result in serious and damaging neglect of migratory bird resources, endangered species and National Wildlife Refuges, all of which the Service has a statutory responsibility to conserve, protect and manage.

The Service, in its overall capability, has been progressively crippled in recent year by budget cuts and personnel reductions. Now comes the President's new budget proposing $16.3 million less than in 1976. Assistant Secretary of the Interior Reed, testifying before you some weeks ago, called it a "no change" budget. Of course, he had to say it. Mr. Reed knows better. Unless by "no change" he meant the Fish and Wildlife Service budget was grossly inadequate in fiscal year 1976 and continues grossly inadequate for next year. Counting in an inflation factor at 10 per cent, the proposed cut for the Fish and Wildlife Service is a shocking 20 per cent.

For operations already pared into the bone, the proposed cuts are devastating. Within the 33 million acres of the National Wildlife Refuge system, where wildlife is supposed to be safeguarded against poachers and the land protected from abuse, there are important units where no one is on duty most of the time.

The 156 special agents of the field enforcement staff are already spread razor thin--too thin to do an effective job enforcing the duck hunting regulations if that is all they had to do. But they also have an obligation and duty to enforce the Endangered Species Act, the Lacey Act, the Bald Eagle Act, the Marine Mammal Protection Act, and the Airborne Hunting Act. They are supposed not only to protect waterfowl but also the raptors, the wading birds, shorebirds, songbirds and all other species listed in the migratory bird treaties with Canada, Mexico and Japan.

Research functions are so crippled by budget cuts that scientists whose knowledge and training are invaluable to the Service are giving up in discouragement and seeking jobs elsewhere. Throughout the Service, morale is on the cellar floor. We know. The work of the Audubon Society requires us to keep in touch with Fish and Wildlife Service personnel on many fronts.

One of the principal reasons for these difficulties is the arbitrary personnel ceilings set by the Administration and the Department. Even when Congress appropriates additional funds for a specific program, such as Refuges, the low personnel ceiling makes it impossible to carry out these programs adequately. We therefore urge your Committee to help solve this problem. The personnel ceiling for the Service was 4,053 in 1971 but for fiscal 1977 it is only 4,138 -- despite the many new responsibilities which the Service has been given in that period. A ceiling of 5,000 would be much closer to the real needs of the Service.

Although wildlife is essential to the functioning of healthy ecosystems -- without which people themselves could not prosper and remain healthy, which says that wildlife is an essential component of the human environment -- the Fish and Wildlife Service is a small agency within the Executive Branch. You could double its funding without increasing the federal budget by a noticeable fraction of a percentage point. I don't suggest you double its budget in a single year but, Mr. Chairman, the National Audubon Socity does urge the Subcommittee to write some realistic increases into the appropriations bill. We offer the following specific recommendations:

National Wildlife Refuges. Add, at the least, $10 million for the operation of the Refuges so management and maintenance personnel can be brought up to a level resembling adequacy and several new Refuges can, for the first time, be made operational. Add another $10 million for the rehabilitation of facilities. Throughout the Refuge system, fences, water management structures, roads, buildings and equipment are run down, broken down and worn out for lack of maintenance and replacement.

Law Enforcement. Last year we requested appropriation of enough money not only to maintain the existing force of Special Agents but to fill 68 authorized positions that were unfilled, plus enough to add 25 new agents. And, of course, enough money for travel and equipment to allow the agents to do their work. We repeat this recommendation and urge you to add $6 million for enforcement.

The Law Enforcement Division has a special problem created by P.L. 93-350 which directs mandatory retirement of federal law enforcement personnel. In 1978, over one-fourth of the enforcement personnel can be expected to retire because of the new law. The effect would be crippling, and FWS needs special authority to begin hiring and training replacements before the experienced officers retire.

Endangered Species. We urge appropriation of the full amounts requested for specific purposes under the Endangered Species Act of 1973, but there is a gross omission in the Administration's budget. Section 6 of the Act authorized $10 million for grants-in-aid to the states through fiscal 1977. Since 1973 only $2 million has been provided and nothing--a big fat zero--is budgeted for such grants in 1977,

On the basis of the promissory note written into the Act by the Congress, the Wildlife departments of fourteen states have planned programs of research, identification, and conservation of threatened and endangered species, and have completed, or nearly completed cooperative agreements with the federal government, again as required by the Endangered Species Act. From 15 to 20 additional states are working on plans and agreements and are expected to qualify for the federal grants before the end of 1976. The active participation of the State Wildlife agencies is essential if dozens of endangered species are not to be lost. At least $4 million should be appropriated for the Section 6 grants in fiscal 1977.

It is not only inadequate, it is ethically wrong to try to shift funds from the Federal Aid in Wildlife Restoration (Pittman-Robertson) program and from the Federal aid in Sport Fisheries (Dingell-Johnson) program as a substitute for Section 6 grants. The Department of the Interior (at the behest of OMB, I'm sure) has proposed such a diversion of funds. P-R and D-J funds come from excise taxes paid on their equipment by hunters and anglers. They have a right to expect these monies to be used to benefit the games species.

Animal Damage Control. If any part of the Fish and Wildlife Service program is overfunded, it is animal damage control, most of which is devoted to killing coyotes. We strongly oppose taking funds from the National Wildlife Refuge System for this purpose, as was proposed to be done within the fiscal year 1976 appropriation for Wildlife Resources Management. And we think the $4,100,000 requested for killing coyotes in FY 1977 is far more than is necessary and should be cut.

Wetlands Acquisition. Congress has recently passed legislation extending and enlarging the Wetlands Loan Act, and the President signed the bill. This reaffirms the commitment of the Congress to the program of buying the wetland habitats of migratory birds while the wetlands are still there to be preserved. Yet the Budget proposses only $12 million for this purpose, a reduction of $7.5 million from fiscal year 1976. Some of the best remaining areas are going to be lost unless they can be acquired promptly, including some first-class waterfowl marshes already approved as National Wildlife Refuges by the Migratory Bird Commission. One example is the proposed Nisqually Refuge at the south end of Puget Sound in Washington. This area, still largely in private hands, is critically endangered by industrial development. We urge an appropriation not less than $27 million for the migratory bird land acquisition program. Estimated Duck Stamp (Migratory Bird Hunting License) receipts in the current year, $12 million; the authorized advance against future receipts, $15 million: Total, $27 million.

Wetlands Inventory. We support the funds requested to begin a new Wetlands Inventory--but we don't want this money taken from other operations.

Bureau of Outdoor Recreation

We support the full authorized appropriations of the Land and Water Conservation Fund, and the allocations to the National Park Service, the Fish and Wildlife Service and the Forest Service for land acquisition, and for grants to the states, as proposed.

National Park Service

We agree with and support all the proposed increases for the National Park Service, but we do not agree with the rather drastic cuts in the budget for Historic Preservation grants-in-aid and for some of the planning programs. We urge restoration of these reductions.

Senator MONTOYA. Do you have anything to add to it?
Ms. WILSON. No, Mr. Chairman, I don't.

WILDLIFE RESOURCE FUNDING

Senator MONTOYA. You are here to testify with respect to the budget item for Fish and Wildlife?
Ms. WILSON. The principal part of our testimony, sir, is related to Fish and Wildlife. We make some very brief comments on some of the other items in the budget, BOR and the Park Service, but most of it is related to Fish and Wildlife Service.
Senator MONTOYA. And you want this increased over and above the budget?
Ms. WILSON. We suggest specific increases. We also suggest, sir, and hope that the Interior Committee, the Interior Appropriations Subcommittee will look into the question of personnel ceilings for the Fish and Wildlife Service. While that is not per se a budgetary item we think it is very relevant.
Senator MONTOYA. We are looking into it.
Ms. WILSON. Good.
Senator MONTOYA. I want to assure you of that, and the staff has made a study and has made inquiries, and we will have something to say about that.
Ms. WILSON. Wonderful, because that is very much needed, sir. Thank you.
Senator MONTOYA. Thank you.

STATEMENT OF COL. KENNETH R. HAMPTON, NATIONAL WILDLIFE FEDERATION

PREPARED STATEMENT

Senator MONTOYA. Mr. Ken Hampton, National Wildlife Federation, are you speaking about the same thing, sir?
Mr. HAMPTON. Pretty much so, Mr. Chairman.
Senator MONTOYA. Can we have your statement and then——.
Mr. HAMPTON. I gave them to one of the gentlemen.
Senator MONTOYA. Your statement will be made a part of the record at this point.
[The statement follows:]

Mister Chairman, I am Col. Kenneth R. Hampton, U.S. Army (Ret.), Assistant Conservation Director for the National Wildlife Federation (NWF) which has its national headquarters at 1412 Sixteenth Street, N.W., here in Washington, D.C. I am a professional conservationist with degrees in Forest Management and Meteorology.

Ours is a private organization which seeks to attain conservation goals through educational means. Affiliates of NWF are located in all 50 states, Puerto Rico, Guam, and the Virgin Islands. These affiliates, in turn, are made up of local groups and individuals who, when combined with associate members and other supporters of the National Wildlife Federation, number an estimated 3 1/2 million persons.

We welcome the invitation to appear here today to comment upon proposed appropriations for the Department of the Interior and related agencies, including the U.S. Forest Service, for fiscal 1977.

Mister Chairman, I am sure that you are fully aware of NWF's complete involvement in matters related to conservation of natural resources. Sound management requires the allocation of sufficient funds and the establishment of realistic personnel ceilings commensurate with the many and diverse tasks assigned to the Federal agencies which are under this subcommittee's purview. In our judgment, the proposed Federal Budget for fiscal 1977 is deficient in many areas and the Administration-imposed manpower levels for the various agencies are too low. I will attempt to briefly identify what NWF considers to be the most serious shortcomings in the budget as well as those budget proposals most worthy of our support.

U.S. FISH AND WILDLIFE SERVICE (FWS)

One needs only to look at the total proposed appropriations for this agency in 1977 -- down by more than 4 percent to $235.834 million -- to quickly, and correctly, conclude that FWS efforts are being critically and ridiculously shortchanged. Actually, when all Service funds are considered, including funds from other sources, the FWS budget declines $11.778 million.

Should this budget be approved without changes, the condition of the National Wildlife Refuge System, which is experiencing serious personnel shortages and deterioration of facilities, will decline even further. It is inconceivable to us that in the face of inflation, expanded functions, the requirement to initiate management on new refuges, and the requirement to solely administer older areas of the Refuge System (such as Russell, Sheldon, and Kofa Game Ranges), that FWS is expected to carry on operations at essentially the same level of funding as in FY 1974 and FY 1975. In our view, an increased resource management appropriation of approximately $5 million -- to $30 million — and 100 positions is requisite to the adequate operation of the Wildlife Refuge System.

With respect to the Migratory Bird Conservation Account, we are aware that the Administration could not anticipate the extension of the Wetlands Loan Act beyond its scheduled expiration at the end of FY 1976. However the extension of this loan authority (P.L. 94-215) until 1983 and the increase in authorized funding to $200 million, makes it possible for Congress to appropriate additional funds. The remaining funds authorized total $106.6 million, and this amount amortized until 1983 comes to $15 million annually. The National Wildlife Federation urges that this amount be appropriated annually beginning in FY 1977 to supplement duck stamp receipts so that wetland habitat essential for our waterfowl and other wildlife resources will be protected. Without this funding and resultant wetland acquisition, the likelihood that much of this essential habitat will be destroyed is greatly increased.

With the passage of the 1973 Endangered Species Act (and others such as the Marine Mammal Protection Act of 1972, and the Airborne Hunting Act of 1971), FWS assumed much greater law enforcement responsibilities. FWS has yet to receive enough money or personnel to properly enforce the Act as evidenced by the fact that its law enforcement staff has increased less than ten percent in the past decade, although 55 more agents are authorized than present position ceilings will allow. These personnel and the $3 million necessary to support them are essential for the enforcement of the Endangered Species Act. This Act also authorizes an appropriation not to exceed $10 million through June 30, 1977 for endangered species grant-in-aid cooperative funding to the States. To date only $2 million has been appropriated, and none has been requested by the Administration for FY 1977. At present 14 states are qualified to receive these funds, and 17 more are expected to qualify by 1977. These states indicate they could match $4 million in grants-in- aid to carry out urgently needed habitat management, land acquisition, species protection, research, and other programs to benefit endangered species.

Another area in which the FWS is underfunded is in its required program of reporting on applications for various projects requiring Federal permits or licenses. Examples of projects for which permits are required include dredging, filling, and pollution discharge. The numbers of these projects, as well as new kinds of activities requiring permits, have increased tremendously, causing a severe and increasing backlog. There can be no opportunity for reducing these backlogs or of responding adequately unless additional manpower and funding are provided. At least an additional $2 million is needed to help the permit situation, and an additional $2 million for studies necessary for the full implementation of the Fish and Wildlife Coordination Act. Last, NWF recommends that an additional $30,000 be appropriated and earmarked to complete hydrological studies at Sherburne NWR preliminary to development of the refuge.

BUREAU OF LAND MANAGEMENT (BLM)

While BLM's total budget is up $17.831 million to $264.265 million, the figures are misleading since a considerable portion of the increase (62 percent) is for

energy and minerals management. The programs undertaken by BLM bring in substantial receipts derived from the sale or lease of minerals (both on-shore and from the Outer Continental Shelf), lands, timber, livestock forage and others. For FY 1977 the BLM estimates these receipts to be in excess of $6.6 billion, up over $3 billion from FY 1976. Programs for which the BLM badly needs additional funding assistance include: $1.0 million for range management to implement intensive management and improvement on the 150 million acres subject to grazing, and to gather resource data necessary for the preparation of Environmental Impact Statements; $1.0 million for programs to reduce or remove wild horses and burros from areas where overpopulation threatens the stability of rangeland vegetation or competes excessively with native species of wildlife; $400,000 to provide for the development of activity plans and coordinate visitor use on primitive areas, rivers and trails; $500,000 to solve problems relating to deterioration of critical fish and wildlife habitat and to protect and enhance habitat areas for threatened and endangered species of wildlife; and $2.3 million to implement planning for the multiple use management of over 450 million acres and to develop adequate data on which to base long-range resource decisions.

NATIONAL PARK SERVICE (NPS)

The total fiscal authority for FY 1977 for the NPS is $340,956,000, which represents an increase of nearly $76 million for the agency. The Federation is encouraged that this increased authority represents a greater awareness by the executive and legislative branches of the vast responsibilities of the NPS. Most gratifying is the increase of 400 full time permanent employees at a time when the Bicentennial promises a substantial growth in visitors to the park system. We feel, however, that this personnel ceiling will relieve only the most critical needs of an agency which administers 286 park areas, comprising approximately 30 million acres, including 14 new, congressionally mandated areas in the last three years. Increased personnel seem well justified in order to provide maximum benefits for the park users.

In light of the disturbing evidence generated by hearings conducted by the House Committee on Government Operations (testimony that portions of the park system are in various degrees of disrepair and deterioration) the increase of $21 million which is reflected in the $272.9 million earmarked for the operation of the park system is more than warranted. Furthermore, testimony from the park supervisors during these hearings indicate that much greater appropriations will be needed in future years for park operations and maintenance in view of anticipated continued growth in visitor load.

Additionally, decreases in other NPS programs (including $16 million in planning development programs; $1.3 million in park, recreation and wilderness planning; $10.2 million in historic preservation grants in aid programs; and a liquidation of road construction contracts decrease of $22.1 million) at a time when more emphasis on proper physical and transportation planning is needed seem totally unjustified.

While NPS is scheduled to receive approximately $77 million from the Land and Water Conservation Fund (LWCF) for land acquisition, this amount is grossly inadequate in view of the vast backlog of authorized lands to be acquired with LWCF monies, and the nearly $70 million needed just to acquire inholdings within already existing park areas.

BUREAU OF OUTDOOR RECREATION (BOR)

The BOR is another agency experiencing the financial crunch of increasing responsibilities and dwindling fiscal resources. Although the Administration has requested the full funding of $300 million for the Land and Water Conservation Fund, (LWCF), BOR's FY 1977 budget request of $336,187,000 reflects a decrease of approximately $7.79 million from its FY 1976 level. The current request represents an increase of only $290,090 for salaries and expenses, and a decrease of $8 million in LWCF monies. Given the agency's growing responsibilities, (including the tasks of administering the LWCF; studying potential National Wild and Scenic Rivers and National Trails; developing and implementing the Nationwide Outdoor Recreation Plan; reviewing wilderness proposals and providing technical assistance to all levels of government and private interests), these funding levels are grossly inadequate. Recent oversight hearings on the National Trails Act of 1968 evidenced the ultimate result of inadequate funding and staffing. Testimony during these hearings indicated that several trails studies mandated by Congress eight years ago are both incomplete and unacceptable under provisions of the 1968 Act. It is evident that this agency which is entrusted with the study and protective designations of some of the Nation's most valuable natural areas is pitifully underfunded. Further, the LWCF falls far short of meeting the legitimate demands placed on it. It is estimated that the backlog of federally authorized land acquisitions exceeds $2.5 billion.

In light of the above, the Federation firmly believes the following actions, as a minimum, should be taken by this Congress: first, as there is still approximately $254 million in the Fund unappropriated, that amount should be added to the $300 million requested by the Administration with the stipulation that the extra $246 million be used for land acquisition only. Second, the Congress should write off the $62 million loan against the Fund which otherwise must be repaid by FY 77 at the latest. Third, something needs to be done about a larger appropriation for BOR administrative expenses to reduce that inordinate drain on the Fund. And last, we suggest that the Congress take a close look at the manner in which U.S. Department of the Interior's comptrollers and budgeteers allocate funds within the Department.

It appears that BOR, and perhaps other conservation-oriented agencies, might be receiving unfair treatment.

U.S. GEOLOGICAL SURVEY (USGS)

NWF continues to support the following USGS programs (subactivities) to collect and analyze environmental data in conjunction with the sound development of alternative energy resources, with intelligent land use planning, and with effective coastal zone management programs: (1) Small and Special Mapping: $4.882 million (up 2.2 million from 1976) to enhance regional planning at the state and county level; (2) National Cartographic Information Center: $2.843 million (up $1.291 million) to enable NCIC to acquire and store additional aerial photographs and other information; (3) Land Resource Surveys-Environmental Aspects of Energy: $6.292 million (up $1.2 million) to enhance planning for the safe, orderly, and efficient development of the nation's energy resources; (4) Critical National Water Problems-Oil Shale Hydrology: $2.335 million (up $300,000) to evaluate the regional impact of development and to insure that development decisions, if any, provide for mitigation of potential environmental degradation; and (5) Critical National Water Problems-Nuclear Energy Hydrology: $1.251 million (up $200,000) to continue to examine the adequacy of existing low-level solid radioactive waste burial sites. Also, NWF expresses its concern that increases in the above programs and others are to be offset by reprogramming funds from several basic Survey mapping programs, the coal hydrology program and several other scientific research programs.

U.S. FOREST SERVICE (USFS)

USFS continues to experience serious shortages in both manpower and dollars. The agency's personnel ceiling remains at slightly under 20,000 PFT (permanent, full-time) employees for fiscal 1977 despite the need for the Forest Service to comply with new laws and regulations, such as the "Resources Planning Act." To fulfill its responsibilities and to circumvent the obstacle created by the imposition of a personnel ceiling, USFS has to resort to using about 6,500 temporary (WAE) employees. That arrangement is not desirable because it encourages the best young foresters and other professionals to seek employment with agencies or organizations which can offer greater job stability. This is an aspect of the annual budget review cycle which needs to be examined critically by the Congress because it is impacting adversely on all federal natural resource management agencies.

Concerning the USFS budget, we note: first, there is no increase in funding for Reforestation and Stand Improvement. This will likely result in more slippage in reducing the three million acre reforestation backlog existent in national forests. NWF recommends an additional $3-5 million appropriation for that purpose. Second, the increase of $2.12 million (to $13.5 million) for Wildlife and Fish Habitat Management will permit fuller implementation of the Endangered Species Act. It will not, however, provide sufficient funds for the Forest Service to satisfactorily implement the 18 comprehensive management plans thus far developed in cooperation with state agencies to comply with Title II of the amended Sikes Act (Cooperative Wildlife Habitat Management Act of 1974) nor will it provide sufficient funding for suitable expansion of this effort with other states and in other national forests. For that purpose, an additional $9 million-- as a minimum--should be appropriated. It should be noted that Title II of the Sikes Act has authorized annual appropriations of $10 million each to both Agriculture and Interior since fiscal 1974. Thus far, the Administration has never requested any appropriations against that authorization. (A copy of a resolution on this subject adopted by NWF at its 1976 annual meeting is attached for your information and use.) Further, it must be pointed out that if funding on the order of $22.5 million is not made available in fiscal 1977 for Wildlife and Fish Habitat Management, the Administration cannot possibly meet its own recently recommended goal as outlined in the table contained on page 126 of the document entitled: "RPA-A Recommended Renewable Resource Program." That document was submitted to the Congress by the President earlier this year as required by the Forest and Rangeland Renewable Resources Planning Act of 1974.

With respect to wildlife and fish habitat research, two USFS areas of endeavor are underfunded. First, the agency needs an additional $1.48 million to continue adequate research on conservation of the 60 species of endangered and threatened wildlife found on or near national forests and associated rangelands. On-going work at Tempe, St. Paul, and Clemson requires more money than requested by the Administration and new starts (presently unbudgeted) are needed at Fresno, Bozeman, Logan, Rapid City, Columbia, and Nacogdoches. Second, USFS needs $440,000 to expand its limited research on the impact of national forest uses (logging, grazing, mining, and recreation) on western anadromous fish habitats and populations. The additional $440,000 will provide for expansion of the meager existing research programs at Corvallis and Juneau and for new starts at Arcata and Boise.

Finally, NWF recommends increases in the following USFS programs to restore serious cuts in funding: Forestry Incentives Program-up $15 million (from zero funding); State and Private Forestry Cooperation-up $9 million (from $24.8 million) Youth Conservation Corps-up $32 million (from zero funding); Forest Insect and Disease Management-up $5 million (from 15.012 million); and Land and Water Conservation Fund-up $7 million.

Also attached, for your information and use, are copies of several other pertinent resolutions adopted at NWF's recent 40th Annual Meeting.

Thank you for this opportunity to offer our views.

Resolution No. 25

FISH AND WILDLIFE HABITAT DEVELOPMENT ON PUBLIC LANDS

WHEREAS, public lands consisting of approximately 750 million acres of public land, are important for the production of wood, water, wildlife, recreation, forage, and other resources; and

WHEREAS, federal natural resource management programs are not in balance to meet public needs, and fish and wildlife habitat development programs are not adequate to protect and manage these important resources; and

WHEREAS, Congress, in passing Public Law 93-452, recognized the need to intensify habitat management programs on public lands, and directed that comprehensive fish and wildlife development plans be prepared in cooperation with the respective States; and

WHEREAS, planned management of these public lands and their waters offers opportunities to increase their yield of wildlife and fish, provide aesthetic opportunities, and contribute to the economic benefits of the Nation; and

WHEREAS, federal agencies are preparing, or have prepared in cooperation with respective States, comprehensive wildlife and fishery programs which will meet the objectives of Public Law 93-452, and provide protection and management to these important resources; and

WHEREAS, funds authorized in accordance with PL 93-452, have not been made available to implement these joint State-Federal programs;

NOW, THEREFORE, BE IT RESOLVED that the National Wildlife Federation in annual meeting assembled March 19-21, 1976, at Louisville, Ky., hereby endorses and supports the principles of intensified wildlife and fish habitat management on public lands as expressed by Congress in PL 93-452, and recommends that all necessary actions be taken to expeditiously accomplish its purposes.

MAJOR CONSERVATION ISSUES, 1976

From knowledge as an association of independent state organizations and their affiliated local groups, the National Wildlife Federation is of the firm conviction that an alert and fully-informed public will demand sound management of natural resources. Public education is the solid foundation upon which conservation practices must be based.

Overall, the National Wildlife Federation continues in its belief that contamination of the environment by water and air pollutants, by toxic chemicals, by solid wastes, and by noise, along with unwise practices relating to the extraction of minerals, the harvesting of timber, the grazing of livestock, the loss of natural areas and the protection of endangered wildlife, constitute the major natural resource problems of the age. Currently, these are complicated by energy shortages and economic difficulties.

It is in light of this background that the National Wildlife Federation invites the attention of all Americans to what it considers the major conservation issues of the year 1976, our Bicentennial Year:

Environmental Goals: The National Wildlife Federation is convinced that the United States must not lessen its efforts to meet environmental goals for controlling air and water pollution, preventing contamination of public resources by toxic substances, reducing the generation of wastes and managing unavoidable wastes in manners which reclaim valuable resources, provide sources of fuel, and protect public aesthetic values. Studies prove that programs to abate pollution stimulate the economy and create opportunities for employment. Further, calculations of the benefits of pollution control which include improved public health and well-being and reduction in damages to crops, wildlife, wildlife habitat, and public and private property show that abatement programs are excellent investments.

Energy: The National Wildlife Federation continues to call upon decision-makers at all levels of government to develop a coordinated and comprehensive national energy policy, one which identifies short-term, mid-term, and long-term goals and stresses the urgent need for energy conservation. This organization reiterates the belief that high priority must be given to developing clean and safe sources of power, conserving irreplaceable fossil fuels for other beneficial purposes.

Lands: As needs for lands for agricultural, industrial, commercial, housing, and transportation purposes intensify, it is essential that planning be coordinated on local, state, and national levels in order that the highest and best uses, including those for wildlife habitat and public recreational purposes, can be identified. The National Wildlife Federation again expresses its conviction that surface mining can be tolerated only when effective land reclamation is required as an integral part of stripping operations. This organization is of the opinion that the Bureau of Land Management, U.S. Department of the Interior, must be given authority and direction to manage

resources on National Resource Lands and National Grasslands in accordance with sound, scientific principles. To provide for future public recreational needs and wildlife habitat, acquisitions authorized by the Land and Water Conservation Fund and the Wetlands Acquisition Acts should be expanded and accelerated.

Funding: The Nation must devote high priority to funding for research and development of solar, geothermal, and fusion sources of energy. This organization also supports significantly greater funding for pollution abatement, the acquisition of natural areas, more effective resources management, maintenance of facilities at national parks, wildlife refuges, and forests, and research improving environmental quality.

Fish and Wildlife: The National Wildlife Federation continues to stress its belief that all persons interested in the welfare of fish and wildlife should cooperate in efforts to conserve, maintain, and improve wildlife habitat--the critical factor in achieving optimum numbers and varieties of wild creatures. This organization continues to support a balanced wildlife management program which gives consideration to all species, game and non-game, and recognizes the aesthetic and ecological values of wildlife as well as its value to consumptive users. It supports a management policy that permits the taking by sportsmen and authorized commercial operators of surplus fish and wildlife when numbers are abundant but protects those in short supply. The Federation deplores controversy between hunters and anti-hunters which impedes the protection and improvement of wildlife habitat. It deplores any resort to distortion or emotionalism by either side in the continuing discussion between hunters and anti-hunters. This organization favors strict enforcement of hunting laws, and urges hunters and fishermen to adopt personal codes of ethics and rules of conduct which enhance the image of sportsmen in the minds of the public. Anti and non-hunters are invited to consider means by which they may bear a greater share of the burden of wildlife habitat conservation and maintenance.

International Affairs: The National Wildlife Federation continues to urge that the U.S. Government pursue an active and positive role in advocating proper consideration for the environment in negotiations with other nations which deal with natural resources. This organization stresses its conviction

that the United Nations Environment Programme should emphasize benefits to be gained on global problems such as food shortages, energy conservation, and inadequate housing through voluntary efforts to stabilize human populations. Particular concern continues to be expressed over the welfare of international resources such as migratory waterfowl, marine birds, marine mammals, sea turtles and migratory fishes such as bluefin tuna.

A BLUEPRINT FOR PROGRESS

WHEREAS, the Bicentennial observance is highlighting the history of the Nation and those factors, including natural resources, which were significant in its development; and

WHEREAS, the conservation-environmental movement evolved from documented needs for better husbandry and wise management of both renewable and non-renewable resources which have contributed so much to our national strength and wealth; and

WHEREAS, lessons learned from the past should provide intelligent guidance for decision-making during the last quarter of this century and further into the future;

NOW, THEREFORE, BE IT RESOLVED that the National Wildlife Federation, in annual meeting assembled March 19-21, 1976, in Louisville, Ky., hereby invites the attention of all Americans to the following "Blueprint for Progress", which lists the goals and objectives which this organization believes the Nation should achieve by the Year 2000 A.D.:

Fish and Wildlife -- Sufficient habitat will have been set aside as part of sound management programs providing opportunities both for good hunting and fishing and for observing wildlife, ensuring that no species becomes extinct because of man's actions or inattention. All users of outdoor resources will adopt and carefully adhere to codes of ethics which stress conformance with laws and regulations, rules of safe conduct, abilities to identify species, and consideration for the rights of property owners.

Energy -- Research and development will have allowed the U.S. to achieve energy independence through increasing use of renewable energy sources which are environmentally sound and socially acceptable, thereby allowing finite fossil resources to be conserved for uses other than as fuels. Vigorous programs will encourage energy conservation and resource recovery.

Land Use -- There will have been acquired or otherwise set aside, through comprehensive and coordinated land planning at local, state, and national levels, natural areas whose highest use is for management for outdoor recreation, wildlife habitat, wilderness, and aesthetic appreciation as well as for scientific purposes. Planning also will have identified and designated those lands which are best adapted to agriculture and forest products and for housing, industry, commerce, and transportation.

Water -- The concept of "holding water where it falls", through sound land and water management practices rather than by manmade structures, will have been adopted generally. This approach, accompanied by flood plain zoning and revised agricultural practices, will allow the construction of only those water resource developments which are proven to be economically sound and environmentally acceptable. Most potential water development projects should have been identified, with the view of phasing down of all other construction projects and the agencies which plan and operate them.

Pollution -- The impacts of contamination of the air, water, and land resources by organic and inorganic wastes, chemicals, and toxic substances will have been identified and recognized as having profound effects on the public health and well-being. This recognition will have resulted in the establishment of vigorous programs for pollution abatement and control.

Ocean Resources -- International planning and research on this "last frontier" will ensure wise management of the seas for future sources of food, minerals, medicines, recreation, and energy for the benefit of mankind.

Weather -- Man will have learned to use weather modification for beneficial peaceful purposes without impacting unfavorably upon his environment.

Education -- Man's dependence upon the intricate ecological relationships will have been recognized, with environmental education being given prominence as an integral part of curricula in all institutions of learning.

People -- The United States will have stabilized its population at levels consistent with the ability to sustain itself by the production of food and fiber, thereby setting an example emulated throughout the world. The National Wildlife Federation is convinced that these goals are attainable even though reaching them may require restructuring institutions, reorienting research and development, and refocusing governmental policies. We are further convinced

that, since the changes can be spread over a quarter century, no serious dislocation need occur and the benefits to present and future generations of Americans more than justify the effort.

STOCKING OF FISH IN NATIONAL FORESTS

WHEREAS, fishing long has been a desirable activity which enhances outdoor experiences for many visitors to National Forests, including areas of wilderness; and

WHEREAS, thousands of lakes of appreciable size, which can sustain fishing, are located within national forest units of the National Wilderness Preservation System; and

WHEREAS, public fishing in these lakes could ease pressures upon other public waters; and

WHEREAS, providing and/or maintaining a fishery can be an effective method of directing use patterns to protect wilderness values; and

WHEREAS, many of these wilderness lakes require periodic stocking if fishing is to be maintained; and

WHEREAS, the only feasible means of stocking many lakes is by aircraft; and

WHEREAS, the U.S. Forest Service has adopted a policy which prevents state wildlife agencies from stocking certain wilderness lakes by aircraft which had not been so stocked prior to being incorporated into the wilderness system; and

WHEREAS, there is no evidence that the use of aircraft for this purpose significantly impairs wilderness values;

NOW, THEREFORE, BE IT RESOLVED that the National Wildlife Federation, in annual meeting assembled March 19-21, 1976, in Louisville, Ky., hereby requests that the Forest Service consider altering its policy to work with state agencies in developing a program for the aerial stocking of wilderness lakes with species of fish indigenous to those waters.

Resolution No. 9

FUNDS FOR NON-GAME FISH AND WILDLIFE

WHEREAS, non-game species of fish and wildlife (including those which are threatened or in danger of extinction) merit scientific management; and

WHEREAS, wildlife agencies in most states devote significant amounts of money and effort to the management of non-game species; and

WHEREAS, most state fish and wildlife resource management agencies are supported primarily by licenses, fees, and permits for fishing and hunting, activities which are concerned with game and other species of economic value; and

WHEREAS, governmental administrations and legislatures in most states are reluctant to commit from general tax revenues the funds necessary for the acquisition of suitable habitat and effective management of non-game species; and

WHEREAS, most outdoor recreational activities are enhanced by the opportunity to view abundant numbers of non-game fish and wildlife;

NOW, THEREFORE, BE IT RESOLVED that the National Wildlife Federation, in annual meeting assembled March 19-21, 1976, in Louisville, Ky., hereby expresses its support of the principle of imposing federal excise taxes upon sales of selected categories of outdoor recreational equipment, with the funds to be allocated to the states for approved non-game fish and wildlife projects.

HUNTER EDUCATION

WHEREAS, a majority of the young people in the United States dwell in urban areas; and

WHEREAS, a majority of young people no longer receive personal field training from members of their own families; and

WHEREAS, many citizens develop a desire to hunt, and to purchase a license to hunt, without the benefit of proper training;

NOW, THEREFORE, BE IT RESOLVED that the National Wildlife Federation, in annual meeting assembled March 19-21, 1976, in Louisville, Ky., hereby urges agencies of government at all levels, citizen conservation organizations, educational institutions, and the news media to cooperate in initiating a nationwide hunter education effort to teach young persons and adults hunter safety, ethics, survival, property rights, game identification, wildlife management and conservation practices so as to establish and insure quality hunting for this and succeeding generations and to emphasize conservation as a major part of hunter education.

MITIGATION FOR WILDLIFE LOSSES

WHEREAS, conservationists feel that mitigation for wildlife losses due to water resource development projects has been inadequate when based on man days of use; and

WHEREAS, an evaluation system which analyzes the resource itself and not the expected use of the resource more accurately assesses the effects of water resource development projects; and

WHEREAS, a task force, the Federal, State, and Private Conservation Organization Committee developed a system known as the Ecological Planning & Evaluation Procedures for implementing the new Principles and Standards for Planning Water & Related Land in the Resource Projects; and

WHEREAS, these Procedures provide for a numerical evaluation of wildlife habitat and a reasonable determination of needed wildlife habitat mitigation; and

WHEREAS, the Fish and Wildlife Service has adopted this system for the evaluation of both terrestrial and aquatic habitats; and

WHEREAS, the system, in determining project benefits and losses, includes for both monetary (man days of use) and non-monetary (habitat evaluation) procedures; and

WHEREAS, this system recognizes that lands offered as mitigation have an existing value and that only the difference between the existing value and the wildlife habitat potential possible through management can be used to mitigate losses; and

WHEREAS, the Corps of Engineers, Bureau of Reclamation, and other federal water resource agencies have been slow to adopt as operating policy the Ecological Planning and Evaluation Procedures;

NOW, THEREFORE, BE IT RESOLVED that the National Wildlife Federation, in annual meeting assembled March 19-21, 1976, in Louisville, Ky., hereby urges the U.S. Army Corps of Engineers, Bureau of Reclamation, and other federal water resource agencies to adopt the Ecological Planning and Evaluation Procedures developed by the Federal, State, Private Conservation Organization Committee as a method for implementing the New Principles and Standards for Planning Water and Related Land Resource Projects to the end that the effect on wildlife habitat of water resource development projects may be properly evaluated.

CONGAREE SWAMP

WHEREAS, approximately 10,000 acres of the Congaree Swamp constitutes a major remaining uncut mature southern hardwood swamp; and

WHEREAS, the Congaree Swamp is a unique biotic area containing many outstanding trees of record-establishing size and provides excellent habitat for numerous species of wildlife, including at least five classed as rare or endangered; and

WHEREAS, the Congaree Swamp is associated with historic events of great national significance and importance; and

WHEREAS, there is strong public support for preserving a portion of the swamp under appropriate governmental ownership; and

WHEREAS, further delays in the establishment of a suitable area will result in a continuing uncontrolled cutting of virgin timber and destruction of the integrity of this outstanding riverbottom ecosystem;

NOW, THEREFORE, BE IT RESOLVED that the National Wildlife Federation, in annual meeting assembled March 19-21, 1976, in Louisville, Ky., hereby asks that a moratorium be invoked on additional cutting of timber in the so-called Beidler Tract and that efforts be undertaken to preserve a representative sample of the Congaree Swamp as a natural area because of its great aesthetic, recreational, and educational values.

National Wildlife Federation

April 26, 1976

The Honorable Robert C. Byrd, Chairman
Subcommittee on Interior and Related Agencies
Senate Committee on Appropriations
105 Russell Senate Office Building
Washington, D.C. 20510

Dear Mr. Chairman:

The National Wildlife Federation would like to supplement its oral testimony and written statement, presented by Col. Kenneth R. Hampton, to make the following additional request. His testimony was submitted in accordance with an invitation from your Subcommittee.

Information reaching us indicates that the Department of the Interior has a unique opportunity to acquire nearly 3000 acres of prime habitat for addition to the Great White Heron National Wildlife Refuge in Florida. We also are informed that the owner, the Trust for Public Land, will accept the "bargain basement" amount of $1.3 million for the property. Further, officials of the Interior Department and the Fish and Wildlife Service recommend acquisition of it. Florida's Governor also has endorsed the plan.

The property involves the lower Florida keys, classified by the State of Florida as "preservation" and "conservation" areas of critical concern. There are increasingly heavy pressures for development in the region and this environmentally sensitive property merits permanent protection of the sort which would be afforded by an addition to the National Wildlife Refuge System.

The Trust is a non-profit charity which, in our opinion, performs a valuable and singular role in acquiring unique property for transfer to the appropriate resource agencies.

We hope the Committee will appropriate the funds necessary to acquire this property.

Sincerely,

THOMAS L. KIMBALL
Executive Vice President

66-307 O - 76 - pt. 5 -- 36

WETLANDS ACQUISITION

Senator MONTOYA. What do you have to add to your statement?

Colonel HAMPTON. Nothing really to add. I would really simply reinforce what Ms. Wilson just said. We are very concerned about the personnel ceilings of Fish and Wildlife Service and the other resource management.

Senator MONTOYA. You heard what I said, that we are certainly looking into this matter.

Colonel HAMPTON. Fine. We are very happy to hear that. I would like to highlight just two other points.

Senator MONTOYA. All right.

Colonel HAMPTON. One, the Wetlands Loan Act has now been extended through 1983 which makes more money in—authorized for acquisition of wetlands, and we highly encourage the Congress to appropriate $15 billion a year for the next several years to acquire these lands.

Senator MONTOYA. Is there a budget request for that?

Colonel HAMPTON. No, sir; there is not. The administration has taken the position that the receipts for the sale of duck stamps will take care of this. We feel this is going to fall very short.

The other thing is we are supporting very vigorously some additional funds to operate and maintain our various national systems of forests—refuges, parks, and the national resource by the Bureau of Land Management.

Senator MONTOYA. This committee is very sympathetic to those things. Thank you very much for your interest.

Colonel HAMPTON. Thank you, sir.

STATEMENT OF DESTRY JARVIS, NATIONAL PARK AND CONSERVATION ASSOCIATION

Senator MONTOYA. Mr. Destry Jarvis, National Park and Conservation Association, Washington, D.C.

Your statement will be made a part of the record.

[The statement follows:]

Mr. Chairman and other distinguished members of the Subcommittee: I am T. Destry Jarvis, Administrative Assistant for Parks of the National and Conservation Association, located at 1701 18th Street, NW Washington, D.C. 20009. We sincerely appreciate the invitation to present the views of NPCA here today regarding appropriations for Fiscal Year 1977 for the National Park Service.

Our major areas of concern, and those with which my testimony will deal, include the land acquisition backlog; the development backlog, principally deferred maintenance; the historic preservation grants program; the Park Service's critical personnel situation; visitor transportation system pilot projects; and a public service jobs program for the National Park Service. These priority appropriation areas are all integral parts of the operations of the national park system, which is the overriding concern of both the National Park Service and NPCA.

Although presented as one portion of the budget request for the Bureau of Outdoor Recreation, the administration's appropriations request for the National Park Service's share of Land and Water Conservation Fund is of necessity a great concern to NPCA. BOR's budget justification document states that, "Over $840 million of future acquisition opportunities have been identified for the National Park Service Program." Slightly more than $77.3 million is requested for FY 77 for expenditure for land acquisition in twenty areas. These amounts are probably below the minimum essential appropriations if some areas slated for purchase and inclusion in the national park system are to be saved from overdevelopment or other means of exploitation. By far, the largest amounts are requested for three areas added to the national park system in the 93rd Congress -- the Big Cypress National Preserve ($15 million), Big Thicket National Preserve ($9.3 million) and the Cuyahoga Valley NRA ($5.7 million).

When these three areas were added to the National Park System, Congress specified that land acquisition for the three areas should be substantially completed within six years. This would require a total expenditure of slightly more than $214 million for the three areas. In FY 76, the administrations request totaled $5.5 million, and in FY 77 their request totaled $30 million for the three areas. Despite the seemingly large increase for FY 77, an additional substantial increase will obviously be necessary if the administration is to meet the statutory deadline for completion of acquisition within these areas.

We urge this committee to consider the addition of $10 million to the Administration's present request for expenditure in these three areas. This additional amount would raise the total expenditure for FY 77 to approximately $40 million which amount should be matched over each of the next four fiscal years in order to permit the Park Service to substantially complete land acquisition during the statutorally specified time period for these areas. In fact, the Senate Interior Committee, in its recent report to the Budget Committee recommended an additional $120 million appropriation from the Land and Water Conservation Fund in FY 77. NPCA urges appropriation of this additional amount; the sooner we purchase this land, the lower the price will be to provide all American people with a truly complete national park system. The additional $120 million is readily available from the unappropriated backlog of the Land and Water Conservation Fund which remains at about $250 million.

I have attached to my statement for the Committee's information, if it has not already seen it, a recent trip report prepared by resource management personnel of the Washington office of the Park Service concerning the current situation at Big Thicket National Preserve in Texas. The inability of the Park Service to readily purchase lands within the authorized boundaries has led to extensive overcutting in significant scenic resource areas of the preserve in a program sanctioned by the State for the control of Southern Pine Beetle infestation. As the report points out, while control of this infestation is important to the timber economy of the area, the Park Service would undoubtedly not have permitted the extensive resource damage which has occurred from unsupervised cutting.

Another aspect of the Park Service's land acquisition program which has not received sufficient consideration in the past is the acquisition of inholdings within the boundaries of already established areas of the National Park System, The inholding backlog amounts to about $54.4 million, with an FY 77 request of only $15 million.

The second area of priority concern is the large backlog of urgently needed maintenance in most areas of the national park system, which has been deferred in recent years due to budgetary and personnel shortages. The policy permitting the deterioration and actual damage to park resources which has

resulted from this restrictive budgetary policy (which may help balance the budget in the short term but certainly results in increased expenditures in the long run) must be reversed. Therefore, we strongly urge that additional funds be appropriated to restore the areas of the national park system to good condition. It is our understanding that the Park Service has compiled a list totaling $223 million worth of unfunded projects which are needed to preserve, protect and restore both resources and facilities in nearly every unit of the national park system.

While our overriding concern here is for the protection of park resources and for the provision of minimal but adequate facilities for park visitors, this situation offers the Appropriations Committee the opportunity to permit the National Park Service to institute a program of public service jobs which can accomplish the needed park restoration while aiding our unemployment problem. A proposal which the National Park Service has prepared detailing on a park by park, man/month basis the capability of the Park Service to expend $40 million dollars in FY 77 for 2738 projects in 141 park areas providing an estimated 27,659 work months is generally a good one and is strongly supported by NPCA.

While we support both the concept of providing public service jobs in the parks and the appropriation of the needed amount, $44 million, there are a few of the recommended projects (admittedly a very small number) which we would like to have more fully explained by the Park Service before action is taken. A number of erosion control and exotic and noxious plant control programs are recommended. We would have misgivings concerning these types of projects without knowing the methods to be employed. One area in particular seems to be getting a great deal of emphasis in this public service jobs program, that is, the Blue Ridge Parkway in Virginia and North Carolina. The program provides 58 projects totaling 1275 man/months to be accomplished for $1.5 million. While these projects would certainly aid unemployment in the Appalachian region, projects for vista clearing, slope stabilization, erosion control, right-of-way improvement, grounds improvements, selective cutting and others have a cumulative affect on the Parkway which could conceivably produce adverse environmental impacts. Therefore a simple environmental assessment should be prepared prior to an initiation of these projects, should the appropriation be approved.

Perhaps the area of the Park Service's greatest need is in increased personnel levels for permanent employees to adequately manage and interpret the park resources. Personnel ceilings imposed by the Office of Management and Budget have held the Park Service to employment levels inadequate to perform its mission. The 400 personnel added to the Park Service payroll in FY 76 were provided by the Congress and only approved reluctantly by the OMB. Congress clearly has the authority and must increase the permanent personnel of the Park Service. The Senate Committee on Interior and Insular Affairs in its recent report to the Committee on the Budget recommends that 1,000 permanent positions be added to the Park Service personnel ceilings. We strongly support this recommendation. I have attached to my statement a twelve page supplement, for the Committee's information, which we prepared as a result of a survey conducted in the fall of 1975 to assess the impact on the park resources of budgetary cuts and personnel shortages. The impacts revealed by this survey are significant and cannot be overlooked.

Two aspects of the National Park Service's budget, the historic preservation grants program and alternate transportation systems, received substantial cuts in the FY 77 budget request. We urge this Subcommittee to restore adequate levels of funding for both these programs.

In the area of grants for historic preservation, estimates totaling $4 billion have been made for historic preservation projects all across the country that could qualify for Federal matching grants in the next ten years. The fifty states have identified $267 million worth of projects for which they seek matching grants in just one year. Clearly, the FY 76 funding level for this program is deficient and to request to halve this program to $10 million will clearly prove disasterous for many worthwhile projects. Recognizing this, the Senate Interior Committee has recommended in its Report to the Budget Committee that $154.5 million be appropriated for the historic preservation grants program. NPCA concurs and strongly urges this Subcommittee to add the additional $150 million to the Park Service's budget. Failure to establish this substantial committment in the area of historic preservation through matching grants to the states and local areas when our eventful history is foremost in the minds of the American people, will certainly contribute to the growing lack of confidence in our Federal System of government.

As the American people continue to express their overwhelming support and love for the national park system through both increased visitation and public expressions of concern, it is becoming increasingly obvious that we must

place an increased emphasis on methods of transportation for park visitors out to, into, and through parks by means other than the private authomobile. As the Park Service has clearly demonstrated in such parks as Yosemite, Grand Canyon, and Mt. McKinley, visitor transportation systems can be popular, economical and contribute greatly to the reduction of adverse impacts on park resources. In most cases that have been documented, it appears that visitor transportation systems can be provided at a cost equal to or less than the cost of road maintenance and clean up. A substantial total fuel consumption savings will also be realized. The FY 77 budget request contemplates a $585,000 reduction in the operation of visitor transportation systems. All ongoing visitor transporation system studies have been cut out. Such studies began in FY 76 in Bandelier NM, Boston NHP, Cuyahoga NRA, Glen Canyon NRA, Gulf Island NS, Sequoia/Kings Canyon NP, and Wind Cave NP will be terminated -- incomplete.

NPCA believes that rather than cutting back in this important aspect of park system management and vistor use, the visitor transportation system should be expanded not only in existing parks, but into new areas of the park system as well. Rather than delaying actual on the ground operation of visitor transit vehicles while detailed and often costly studies are done on paper, we would recommend that the Appropriations Committee approve funds for pilot visitor transportation programs in certain park areas. A system as simple as renting school buses from the local community during the peak visitor summer months when they are not being used in local school systems would provide, on a trial basis, substantial hard data on cost, visitor acceptance, vehicle reliability, and an indication of the contribution which such a system could make to resource protection. The data which could be gathered from such small scale projects would be both more significant and more highly reliable than any amount of paper work which could be prepared from costly studies such as have been done in the past.

The Park Service's FY 77 budget contains the request for funds for the acquisition of possessory interest owned by the General Host Corporation for its concessions in Everglades National Park. NPCA strongly supports this request. In addition, we recommend that the Appropriations Committee include funds for the acquisition of the concessioner's possessory interests in the lodge and facilities at Crater Lake National Park, where we understand that the concessioner is seeking to be bought out.

For Operation of the national park system, the FY 77 Budget requests the addition of some $20 million over the FY 76 request. While the Department's recognition that operation of the national park system should receive first priority is laudible, the additional amount is barely sufficient to cover the effects of inflation in the past year, especially when one realizes that over $6 million of this amount is going for salary increases. The FY 77 request for the NPS budget is barely more that a status quo request. While improvements can certainly be made in the efficiency in which park personnel carry out their duties, a close look at the national park system clearly indicate that additional money and personnel are urgently needed if the Park Service is to be restored to the standard which the American people have come to expect.

Thank you for the opportunity to present the views of the National Parks and Conservation Association on appropriations for the National Park Service for FY 1977. I would be happy to answer any questions.

Mr. JARVIS. Thank you, sir.

Senator MONTOYA. Do you want to add to it? Please do so.

LAND AND WATER CONSERVATION FUND

Mr. JARVIS. I will just mention that there are six areas where I think the National Park Service's budget needs improvement. Those are: Land acquisition for which there is a backlog of nearly half a billion dollars; development backlog for which the Park Service has estimated a $223 million backlog; the historic preservation grants program which was cut substantially in fiscal year 1977 budget; the critical personnel situation for the Park Service; and the need for the benefits that would be derived from a public service jobs program for areas of the park system.

My statement specifically mentions the need for an additional $10 million from the land and water conservation fund for three areas of the park system which were authorized in the 93d Congress and for which a 6-year acquisition period was specified. The levels of acquisition that has been requested and appropriated in the past 2 years by the Park Service for these three areas will be insufficient to meet the total of $214 million required for acquisition of these three areas. This additional $10 million in fiscal year 1977 to be spread through the three areas would bring them up to a level of about $40 million a year which, if requested over the next 4 years, will also accomplish the acquisition program there.

The historic preservation grants program was cut in half in the fiscal year 1977 request where the States at the same time have identified over $200 million worth of projects that need funding immediately. We would like to see this amount to double. I know that the Senate Interior Committee in its report to the Budget Committee has recommended $154 million—I mean $154.5 million appropriation for historic preservation grants in fiscal year 1977. This is in contemplation of the expansion of the land and water conservation fund by Congress.

A particularly important point to note here is the Park Service has identified about $43 million worth of projects which are very labor intensive which could be undertaken in fiscal year 1977 if the funds were available. These would be jobs for which the money would be spent for 75 percent of the personnel costs. They would be throughout the park system. They are very needed projects for which preventive maintenance has not been done. The areas are deteriorating and at the same time as benefiting the parks it would also provide jobs in areas of unemployment.

I think those are the major areas that I need to emphasize.

Senator MONTOYA. Thank you very much.

Mr. JARVIS. Thank you.

Senator MONTOYA. Mr. Michael Newton, Association of the Council for the Arts, New York? Not here.

Mr. Davis Sherman, National Conference of State Historic Preservation Officers.

VOICE. Mr. Sherman is on his way. He will be here in a few minutes.

STATEMENT OF JOHN M. COLLIER, SOUTHERN FOREST PRODUCTS ASSOCIATION

Senator MONTOYA. Mr. John M. Collier, Southern Forest Products Association of Georgia? Do you have a statement, sir?

Mr. COLLIER. I can be——

Senator MONTOYA. Do you have anything to add to your statement? It will be made a part of the record at this point.

[The statement follows:]

Mr. Chairman and Members of the Committee:

I am John M. Collier, public affairs vice presdient of the Southern Forest Products Association, an organization of forest products manufacturers with operations in 12 southern states. Association members provide almost half of the total Southern Pine lumber output, which is one fourth of domestic U.S. softwood lumber production.

Preliminary to my comments on the Forest Service budget proposals, I would like to urge the distinguished members of this Subcommittee to support at the full Committee level the request of the National Association of State Foresters that the Congress appropriate the full 25 million dollars authorized under enabling legislation to continue the Federal Forestry Incentives Program through 1977. We also urge your support of the State Foresters' proposal that the annual authorization for the incentives program be increased to 50 million dollars for the next 10 years.

The importance of this program is evident from Forest Service forecasts that national need for forest products will double between now and the year 2000. To meet demand of this scale, it will be necessary to achieve corresponding increases in timber growth, primarily on nonindustrial private ownerships which comprise 59 percent of the nation's total commercial forest acreage, mostly in small individual holdings. There are nearly 2 million of these small landowners in the south alone.

Few of the small owners have the money or knowledge to practice forestry on their own. In an effort to correct this deficiency, the Forestry Incentives Program was created through an Act of Congress which authorized the investment of 25 million dollars annually in cost sharing to help small landowners begin tree planting and forest management programs.

Since the program has gotten off to an excellent start, you can understand our disappointment that the Administration's Fiscal Year 1977 Budget recommended no funding for FIP. We understand the need for fiscal restraint to keep the nation's economy on the road to recovery, but continue to be astounded by the Administration's continuing effort to eliminate the Forestry Incentives Program.

If tree growth on the nonindustrial private lands is not increased to potential, the ultimate result will be timber shortages and inability to meet the material needs of people. This will mean inadequate supply and unnecessarily high costs of lumber and plywood for future homebuilding. The same will apply to the various paper and packaging products.

If, on the other hand, the Forestry Incentives Program can be effectively implemented to the extent that future timber supply can meet anticipated future demand for wood products, the resulting increases in productivity will hold down inflation and the ultimate returns to the Federal Treasury generated by added forest management and forest products manufacturing activity will several times exceed the estimated long term cost of the incentives program.

We also urge that Subcommittee members support other proposals by the State Foresters' Association, including the budgeting of 7 million dollars for a continued pilot project for the Rural Community Fire Protection Program and a request by forestry schools for 12 million dollars for research under the McIntire-Stennis Act.

We're convinced that the Rural Community Program can be invaluable in training people to control and combat fires in forests as well as other areas. And we wholeheartedly support the research

efforts of the forestry schools which can be instrumental in increasing timber growth to the extent likely to be required by future population needs.

Next, I would like to offer our views on the Forest Service budget proposals. We share the concern of forest products manufacturers in other parts of the United States with inadequacies of Forest Service funding for management of the National Forests. We urge levels of funding, consistent with the Multiple Use Concept, that will assure maximum productivity to fulfill anticipated public needs for products and other resources. The Congress should at least provide the funding for timber management level C as proposed by the Forest Service. It is regrettable that the Administration has not even sought funding for this modest program increase over the present timber management program.

We wholeheartedly support the proposed budgeting of 25 million dollars for forest fire protection and 11 million dollars for Cooperative Forest Management including urban forestry activities. Those activities of the Forest Service are vital to development of timber resources in the private as well as the public sector of forest ownership and the budgetary proposals are modest compared with the obvious need.

Finally, we urge that you approve the Forest Service request for an increase of 5 million dollars in the appropriation for accelerated forest resource evaluation research. We base this request on the fact that timber resource development in our region is being seriously impeded by lack of specific knowledge as to the state of the resource.

An increase in funding would permit a reduction in the time between Forest Service surveys of timber resources from 10 to 5 years. A 5 year cycle is necessary for more accurate and up-to-date information on the resource and to assure long term balance between growth and drain.

With more reliable and more current information, it would be possible to meet short term increases in demand by concentrating harvesting in areas with surplus growth. There would also be the type of information necessary for sound policy decisions by forest products companies in planning plant locations and expansions and a sound basis for planning state forestry programs.

We have noted that the Southern Forest Experiment Station in New Orleans and the Southeastern Station in Asheville, North Carolina, are issuing annual reports on the growth-drain ratio of pulpwood sized timber. If similar reports were available on sawtimber sized material the producers of lumber, plywood and poles would have a better idea as to the availability of raw material for their respecitve operations. Therefore, we urge that the two stations be given sufficient funds to gather and report data on sawtimber as well as pulpwood sized timber on an annual basis.

I thank you for the opportunity to testify.

FOREST INVENTORY

Mr. COLLIER. I can be very brief, sir. I just want to point out in the South we have a great potential for timber growth. More than 75 percent of the forestland in the South is owned by small nonindustrial private owners, and we would greatly appreciate anything that the distinguished members of this subcommittee could do to get—at the full committee level to preserve this program, the federal forestry incentive program, which the administration is constantly trying to kill in effect.

We think this is very vital. We think it is an investment, not a subsidy.

Senator MONTOYA. Sir, this comes under the Agriculture Subcommittee appropriations.

Mr. COLLIER. Yes; I am aware of that.

Senator MONTOYA. It is not under the jurisdiction of this committee.

Mr. COLLIER. Yes; I know that. I am just making a plea as individuals. Our recommendations as far as the Forest Service budget are in the statement. So I won't go into that other than to state that we are very anxious to see an adequate appropriation for forest inventory surveys which we think are far too infrequent to allow industry people and others to do proper planning as far as future development.

Those are the only points I have, Senator.

Senator MONTOYA. Thank you, sir.

Mr. COLLIER. Thank you.

Senator MONTOYA. Mr. Don Myer? He is not here.

Mr. Toby Cooper? Not here.

Mr. W. J. Hildebrand, president, American Pulpwood Association? Not here.

Ms. Rachel Whitish? Not here. And, Mary Brown, Shoalwater Bay Tribe? Not here.

Ms. Stevens, Society for the Protective Animal Legislation? Not here.

We have run through the witnesses already, so we will—are there any other witnesses here?

STATEMENT OF JOHN F. HALL, VICE PRESIDENT, NATIONAL FOREST PRODUCTS ASSOCIATION

Mr. HALL. Excuse me. I am John Hall. I got here a few minutes late.

Senator MONTOYA. Somebody testified for you already. Are you with the musicians?

Mr. HALL. No, sir. With the National Forest Products Association. I would be glad to submit my initial comments for the record if I may.

Senator MONTOYA. Fine; you may do so.

Mr. HALL. Thank you for your permission.

Senator MONTOYA. You may submit your statement, sir, for the record, and if you wish to add anything to that statement, you may do so now.

Mr. HALL. OK; fine.

[The statement follows:]

Mr. Chairman, and Members of the Subcommittee:

I am John F. Hall, Vice President of Forestry Affairs for the National Forest Products Association, headquartered in Washington, D.C. N.F.P.A. represents timber growers, manufacturers and wholesalers of wood products throughout the country. I am testifying today in support of adequate appropriations for the Forest Service in the areas of timber management and cooperative fire control. We support an increase in the Forest Service timber sale program of $43.7 million over the President's budget, and a restoration of the funding for cooperative fire control to $25 million.

The Congress is to be commended for its development of the Forest and Rangeland Renewable Resources Planning Act and the innovative and progressive budgeting procedures it requires. This legislation for the first time mandates that the renewable resources of this nation's forest and rangelands be inventoried and assessed and that a long-range plan be developed for management of the National Forests and other programs under the direction of the Forest Service. The special budgetary requirements of the Act should help focus on the need to give special attention to adequate funding of this nation's renewable resource programs, which too often have been seriously underfunded in the past.

The passage of the Resources Planning Act (RPA) was timely. The 1970's and 80's will be a decisive period for America in many ways. Decisions which are made during this period concerning land resource development, management, and protection will have a significant effect upon the standard of living and the quality of life which our grandchildren will enjoy. The forest managers of today will be judged primarily on how well they provide for the needs of these future generations.

The documents submitted to you earlier this month by the Forest Service -- the Assessment and Program as required by the Resources Planning Act -- are an accurate statement of the stewardship which the Forest Service provides for the lands and resources placed in its charge. We in the forest products industry are critical of the Forest Service for what we believe is a hesitant and over-cautious management of these lands and of the extremely valuable resources on them. We sincerely believe, based on experience in management of comparable lands and on our own research, that the Forest Service can and should employ more intensive management on these lands and that such intensive management can provide increased outputs of all multiple uses in a manner which is socially, environmentally and economically sound.

We have repeatedly brought before the Congress and before the Administration the problem of gross underfinancing of National Forest management programs. This fact was one of the key factors sponsoring enactment of the Resources Planning Act. Indeed, the RPA Documents clearly demonstrated what we have been saying for years -- that chronic underfunding of resource programs is severely hampering the contributions that these programs could and should be making to our society.

While we are critical of the Forest Service for not advocating a more intensive forest management program, we commend to your review the thorough summary of Forest Service management techniques and their environmental and economic impact set forth in the Program.

WHAT THE NATIONAL FORESTS MEAN TO CONSUMERS

In many areas of the country, especially the West, manufacturers of lumber and plywood depend heavily on the National Forests for their supply of timber raw material. Over half of the standing softwood sawtimber volume in the United States is on National Forest lands, and the nation receives 27 percent of its total softwood sawtimber supply from this source. In many areas the Federal Government is, to a large degree, a monopoly owner and seller of softwood sawtimber.

Although we commend the Forest Service for recommending an increase in timber output from the National Forests, it is unfortunate that the agency chose to recommend Goal C for timber rather than Goal D as the forest industry had urged. Under this goal, the country will fail to meet projected increases in demand

without extraordinary price increases. Using data in a September 1975, report of the Senate Banking Committee, the National Forest Products Association projected that demands for softwood sawtimber from domestic supplies in 1980 will be 22 percent greater than similar demands in 1970. This level of increase compares with an estimated 7.8 percent increase under Goal C of the Forest Service's Resources Planning Act Program and a 29 percent increase under Goal D.

The Forest Service projects that under Goal C there will be an increase of 26 percent in the relative price of timber by the year 2000 and an increase of 43 percent in the relative price by 2020. Goal D would hold the relative price constant at 1970 levels. A constant relative price is understood to mean that the price will rise at the same rate as the consumer price index.

THE PRESIDENT'S BUDGET RECOMMENDATIONS

The President's budget does not include sufficient funding to implement properly the total program recommended in the Resources Planning Act process. The Chief of the Forest Service, John McGuire, recently testified before this Subcommittee that if the programs recommended by the Administration are to be implemented in an orderly manner between now and 1980, the fiscal year 1977 budget should be increased approximately $200 million above that of fiscal year 1976. The President's budget recommended only a $15 million increase. We support the Chief's views.

Timber Sale Preparation

We were particularly dismayed that the President's goal for timber sale preparation was only 10.4 billion board feet (local scale). This is a significant reduction from the 11.8 billion board feet which the Forest Service planned to prepare in fiscal year 1976. Due to Congressional budget cuts and the impact of the Fourth Circuit Court of Appeals decision in the Monongahela case, the Forest Service will actually sell only 11.23 billion board feet in 1976.

In order to achieve the goal level for timber recommended as part of the Resources Planning Act Program (Goal C), the Forest Service would need to prepare and offer for sale 12.3 billion board feet in fiscal year 1977. This is 1.9 billion board feet more than the amount allowed for in the President's budget. The Forest Service has estimated that the amount needed to achieve this 1.9 billion board foot increase is as follows:

Timber Sale Preparation -- $7.043 million;
Support Activities -- $3.551 million;
Forest Roads and Trails Funding -- $33.152 million;
Total -- $43.746 million over President's budget.

This Committee should certainly provide the $43.7 million increase needed to achieve Goal C of the Resources Planning Act, i.e., the preparation and sale of 12.3 billion board feet of timber. Investments in timber sale preparation and related activities yield substantial revenues to the Federal Government. It is estimated that the recommended increase of $43.7 million for timber sale preparation would produce over $85 million in additional revenue to the Treasury. Twenty-five percent of this added revenue will go to states and local governments to be used for schools and roads.

It is a false economy not to appropriate enough money to meet the timber program levels recommended in the Resources Planning Act. The purpose of the Act is to assure that the needs of the nation for renewable forest resources will be identified at the outset through careful planning and to provide Congress with the opportunity to make adequate funding available. To frustrate this purpose of the Act at the very beginning simply doesn't make sense.

We understand that the reduction in the timber sale program for 1977 was recommended because of a slack in timber demand in the past two years. That was a period when housing production, which consumes approximately one-half of the softwood products and one-third of all wood products produced in the U.S., was at its lowest level since World War II. A cutback in timber

sales in 1977 is most untimely because new home construction is undergoing a gradual, but steady, turnaround since the low point of late 1974. This upward trend is shown by the attached graph plotting seasonally adjusted housing starts on a monthly basis. It is included as Exhibit "A" to my statement. The graph also shows how lumber prices have generally followed housing starts and that these prices have risen sharply in recent months. This rise has occurred as suppliers have begun to increase inventories in response to rising demands for lumber for housing and in anticipation of an even more significant upturn in new housing starts in the period ahead.

In fact, National Association of Home Builders and HUD economists have predicted a housing starts level of 1.8 million units for calendar year 1977. Furthermore, annual housing production has fallen far short of projected housing needs ever since the 1973 peak. This shortfall has created a tremendous pent-up demand for new housing which can be expected to exert stronger and stronger pressures for increased homebuilding and thus for increased material supplies.

Timber purchasers must have a sufficient volume of timber under contract to be able to respond to this increased demand. The ability of purchasers to increase production is a key factor in moderating lumber price increases. The failure of National Forest timber sales offering to respond to long-term increases in wood products demands has led to strong competition between bidders for the timber volumes that are made available. Exhibit "B" attached to this statement documents how this competition has run up timber prices far above the levels justified by recent product market prices, despite the slack in the market over the past two years. Translating the index prices (1970 = 100) into prices reveals that in the fourth quarter of 1975, Douglas fir timber prices on National Forests in western Oregon and Washington reached an average of $183 per thousand board feet. In January 1976 the average price received by mills in the same region for dry Douglas fir lumber reached $190 per thousand board feet. It should be obvious that timber cannot be harvested, hauled to the mill and manufactured into products for $7. It should also be obvious that the only way to avoid a sharp-cost push inflation in lumber prices is to assure that sufficient timber is available at prices that are much more realistic than has been the case over the past few years. Only by increased offerings of National Forest timber will it be possible to bring down timber prices.

Funds for Forest Fire Control

There is also a need for adequate funding for cooperative forest fire control under Section 2 of the Clarke-McNary Act. The Administration, through the Office of Management and Budget, has proposed to eliminate this vital program entirely in two annual steps.

When this progressive Act was passed in 1924, over 30 million acres were being destroyed by fire each year. The figure is now down to two or three million acres. To a very large degree the fire control program established by the 1924 Act made it possible to engage in wide-scale reforestation and to practice scientific forest management in this country. It gave the Federal Government, the states and private landowners some assurance that investments in reforestation and other long-term forest practices would be protected from destruction by fire.

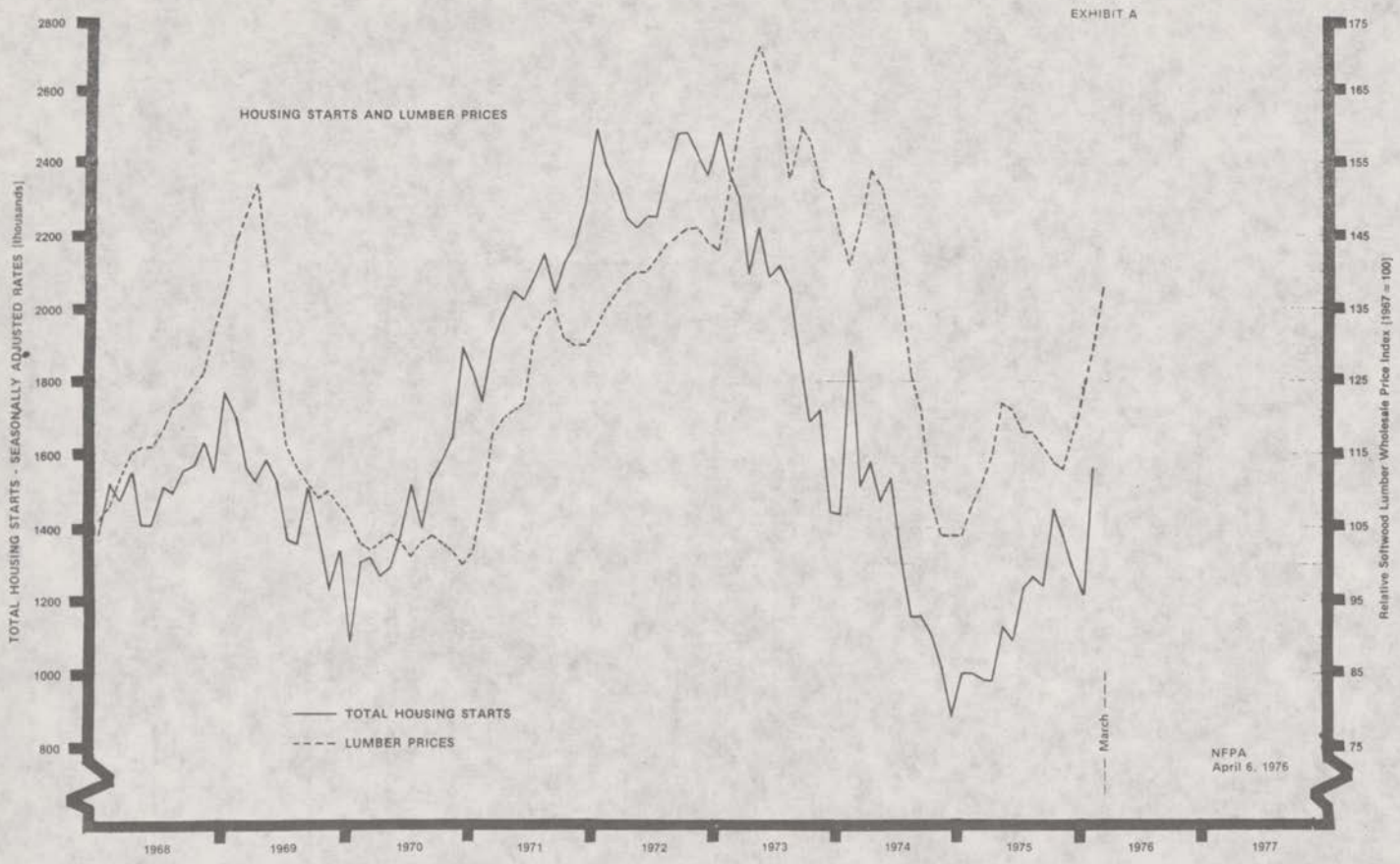
This cooperative program has been an outstanding success and should not now be terminated. We recommend at a minimum that $25 million be appropriated for this purpose.

Southeastern Forest and Range Experiment Station

We would also like to support the appropriation of $100,000 to do the architectural and engineering design work on a new headquarters building for the Southeastern Forest and Range Experiment Station at Asheville, N.C. The present facilities are overcrowded, inadequate, and are in demand for other uses. Funding for design work is a necessary first step towards providing for this important research facility which could service the Appalachian hardwood region and the Southeastern states.

Thank you very much for this opportunity to present our views.

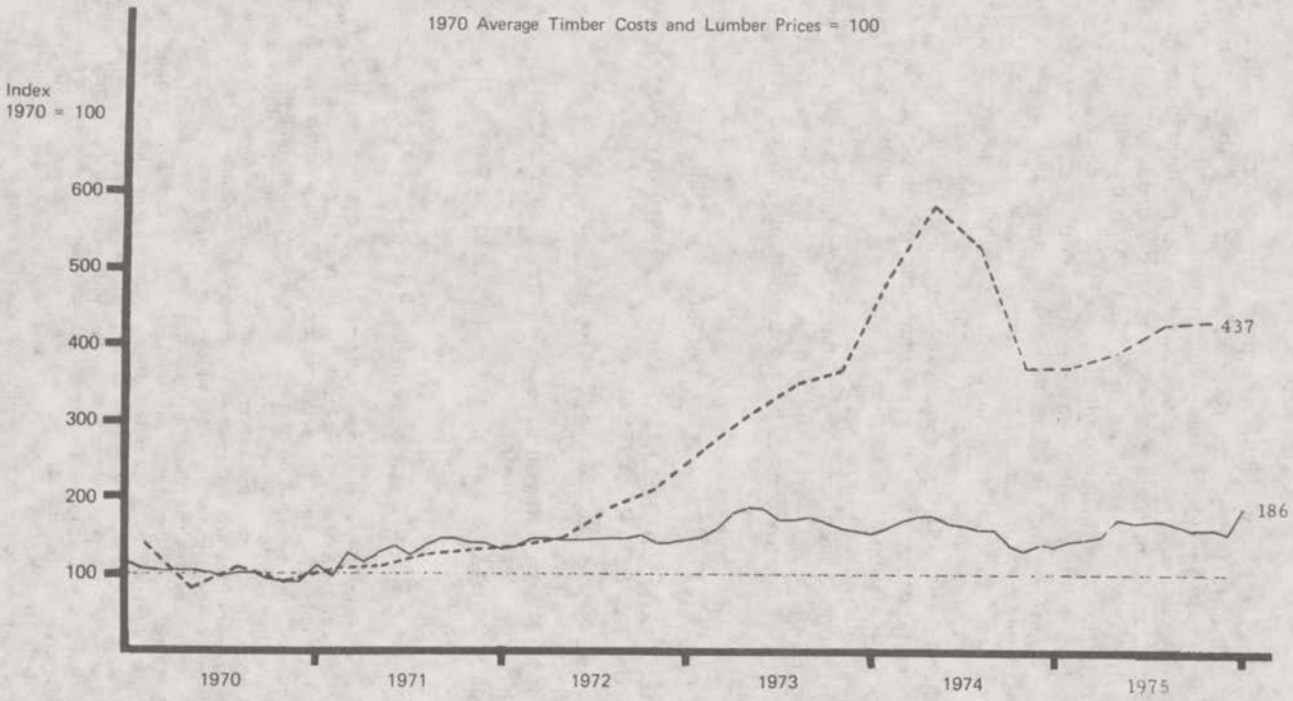
EXHIBIT A


HOUSING STARTS AND LUMBER PRICES
TOTAL HOUSING STARTS - SEASONALLY ADJUSTED RATES (thousands)
Relative Softwood Lumber Wholesale Price Index (1967 = 100)
2800
2600
2400
2200
2000
1800
1600
1400
1200
1000
800
175
165
155
145
135
125
115
105
95
85
75
1968
1969
1970
1971
1972
1973
1974
1975
1976
1977
TOTAL HOUSING STARTS
LUMBER PRICES
March
NFPA
April 6, 1976

INDEX OF CHANGE IN

Timber Costs vs. Lumber Prices

1970 Average Timber Costs and Lumber Prices = 100



---- Timber: Douglas Fir Stumpage, W. Ore. & Wash. National Forests 1970 Average = $41.90/MBF

—— Lumber: Dry Douglas Fir Lumber, Average Mill Realization, W. Ore. & Wash. 1970 Average = $102.31/MBF

NFPA
April 6, 1976

2335

FOREST MANAGEMENT

Mr. HALL. I am John Hall, vice president of forestry affairs with the National Forest Products Association. One of the major items facing the Forest Service in our management of Federal timberlands, as you are well aware, is the so-called Monongahela decision, and the related legislation having to do with the Forest Service's timber sale authority. We are hopeful that that authority will be resolved in a constructive way rather promptly.

Along that line you also have before you the Forest Service's Resource Planning Act documents which made out a program of forest management for the next 5 years. We would hope that this committee would be able to appropriate funds, approach goal C, or even goal C for timber. Goal C in the Forest Service unfortunately is not reflected in the budget request of the administration.

We understand that the Budget Committee of the Senate was about to advise this committee of its support for a higher level forest management including timber sales.

We do support additional $43 million for national forest timber sale preparation which would return at least twofold to the Federal Treasury under an environmentally, economically sound management condition.

Thank you, sir.

Senator MONTOYA. Thank you very much, Mr. Hall.

STATEMENT OF MICHAEL NEWTON, PRESIDENT, ASSOCIATED COUNCILS OF THE ARTS

Senator MONTOYA. Mr. Michael Newton?

Mr. NEWTON. Thank you, sir.

Senator MONTOYA. Do you have a prepared statement, sir?

Mr. NEWTON. Yes, I do, sir.

Senator MONTOYA. The statement will be made a part of the record.

[The statement follows:]

STATEMENT OF MICHAEL NEWTON

My name is Michael Newton. I am President of Associated Councils of the Arts (ACA), a national association of six hundred arts organizations, most of which are community and state art councils, together with some five thousand individual citizens. I have requested time to speak to you today on behalf of an appropriation for the National Endowment for the Arts for 1977 equal to the full amount of the authorization.

I would like to make four observations about public demand for the arts and about the financial needs of the arts if they are to respond to these demands. The observations are based on the experience of ACA which as an organization has no allegiance to any one art form or to any geographic area.

First, the appetite of the American people for the life enhancing power of the arts is on the increase. When representatives of our organization came before this committee three years ago, they were able to speak for the first time with authority about what Americans expect of the arts on the basis of a well researched and documented study of public opinion. They reported on what then seemed an astonishing degree of interest in the arts on the part of a majority of our fellow citizens on the basis of the first AMERICANS AND THE ARTS study carried out for us by Louis Harris and his associates at the National Research Center of the Arts.

Next month we will be publishing the first update of those figures in a new book entitled AMERICANS AND THE ARTS 1975. The essence of this update of our earlier survey is "the same but more so".

The American people increasingly see the arts as a key ingredient in the quality of life. In the 1973 survey we found that 89 percent of the people felt it important

to the quality of life in the community to have available facilities like museums, theatres and concert halls. In the 1975 survey, 93 percent rated arts and cultural facilities as important to the quality of life, and those giving such facilities the top rating of very important to the quality of life rose a full twelve percentage points from 57 percent in 1973 to 69 percent.

It is also significant that Americans see the arts as vital not only to the quality of life, but also to a healthy economic environment. As many as eighty percent of the public in 1973 felt that museums, theatres and concert halls were important to the business and economy of the community. That proportion rose even higher to 85 percent in the survey just completed.

The arts are playing an ever increasing role in the lives of Americans. More than two in three people (68%) report that they are engaged in some arts and craft activity, such as painting, drawing, playing a musical instrument. And more people now attend the arts, go to performances, visit museums. For example, in 1973, 32 percent of the national public reported having been to a live theatre performance in the prior year, and they had gone an average 3.5 times. By this summer, the proportion who had been to live theatre during the prior year was up to 4 percent and the average times they had gone rose to 4.6. In 1973 the public overall reported going to art museums 1.2 times a year, while average attendance in the twelve months prior to the recent survey was 1.7 times. Furthermore, the average art museum visits made during the year by those who did go at least once rose from 2.4 times to 4.0 times.

The demand for the arts is clearly on the increase. One significant reason is the changing upward levels of education and income. Education is clearly related to attendance patterns in the arts. In this summer's survey, 47 percent of the public said that during the previous twelve months they had been to at least one performance of theatre, classical music or dance, but 80 percent of college graduates had attended such a performance. While 52 percent of the public had been to a museum during the prior year, among college graduates the figure rose to 85 percent.

My second observation is that the increased demand translates into a widening income gap for the arts. Like libraries, universities, hospitals and schools we find that the greater the demand the greater is the deficit. Our member arts council in St. Louis reports that the income gap of its constituent organizations, which include a cross section of that city's life from the St. Louis Symphony to an arts school for the disadvantaged, rose from $634,000 in 1963 to $1,900,000 last year and will increase to an estimated $2.8 million in 1978. Over the past ten years, private giving to these groups through the arts council has increased by a heroic 137 percent but that alone is not enough to fill the gap. Similarly in Atlanta, the Arts Alliance has seen an increase in the income gap of its member organizations from $1,460,000 in fiscal 1973 to $2.3 million this past year going up to $3.9 million in 1980. Both earned and privately contributed income have increased during this period but additional help is needed to supplement the growth in private support. These are not isolated experiences. They are a national phenomemon, the product of increased demand, higher labor and utility costs and in general the accelerated cost of doing business. In each case, the business leaders who run these campaigns say that we can and will continue to increase private giving through annual maintenance drives and endowment campaigns but it is important that the public sector play more than its currently modest role. The current percentages of federal help to the organizations that I mentioned in St. Louis is about five percent of their budget and three percent in Atlanta.

Thirdly, the need is not felt by arts organizations alone. The source of the arts in this as in any other culture is the artist. Experience with funding under the Comprehensive Employment Training Act (CETA) in many communities this past year has shown the public service potential for enriching community life of artists employed for the public good. The CETA employment opportunity has also made obvious (or brought to light) the rate of unemployment among creative artists and other arts personnel. In Seattle, five hundred qualified applicants sought fifty artists' positions under the program; in San Francisco, three thousand artists applied and only one hundred and forty were hired; in North Carolina five qualified applicants appeared for every position that could be filled under the State Council's Third Century Artists program. According to a survey of artists in New York City carried out by the Foundation for the Community of Artists, it was found that the average income of artists drawn from a sample of sixty-eight respondents was $10,315 but of this only $1,800 came from the sale of their work. This, incidentally, is a group of whom 75 percent had a college education and among whom 47 percent had done post graduate work. These are not just young kids out of school. Their average age was thirty-nine years and most of them are married with families to support. On average they had worked more than twelve years professionally as artists.

My fourth observation is a piece of good news. Although the problems of the arts organizations and of artists are acute, they have been successful in attracting funds from new sources. Funding from state legislatures has quadrupled in five years, private sector giving is also on the increase. Of particular interest are the reports of those of our member organizations which carry out federated arts appeals, the arts equivalent of United Way campaigns for health and welfare. The thirty united arts drives show a steady growth over the past decade continuing even during this past year of recession when so many of the businesses that make up the core of their support were hard hit. But what is especially heartening is their responsiveness to challenge grants. It is evident that private donors will still respond to a challenge to give more when they know that increased giving will trigger equal or matching gifts from another source. The Arts and Education Council of St. Louis which has received challenge grants of $150,000 a year for the past two years has seen challenges work as have the drives in Cincinnati, St. Paul and Winston Salem. In some of the drives, one of the fastest growing sectors is represented by employees giving at their places of business; their offices, in their plants or their schools or wherever they work. Since this is the source of the lion's share of private giving to health and welfare in our country through the United Way, I believe a parallel development in the arts is very healthy. It also offers an opportunity for the federal agency to use its money in the form of challenge grants to further stimulate the private sector.

There is a healthy demand for the arts as can be seen by rising attendance figures and from the AMERICANS AND THE ARTS studies. There is a readiness to give more private dollars. The third needed component is for the public sector to step up its own participation. This requires more than the five million dollar increase that the Administration has proposed. In the light of inflation and accelerated needs, such a figure represents a serious falling back. If we are to seize the opportunity offered by an eager public, by responsive arts institutions, by artists who hunger to do public works for the public good and private donors who are prepared to give more, I urge you to appropriate the full amount for the National Endowment for the Arts that is authorized by the Congress.

FUNDING FOR NATIONAL ENDOWMENT FOR THE ARTS

Senator MONTOYA. Do you have anything to add to the statement?

Mr. NEWTON. I would like, if I may, Senator, to summarize four main points from the statement.

Senator MONTOYA. All right.

Mr. NEWTON. To introduce myself, I am Michael Newton, president of Associated Councils of the Arts which is a national association of arts organizations. Most of which are community and State arts councils.

In the statement I speak on behalf of an appropriation for the National Endowment for the Arts for 1977 equal to the full amount of the authorization.

And the four points, Senator, which I make in my prepared statement are first that the appetite of the American people for the life increasing power of the arts is on the increase. I present a series of figures drawn from an update of a study which my organization presented to this committee 3 years ago. An update of a study called "Americans in the Arts," and the update carried that last year.

The essence of the "Americans in the Arts" 1975 study is the same but more so. We find that the astonishing degree of interest in the arts of the part of a majority of our fellow citizens which the earlier study gave evidence of is substantiated and increased in 1975.

Just to take two figures from the survey in 1973 we find that 93 percent—89 percent of the people felt it important to the quality of life in the community to have available those facilities. In 1975 that figure had risen to 93 percent. We also asked the question

whether Americans see the arts as vital not only to the quality of life but also to a healthy economic environment. In answer to that question we found the number which was 18 percent answering in the affirmative in 1973. It increased to 85 percent in the survey which we have just completed. The remainder of the figures drawn from this survey which Harris carried out for us is included in our testimony.

My second observation is that the increased demand which Americans in the arts study gives evidence of translates into a widening income gap for the arts. We have taken a look at the experience of two of our member organizations. One an arts council in St. Louis, Mo.; and the other an arts alliance in Atlanta, Ga.

Senator MONTOYA. Mr. Newton, I have read all of your statement already. I have just read it. Would you just tell this committee what you want to add to it? Do you want to add anything to your statement, or to emphasize any part of your statement?

Mr. NEWTON. Yes, let me emphasize the final point in the statement, Senator. And that is that one of the things which our members find around the country is that there are additional funds to be had for the arts from private sources, and from cities and counties, and local government in answer to challenge grants.

We have found that where private donors and where city and county government feel that their money will be doubled if they make a contribution. That is local government money or private government money. We feel there is a message for this money—for the Congress in this.

Senator MONTOYA. Were you here when the other witnesses testified this afternoon?

Mr. NEWTON. No, Senator, I just arrived.

Senator MONTOYA. They emphasized those points. I am inclined to agree with you. Do you have anything else?

Mr. NEWTON. The one final point about the challenge grant is the intriguing place where we are finding some of that money coming from in answer to challenges around the country. It is from employee giving. This is people giving at their place of business. And what is important about this is that in health and welfare with the United Way campaigns in this country which raise $1.1 billion a year 66 percent of that money comes from employee gifts. We are finding for the first time in the arts that we can get excess to that money in challenges have been very helpful to us in extracting it.

Senator MONTOYA. Thank you very much.

Mr. NEWTON. Thank you, sir.

STATEMENT OF W. ROBERT WILLIAMS, STATE HISTORIC PRESERVATION OFFICER FOR FLORIDA

ACCOMPANIED BY:

DAVID SHERMAN, GEORGIA DEPARTMENT OF NATURAL RESOURCES

LAWRENCE C. HENRY, DELAWARE

Senator MONTOYA. I was supposed to leave at 2:30, and we called every witness here. Now, Mr. Sherman has just come in and he was due here at 2:50 and we got ahead of the schedule.

Mr. W. Robert Williams?

Mr. WILLIAMS. Yes, sir, we have a letter here from Senator Chiles, and we will place this letter in the record at this point.

Senator MONTOYA. Fine. We will also receive your statement, and that of Mr. Sherman, into the record at this point.

[The correspondence and statements follow:]

LETTER FROM SENATOR LAWTON CHILES

United States Senate

COMMITTEE ON APPROPRIATIONS
WASHINGTON, D.C. 20510

April 14, 1976

Honorable Robert C. Byrd, Chairman
Subcommittee on the Interior
Committee on Appropriations
United States Senate
Washington, D. C.

Dear Mr. Chairman:

I am sorry that my schedule will not permit me to be with you today to introduce to the Subcommittee Bob Williams, the Director of the Florida State Historic Preservation Office. Mr. Williams also serves as a member of the Executive Committee for the National Conference of State Historical Preservation Officers.

In this year when we are celebrating our bicentennial, we should consider saving our past to serve our future. The buildings and monuments of our history can be put to many good and useful purposes. Reusing an existing piece of that past is better than using up more of our dwindling resources to build new structures.

Mr. Williams will be discussing the funding needs of the Preservation of Historic Properties under the National Park Service, Department of the Interior, and I am happy to present him to the Subcommittee.

Most sincerely,

Lawton Chiles

LAWTON CHILES

STATEMENT OF W. ROBERT WILLIAMS

My name is Robert Williams. I am the State Historic Preservation Officer in Florida. I speak not only for my State but also for the 55 other State and Territorial members of the National Conference of State Historic Preservation Officers. It is obviously not necessary for the subcommittee to hear testimony from each of the 56, but I can state with certainty that each would be willing to appear before you if it would help to reverse the Administration's regrettable error in recommending a 50% cut in the historic preservation grant program during the Bicentennial year.

Each State has a State Historic Preservation Officer appointed by the Governor for the purpose of acting in partnership with the Federal Government in carrying out Federal laws and policies with regard to the historic, architectural, archeological, and cultural resources of our States and the Nation. This partnership has worked with exceptional success, and I would hold it up as a model for others to follow in the frequently mentioned but seldom implemented principle of New Federalism. In this partnership the Federal Government sets minimum professional standards and provides seed money to keep the State programs going. In return the State programs identify historic properties and nominate them to the National Register, prepare and implement State historic preservation plans, and cooperate with every Federal agency that carries out, finances, or issues licenses or permits for development projects. At last count 734 highly qualified professional historians, architects, and archeologists and at least that many more other professional and clerical employees were working in the States on behalf of the Federal Government in this partnership. During the past year this partnership added over 2,000 properties to the National Register, initiated over 500 acquisition and restoration projects on historic properties, and handled 1,104 cases of legal inquiry into historic properties threatened by Federal Government action. Many thousands of other lesser actions--principally in furtherance of Federal law and policy--were also carried out by the State Historic Preservation Offices. I think it noteworthy that if the Federal Government attempted to carry out its historic preservation policies without its State partners it would have to employ approximately 20 times the number of people it now devotes to the program.

The States are strained to the limit. For fiscal year 1976 we and the National Trust for Historic Preservation had identified $428 million worth of preservation work that needed to be done, and we had in hand $214 million to match Federal grants. The Federal Government provided $20 million--about 8% of need. In fiscal year 1977 we expect to have identified a great deal more of the backlog of work that needs to be done and to have the matching dollars ready, but the President's budget asks for a reduction of half of the present program. A $10 million appropriation would meet only the slightest fraction of the Nation's immediate need. It is not only unjust for the States to carry 92% or more of the financial burden on behalf of the Federal Government, it is dangerous. If State programs begin to fold for lack of Federal assistance, Federal projects worth billions of

dollars will be delayed in litigation for lack of professional assistance in planning and executing their projects.

The State Historic Preservation Officers hope and believe that the Senate--far closer to the people than the Executive Branch and unincumbered by an unelected Office of Management and Budget--will not only restore the funds the Executive proposes to delete but appropriate the full amount authorized by legislation now speeding toward final action in the House. H.R. 12234, with over 90 cosponsors, would authorize $24.4 million. S. 327, already passed by the Senate, would authorize $150 million.

Mr. Chairman, I thank you for your patient hearing of the urgent concern of the representatives of the Chief Executives of the States and Territories. I should like to insert into the record resolutions passed by the Executive Committee of the National Conference of State Historic Preservation Officers on February 10, 1976, and unanimously adopted by the entire National Conference the following day. I should also like to insert into the record an April 4, 1976, article from the New York Times entitled "Budget Cutters are Undermining Historic Buildings," by Ada Louise Huxtable. Ms. Huxtable's apt concluding line is "Happy Birthday America. Wherever you are, and whatever is left."

RESOLUTIONS

Be it therefore resolved by the National Conference of State Historic Preservation Officers assembled in its annual meeting that not only is the importance of historic preservation being disregarded by the President's budget but that it is being actively damaged by a reduction in the financial support of this program; and

Be it further resolved that, since the States have been instrumental in supporting the President's budget in nurturing the national preservation program and coincident Federal projects dependent on review and clearance by State Historic Preservation Officers, the States ought not to have to bear the full burden of the 50% reduction in the funding of the program nor see the fruits of ten years of loyal support taken away; and

Be it further resolved that Congress be respectfully urged to a speedy consideration of the reauthorization of the

grant program through passage of S. 327 or H.R. 2763 (Land and Water Conservation Fund and Historic Preservation Fund) and the budgeting and appropriation of the authorization contained therein; and

Be it further resolved that the plight of the historic preservation program be brought respectfully to the attention of the President, the Congress, the Secretary of the Interior, the Director of the National Park Service, and the Director of the Office of Archeology and Historic Preservation and that each be requested to act in an affirmative manner to insure the protection of our national patrimony; and

Be it further resolved that copies of these resolutions and preamble be presented to the President, the Congress, the Secretary of the Interior, the Director of the National Park Service, and the Director of the Office of Archeology and Historic Preservation.

Truett Latimer, Texas, President
Frederick C. Williamson, Rhode Island, Vice President
Elizabeth Reed Amadon, Massachusetts, Secretary
William J. Wewer, Pennsylvania
Milo Howard, Alabama
Paul H. Westedt, Wyoming
Russell W. Fridley, Minnesota
Martha M. Bigelow, Michigan
Adrian Anderson, Iowa
David G. Talbot, Oregon

STATEMENT OF DAVID SHERMAN

MR. CHAIRMAN AND MEMBERS OF THE APPROPRIATIONS SUBCOMMITTEE ON INTERIOR, MY NAME IS DAVID SHERMAN OF THE GEORGIA DEPARTMENT OF NATURAL RESOURCES, WHERE I AM CHIEF OF THE HISTORIC PRESERVATION SECTION. I WOULD LIKE TO TAKE THIS OPPORTUNITY TO DISCUSS WITH YOU THE IMPLICATIONS OF THE PROPOSED FISCAL YEAR 1977 BUDGET REQUEST FOR THE HISTORIC PRESERVATION STATE GRANTS PROGRAM.

SOON AFTER THE PRESIDENT'S BUDGET FOR 1977 WAS RELEASED, WE BECAME AWARE OF A $10 MILLION CUT IN THE STATE GRANT PROGRAM. THE BACKGROUND BEHIND THESE BUDGET DECISIONS WAS DISCUSSED DURING A RECENT MEETING OF THE STATE HISTORIC PRESERVATION OFFICERS. THE GEORGIA DEPARTMENT OF NATURAL RESOURCES NOTIFIED THE SECRETARY OF THE INTERIOR OF OUR DISPLEASURE WITH THE REDUCTION OF $10 MILLION AND REQUESTED HIS ASSISTANCE IN RESTORING THESE FUNDS TO THE STATE GRANT PROGRAM. AT THE SAME TIME, WE INFORMED MEMBERS OF THE GEORGIA CONGRESSIONAL DELEGATION OF OUR EFFORTS TO RESTORE THE BUDGET REQUEST TO THE FISCAL YEAR 1976 LEVEL AND REQUESTED THEIR ASSISTANCE.

IT IS IRONIC THAT IN THE BICENTENNIAL YEAR OF THESE UNITED STATES THAT A PROGRAM DESIGNED TO PRESERVE OUR HISTORICAL AND CULTURAL RESOURCES WOULD RECEIVE THIS NEGLECT. IN 1973, $7.5 MILLION WAS APPROPRIATED FOR STATE GRANTS TO PROVIDE FUNDS FOR THE RESTORATION AND DEVELOPMENT OF HISTORIC STRUCTURES. BY 1976, THIS SUM HAD BEEN INCREASED TO $20 MILLION, BUT UNLESS CONGRESS CHANGES IT, THE FUNDS AVAILABLE WILL BE DOWN TO $10 MILLION. IN PREVIOUS TESTIMONY SUBMITTED TO THIS SUBCOMMITTEE, THIS DECREASE IN THE STATE GRANTS PROGRAM WAS EXPLAINED BY THE DEPARTMENT OF THE INTERIOR. THEY SAID, "REDUCTIONS HAVE BEEN MADE IN THIS PROGRAM IN ORDER TO PROVIDE FOR HIGHER PRIORITY PROGRAMS IN PARK AREAS." (P. 455, PART 1, JUSTIFICATIONS)

BEGINNING WITH THE ANTIQUITIES ACT OF 1906, THE FEDERAL GOVERNMENT HAS BEEN THE BACKBONE OF THE PRESERVATION CAUSE. IN THE HISTORIC PRESERVATION ACT OF 1966, WHICH CREATED THE NATIONAL REGISTER

OF HISTORIC PLACES, CONGRESS MANDATED THAT THE NATIONAL PARK SERVICE SHOULD ACCEPT INCREASED RESPONSIBILITY FOR THE PRESERVATION OF CULTURAL RESOURCES. SINCE THEN, A WORKING RELATIONSHIP HAS DEVELOPED BETWEEN THE NATIONAL PARK SERVICE AND THE STATES TO FURTHER THE PURPOSES OF PRESERVATION AND RESTORATION ACTIVITIES.

IN THE STATE OF GEORGIA, IT HAS REQUIRED A NUMBER OF YEARS TO FULLY DEVELOP A STAFF AND TO ADOPT A PROGRAM TO ADMINISTER THE GRANTS PROGRAM. THE PUBLICATION OF THE STATE HISTORIC PRESERVATION PLAN DETAILED THE GRANTS PROCESS IN GEORGIA. THROUGH A SERIES OF HISTORIC PRESERVATION WORKSHOPS AND PUBLIC SPEAKING ENGAGEMENTS, WE NURTURED A PUBLIC AWARENESS OF THE NEED FOR PRESERVATION OF CULTURAL RESOURCES AND OF THE AVAILABILITY OF FEDERAL GRANTS FOR THE PRESERVATION OF HISTORIC RESOURCES. THE AWARDING OF GRANTS IS BASED ON VARIOUS CRITERIA INCLUDING HISTORIC SIGNIFICANCE, ENDANGEREDNESS, GEOGRAPHIC LOCATION AND FEASIBILITY. ON THE AVERAGE, WE ARE ABLE TO FUND ONE OUT OF EVERY TWELVE APPLICATIONS - BUT NOT AT THE LEVEL REQUESTED.

ONE OF THE FIRST PROJECTS RECEIVING THE FEDERAL GRANTS IN THE STATE OF GEORGIA IN THE EARLY 1970'S WAS ETOWAH MOUNDS, AN INTERNATIONALLY SIGNIFICANT ARCHAEOLOGICAL SITE. ANOTHER WAS THE COTTAGE OF POET SIDNEY LANIER, WHO IS NOTED FOR THE POEMS, "THE MARSHES OF GLYNN" AND THE "SONS OF THE CHATTAHOOCHEE." STILL ANOTHER WAS THE HOME OF ROBERT TOOMBS, UNITED STATES SENATOR AND CONFEDERATE GENERAL AND SECRETARY OF STATE.

BY FISCAL YEAR 1975, WE HAD RECEIVED $1.1 MILLION IN GRANT REQUESTS, ALTHOUGH GEORGIA ONLY RECEIVED $158,272 IN GRANT MONIES. THESE LIMITED FUNDS ARE ASSISTING SUCH PROJECTS AS THE RESTORATION OF THE ADMINISTRATION BUILDING AT MERCER UNIVERSITY IN MACON, ONE OF THE FINEST EXAMPLES OF GOTHIC ARCHITECTURE OF ITS KIND IN THE STATE. A PRIVATELY SPONSORED PROJECT RECEIVING ASSISTANCE IS BIRDSVILLE PLANTATION NEAR MILLEN WHICH IS ONE OF THE FEW REMAINING EXAMPLES OF A WORKING PLANTATION AND REPRESENTS SO MUCH OF THE SOCIAL HISTORY OF THIS STATE.

DURING FISCAL YEAR 1976, WE HAVE RECEIVED GRANT REQUESTS FROM INDIVIDUALS AND HISTORICAL SOCIETIES TOTALING $7.6 MILLION ALTHOUGH WE ONLY EXPECT $200,000 TO BE AVAILABLE FOR GRANTS. AMONG THE PROJECTS FOR WHICH FUNDS HAVE BEEN REQUESTED, WE ARE CONSIDERING STONE HALL ON THE CAMPUS OF ATLANTA UNIVERSITY. BUILT IN 1882, STONE HALL IS NOW THE ADMINISTRATION BUILDING OF MORRIS BROWN COLLEGE. MANY NOTED BLACK EDUCATORS HAVE BEEN ASSOCIATED WITH THE UNIVERSITY INCLUDING JOHN HOPE AND W.E.B. DUBOIS.

ANOTHER PROJECT FOR WHICH GRANT MONIES ARE REQUESTED IS BARNSLEY GARDENS. THIS 26-ROOM CASTLE WAS BUILT IN THE WILDS OF FRONTIER NORTH GEORGIA BY ENGLISHMEN GODFREY BARNSLEY. IT IS SIGNIFICANT FOR ITS ARCHITECTURAL FEATURES AND SYMBOLIZES THE COLORFUL AND UNSTABLE FRONTIER BOOM PERIOD.

GEORGIA HAS MANY OTHER WORTHWHILE PROJECTS WE WOULD LIKE TO ASSIST IF THE FUNDS ARE AVAILABLE. BUT THE $10 MILLION REDUCTION IN THE STATE GRANTS PROGRAM WILL VIRTUALLY PRECLUDE AWARDING ANY GRANTS. AT THE LEVEL OF FUNDING REQUESTED, BY THE ADMINISTRATION, OUR EFFORTS WOULD BE RESTRICTED TO MAINTAINING OUR STAFF FOR ADMINISTRATION, PLANNING, AND PROCESSING NATIONAL REGISTER NOMINATIONS. WITHOUT ANY GRANT FUNDS AVAILABLE TO ASSIST LOCAL PRESERVATION PROJECTS, OUR PREVIOUS EFFORTS TO ENCOURAGE PUBLIC PARTICIPATION IN HISTORIC AND CULTURAL PRESERVATION WILL BE FRUSTRATED AND THWARTED.

THE LOSS OF GRANTS FOR LOCAL PRESERVATION PROJECTS WILL HAVE A VERY UNFORTUNATE IMPACT ON THE EFFORTS TO INSPIRE SERIOUS CULTURAL PRESERVATION PROGRAMS AT THE LOCAL LEVEL IN GEORGIA. FIRST, BY DIRECTING RESTORATION GRANTS INTO URBAN HISTORIC DISTRICTS, RELATIVELY SMALL SUMS OF MONEY CAN BE USED TO ENCOURAGE LARGER AMOUNTS OF PRIVATE FUNDS TO BE INVESTED IN ORDER TO REVITALIZE NEIGHBORHOODS WHICH WOULD OTHERWISE DETERIORATE. THIS IN TURN HAS DISTINCT ADVANTAGES FOR THE LOCAL GOVERNMENT TAX BASE. IN GEORGIA, THIS HAS ALREADY OCCURRED IN SAVANNAH, AND THE STATE IS COOPERATING WITH SIMILAR EFFORTS IN MACON AND IN THE INMAN PARK NEIGHBORHOOD OF ATLANTA.

SECOND, FOR PRESERVATION OF CULTURAL RESOURCES TO BE TRULY SUCCESSFUL, THERE MUST BE A STRONG RELATIONSHIP WITH LOCAL COMPREHENSIVE PLANNING. IDENTIFICATION OF CULTURAL RESOURCES AT THE STATE LEVEL, AND PROVISION OF GRANTS TO LOCAL PRESERVATION EFFORTS CAN INSPIRE LOCAL GOVERNMENTS TO USE THEIR EXISTING LEGAL TOOLS, SUCH AS ZONING FOR PRESERVATION PURPOSES. THE ABILITY OF THE STATE TO PROVIDE THIS INITIAL INCENTIVE TO LOCAL GOVERNMENTS DEPENDS ON THE AVAILABILITY OF LOCAL GRANT FUNDS. THEREFORE, IF THE LOCAL GRANT PROGRAM IS LOST, WE WILL BE LOSING MUCH MORE THAN IS DIRECTLY APPARENT. WE WILL LOSE OUR MOST VALUABLE INCENTIVE FOR EFFECTING A HISTORIC PRESERVATION ORIENTATION IN LOCAL PLANNING.

WE WOULD REMIND YOU THAT HISTORIC PRESERVATION IS CONSERVATION OF NON-RENEWABLE ELEMENTS OF OUR HERITAGE. RESTORING THE $10 MILLION WILL ENABLE STATE AND LOCAL GOVERNMENTS TO MAINTAIN THEIR PROGRESS IN HISTORIC PRESERVATION. ONCE LOST, OUR HERITAGE CAN NOT BE BOUGHT AGAIN.

STATEMENT OF LAWRENCE C. HENRY

MR. CHAIRMAN, as the official of the State of Delaware responsible for the administration in that state of programs authorized by the National Preservation Act of 1966 and administered at the Federal level by the National Park Service, I appreciate this opportunity to appear before the Sub-Committee to urge the full funding of these programs.

Since the formulation and passage by the Congress of the National Historic Preservation Act, a considerable effort has been made by the states, with the guidance and support of the National Park Service, to identify, preserve, and enhance the structures and areas in our country which bear witness to our history. Based on my involvement in this effort, first as the state historic preservation officer for Tennessee and now as the state historic preservation officer for Delaware, I share the opinion of many of my colleagues from across the country that this program has reached a pivotal point in its development. Within this Bicentennial period, I think we will see whether the Federal-state partnership for historic preservation that has grown out of the 1966 Act will achieve the goals it is now poised before, or whether it will founder. The outcome will depend to a great extent upon whether Federal financial support is sufficient for the challenge, and thus will be determined to a major extent by the decisions of this sub-committee.

Two observations convice me that this is a crucial time for the future of historic preservation activity. One is the work which has already been done and the opportunity that is created thereby. There does now exist across the country organized involvement in historic preservation activity. Systematic inventories have been undertaken to identify the historical, architectural, and archaeological resources of each state. Buildings, sites, and objects of significance to the nation, a state, or a locality, are being placed in the National Register of Historic Places. Grants are being made to preserve and enhance historic sites and properties. Planning activities at the state and local levels are being coordinated with historic preservation concerns.

Delaware, for instance, has identified nearly 5,000 sites and structures which are of sufficient consequence to be regarded as a source of historical information and which require consideration for planning purposes. We have seen 150 entries made to the National Register of Historic places as a result of our survey work and subsequent nomination. We are currently administering a dozen grant-assisted preservation and restoration projects. Of our effort, however, and of the efforts of other states, it can be said that they have come, by and large, as a response to a recognition by the Congress that the identification and management of historic resources was an imperative of our society. It must be said that whatever effort the states might have made without the leadership of the Congress would certainly not have produced the integrated national program we have today. We do have a program. It is producing results, and the opportunity exists to expand this program and make it more productive.

It is not, however, merely an opportunity which exists today. There is also a danger. The danger is that if the Congress does not act to sustain and enhance the present historic preservation program, the program will lose its momentum and founder. With the dollars which the states have received to use on a dollar-for-dollar matching basis to inventory, to nominate to the National Register, to provide planning responses, and to assist brick-and-mortar restoration projects, the states have also received a considerable number of Federally imposed responsibilities. Each new issue of the Federal Register seems to pass along to us some new and complex responsibility to mediate between Federal agencies, assist in the administration of Federal programs, or enforce Federal guidelines. Our expenditures to administer these responsibilities are also on a dollar-for-dollar matching basis, and we are fast reaching the point when it will cost some states more to administer the program for the Federal government than can be justified on a cost-benefit ratio.

Further, while we should and obviously do require the involvement of non-Federal monies in these various preservation efforts, it is my observation that the commitment of Federal funds serves as the catalyst for the vast majority of these efforts. The availability of Federal funds is, more often than not, the key to urging additional monies from overburdened state and local legislative bodies and private philanthropies.

It is, moreover, the availability of Federal funds that defines the nature of the preservation effort. It is no coindicence that projects within the states which have received Federal assistance include the useful restoration of buildings to serve new and productive purposes and the revitalization of neighborhoods by the renovation of existing housing, as well as the more traditional restorations of landmark structures for museum purposes. The priorities the Federal government has set have influenced the types of preservation expenditures which have been made. Without the continued and increased involvement of Federal monies, no one can be certain that these priorities will continue to get the attention they deserve.

If there is great opportunity associated with full funding of the historic preservation programs administered by the National Park Service, there is also the danger that a lack of funds will seriously impair those effort now being made by state and local governments and those efforts which could yet be summoned forth. I therefore urge the support of the Sub-Committee for full funding of this item.

Senator MONTOYA. In order to conserve time—I do have some other appointments.

Mr. WILLIAMS. I understand, Mr. Chairman.

Mr. SHERMAN. Senator Montoya, Bob Williams will make our presentation.

Senator MONTOYA. All right. Please make it brief. I would appreciate it very much if you do.

Mr. WILLIAMS. Mr. Chairman, 2 minutes.

Senator MONTOYA. All right.

HISTORIC PRESERVATION FUND

Mr. WILLIAMS. I am Robert Williams. I am the State historic preservation officer from Florida. Mr. Henry and Mr. Sherman are here at my side from the States of Delaware and Georgia to speak for our States and for the National Conference of State Historic Preservation Officers.

The subject we want to talk with you about for 2 minutes is the problem that the States are going to be faced with if the recommendation of the administration for a 50 percent cut in the historic preservation in the Department of Interior National Park Service budget is maintained. This is a program, a partnership between the Federal Government and the States that is working. It has grown considerably. In fact, it has grown tremendously in the last 6 or 7 years, and to cut it back now, to reduce it in half from what we have this year is going to create a problem both for the States and for the Federal Government.

Senator MONTOYA. We have received testimony on this all day. I commend you for coming before this committee and telling us about it.

I think historic preservation has really worked in this country.

Mr. WILLIAMS. It has worked and is working, I think, Mr. Chairman.

Senator MONTOYA. Thank you very much, gentlemen.

I am afraid that I must leave at this point. The statements of any witnesses who are present but cannot be heard will be placed in the record at this point.

[The statements follow:]

STATEMENT OF RICHARD McLANATHAN

My name is Richard McLanathan. I am the executive director of the American Association of Museums which has a membership of 1,228 institutions and 3,757 individual museum professionals. We also have 351 museum trustee members and 514 library, foreign and complimentary members. Our institutional members range in size from museums with one professional staff member to those the size of the Smithsonian Institution. The disciplines covered include art, science, history, natural history and children's museums, as well as aquariums, planetariums, zoos and botanical gardens. These museums are in every state and territory of the nation.

In my initial statement to the membership after being named director in November, 1975, I said that museums' biggest problem is determining, while under unprecedented pressure and demands, who we are, whom we are serving and how we can best do so. Museums across this country are facing up to those questions. They are looking critically at their audiences and are responding better to their needs.

They are reviewing their attitudes toward Native Americans and are making attempts to show their respect to a living culture and people that were once treated as a separate and almost extinct part of the nation's past. Art centers and museums, such as the Studio Museum of Harlem, Anacostia Neighborhood Museum and the Selma Burke Art Center in Pittsburgh are stimulating interest and appreciation in art through exhibitions, workshops and classes. These small, ethnic museums are not alone. Working with local historical societies the Metropolitan Museum of Art recently presented a historical exhibition on Weeksville, a community that was established in the late 1830s by a free black Virginian and later became known as Bedford Stuyvesant.

Museums in all disciplines are responding to the special needs of the physically handicapped in ways other than simply building ramps and widening doors. Special programs - touch exhibits for the blind, theater programs for the deaf and nature trails for both the visually and motor-handicapped - are being offered.

Science and natural history museums are not only helping to interpret the physical surroundings but are attempting to deal with problems of ecology and the changing world. The Rochester Museum and Science Center sponsored a program for teachers, parents and others who deal with young people in which medical and mental health professionals discussed human sexuality and the special problems it poses for adolescents. The museum's nature center recently cosponsored a lecture and field work symposium on the white-tailed deer and its relationship to man and the environment. Programs in this discipline range from the phenomenon of the seven-year cicada and what it means to a community, or understanding the metric system to what the world population explosion means to all of us.

In MUSEUMS USA* the 1,800 museums surveyed registered over 300 million visitors during 1972. American museums educate and entertain over 700 million visitors annually. They are responding to the diversity of America's people, their interests and their needs. Of the private, nonprofit museums surveyed in

---

* MUSEUMS USA, a survey conducted for the National Endowment for the Arts by the National Research Center of the Arts.

MUSEUMS USA, 81 percent of their income came from private support, operating revenues and nonoperating revenues. Of the governmental support received by these institutions, only three percent came from the federal government.

Museums are experiencing, as are other American consumers and businesses, the current economic crisis. The costs of providing services to the growing museum audience are increasing, while support from all sources is remaining constant or decreasing. Museums are economizing. Rather than close their doors completely, they have had to begin snipping services. At this point they have chosen to curtail hours and cut educational programs or exhibits.

This area, educational programs and exhibitions, is precisely where the National Endowments for the Arts and Humanities can make a difference. Museums are not asking the endowments to become their only funding source. They are asking for assistance to meet the needs of their audiences. For example, The Hudson River Museum was told by the City of Yonkers that, after a 53-year history of major municipal support, it would no longer receive any city funding. The museum did not ask the federal government for assistance to fund its museum. It began an active campaign for private individual and corporate support. It did ask for, and received, a chairman's grant from the National Endowment for the Arts to provide for the services of a fund-raising specialist.

One need only look at a recent copy of the American Association of Museums' monthly newsletter to see that museums use and need endowment support: four exhibits were sponsored by endowment grants and two museums opened galleries that were better designed and equipped with climate-control systems through such grants. Of the exhibits mentioned, one was an international loan show prepared jointly with a German museum with patronage of the International Council of Museums. Another was the result of a major two-year research project on New Deal art in California. In addition to the exhibition, the project included a two-hour television documentary, a color slide catalog and a written guide to major works, their location and cultural and historic importance.

One of the museums that announced expanded facilities is an excellent example of how the endowments can augment existing programs and can increase private support. The Hunter Museum of Art in Chatanooga, Tennessee, has a collection valued at over $2 million. The collection has been created through totally private, mostly local, donations. The museum has just opened a 34,500-square foot expansion to its original building. Construction costs of $2 million were raised from private, and once again mostly local, contributions. Matching grants from the National Endowment for the Arts provided for installation of the collection and a climate-humidity control system in the renovated portion that will insure the best possible conditions for the display and conservation of the collection. The use of the matching grant system is extremely valuable and increases the benefits of the endowments grant-making authority.

I would like to submit an article "NEA-NEH Museum Programs: An Overview," which will appear in the May/June 1976 issue of MUSEUM NEWS, the bi-montly magazine of the AAM. It is a short history of the museum support programs at both endowments and indicates the importance of the endowments to museums.

The National Endowments for the Arts and Humanities have been extremely important to museums in the past. As the

endowments' programs expand and museums' knowledge of them increase, they will be better able to serve the growing needs of the American people. I ask the committee to strongly consider full and equal appropriations for the National Endowments for the Arts and Humanities.

NEA-NEH MUSEUM PROGRAMS: AN OVERVIEW

In their first decade, the Arts and Humanities Endowments have been important sources of financial assistance to museums. The Museum Program of NEA (begun in fiscal year 1971) and NEH's Museums and Historical Organizations Program (begun in FY 66) have provided over $38.7 million in matching grants and outright support to museums. In FY 75 alone, museums received $14.8 million (530 grants) from the two programs. Financial support for museums has also come from other programs within both endowments.

NEA

During its first four years (FY 71-75), the Arts Endowment's Museum Program has awarded 1,715 grants totaling $26,745,975 to approximately 500 institutions, 80 percent of which are art museums and 20 percent science and history museums. The program has grown from a pilot project that awarded grants in seven categories (FY 71) to a 12-category program that assisted 455 projects in FY 75.

Until 1971, NEA offered limited support, to art museums only, through the wider availability of museums category of the Visual Arts Program and through the museum purchase plan, which was created in 1968 to provide for the purchase of works by living American artists. In January, 1971, the Museum Program was launched when the two existing funding categories were combined with five new types of assistance to offer a broader program of support to museums.

Today the Museum Program supports:

Special exhibitions, installation of permanent collections, catalogs and cataloging, and projects that make museums more widely available to the public;

professional training in museums and universities, and short leave programs for museum professionals;

training of conservators and conservation work on individual objects, as well as surveys for and installation of systems to improve security, storage or climate control;

acquisition of works by living American artists.

In the aid to special exhibitions category, which the program's assistant director, David Ryan, calls "the most competitive category", 539 grants have been awarded since 1971. In FY 74 (the latest figures available) NEA awarded approximately $3.3 million in aid to special exhibitions, over one-third of the total amount awarded by the Museum Program.

Grants to special exhibitions for the fiscal year ending June 30, 1976 include:

We Try Harder, a participatory exhibit designed to educate the public about the life of the exceptional person (The Children's Museum, Boston);

An exhibit of 70 pieces of Adirondack rustic furniture with photographic and historic documentation (the Adirondacks Historical Association, Inc., New York);

Conserving Our Cultural Heritage, x-rays and photographic enlargements of conservation work in progress on 30 works from the Columbus (Ohio) Gallery of Fine Arts' permanent collection;

Zaire: Masterworks from the National Collection (The African-American Institute, New York City);

Video Trans America, video programs portraying the ecology of 20 American locations (Contemporary Arts Museum, Houston);

Nelson/Eames/Girard/Propst and the Design Process at Herman Miller, Inc. (Walker Art Center, Minneapolis);

Ecole des Beaux Arts (Museum of Modern Art).

Museums facing emergency situations have also benefited from NEA chairman's grants, which are awarded in special circumstances. The Corning (New York) Museum of Glass received a chairman's grant to assist in renovation following severe flood damage after Hurricane Agnes. This March, the Hudson River Museum, whose budget was severely cut when the city of Yonkers (New York) withdrew all support on January 1, received a chairman's grant to provide for the services of a fund-raising specialist.

Museums may apply for assistance from about a dozen other NEA sources, including Architecture & Environmental Arts, Expansion Arts, Visual Arts and Public Media. A new NEA brochure describing those programs will be available in late May.

NEH

Museums' major source of assistance from the Humanities Endowment is the Museums and Historical Organizations program, one of four areas in NEH's Public Programs Division. The program is as old as the endowment itself. It began in FY 66 with a total of $39,000 in grants for upgrading the competence of curators and professional staffs of museums and historical societies. By FY 72, the program was supporting the three types of projects that it supports today: exhibitions, interpretive programs and personnel development. Sixteen grants totaling $440,750 were awarded that year. By FY 75, museum assistance from NEH had increased more than tenfold. Ninety-two awards totaling $5,587,137 were made through the Museums and Historical Organizations Program.

The Humanities Endowment awards outright assistance to institutions, in addition to gifts-and-matching grants and combined grants, In FY 74, for example, outright grants accounted for all but $135,000 of the total $2,943,891 awarded. The endowment may require a substantial "cost-sharing" contribution from the applicant, however.

The Museums and Historical Organizations Program offers assistance in the implementation and expansion of programs that "...convey and interpret knowledge of our cultural legacy to an interested public." Construction and acquisitions costs are not eligible for support. Grants in recent years have included:

Masterpieces of Tapestry from the 14th to the 16th Centuries, which broke all attendance records at the Metropolitan Museum of Art; auxiliary exhibits, information and a film on the exhibition ($136,000);

Impressionist and Post-Impressionist Painting from the USSR, the first loan exhibition of Western art from the Soviet Union; a three-city tour of the exhibit ($230,000);

the 1975 exhibition of artifacts and works of art from the People's Republic of China ($400,000 to the Nelson Gallery-Atkins Museum, Kansas City, and $275,000 to the Asian Art Museum, San Francisco);

A traveling exhibit on the history of American agriculture, organized by the California Historical Soceity ($49,566).

NEH has continuously supported training for museum and historical organization personnel. In FY 74, 46 fellowships, 32 internships and a number of seminars, workshops and in-service training programs were supported by Museums and Historical Organizations Program funds.

STATEMENT OF CHRISTINE STEVENS

On behalf of the Society for Animal Protective Legislation, American Littoral Society, Committee for the Preservation of the Tule Elk, Endangered Species Productions, Environmental Policy Center, Fund for Animals, Humane Society of the United States, International Fund for Animal Welfare (U.S.A.), International Primate Protection League, Let Live, National Parks and Conservation Association, and the Wilderness Society, I request $19,000,000 be appropriated to the Department of the Interior to administer the Endangered Species Act of 1973.

The United States is the world leader in the vitally important work to prevent extinction of threatened and endangered species. It was our government that sought and hosted the international plenipotentiary conference that resulted in the Convention on International Trade in Endangered Species of Wild Fauna and Flora in 1973. The convention came into force last year, and the Department of the Interior will carry a major responsibility now in both scientific and enforcement activity. It must be funded to do this.

In the past year, the Department has been severely and repeatedly criticized for failure to do the job the Congress told it to do when the Endangered Species Act of 1973 was passed. Unless more funds and a higher ceiling on personnel are forthcoming there is no question that these criticisms will continue and continue to be valid. There must be more people, better qualified people and more highly motivated people in Interior if the work that needs to be done is to be achieved.

Mr. Chairman, you can take a major step in preserving our world if you provide needed funding and make strong recommendations to the Administration on how the appropriations are to be used.

To address the question of simple numbers of personnel, no more than 170 individuals, most of them part-time because they are also charged with other duties, are now doing endangered species work. This number must cover the entire United States and our entire international obligations under the Act and the Convention! At least three and preferably four times that number of people are needed, and more of them should spend full time on the endangered species programs, whether in enforcement (which is vitally important), in scientific research and analysis (basic to the essential listing of species which has dragged interminably under present funding and personnel levels), in administrative work with the states, and designation of critical habitats. At the present time, only 23 individuals, those in the Washington Endangered Species office, are full time workers.

How can such a pathetically small number hope to turn the tide of devastation which has given our time the dubious distinction of losing the most species at the fastest rate? Obviously, a major change must be made. Otherwise the three endangered species acts passed in 1966, 1969 and culminating in the 1973 act, become a mockery. The personnel ceiling should be raised to 600. The funding should be raised to $19 million, and a directive should go to the Department of the Interior to bring in dedicated conservationists both in key scientific and administrative positions and in basic enforcement posts.

Major areas include: listing of species in a prompt, orderly manner; designation of critical habitats within the United States where there are resident endangered species; carrying out our duties under the Convention; cooperation with states in protecting resident endangered species; development and implementation of recovery plans; research on ways to protect and assist endangered species; and international coordination of the work.

The Department of the Interior estimates that there are more than 200,000 full species that need to be listed now. Contrast this estimate with the fact that only sixteen have been listed since the 1973 Act was passed! Petitions have been received to list some 24,000 species of animals and plants, but the Department has begun action on only about 15% of these. According to Department estimates it takes 36 professional person days and 5 clerical person days to list a species.

No critical habitats have yet been designated in the three years since the Act was passed.

Mr. Chairman, we are asking that the Committee appropriate the $19 million that the Fish and Wildlife Service estimated to be necessary to carry out the terms of the Act, exclusive of state grants and land acquisition. If grants to states as provided in Section 6 (d) are made, the FWS estimates an additional $9 million are needed for FY '77.

If the current level of funding is not significantly increased the law enforcement function will be grossly inadequate both for the enforcement of import-export regulations and protection of native endangered species; listing and recovery will continue to be delayed. Attached is the estimate submitted by the Department of the Interior at the request of the Chairman of the House Subcommittee that held hearings on reauthorization earlier this year.

In closing, I would emphasize that implementation of the Endangered Species Act is a matter of the first importance. Like the other large mammals, man is dependent on the balance of nature - or, to use a more up-to-date term, the health of the ecosystem. We cannot afford to let other large mammals disappear nor allow the other essential components of the ecosystem to decrease and finally vanish, unless we, too, are prepared to fade away.

Mr. LEGGETT. If I ask you for your 5-year baseline program, would you provide it to me?

Mr. GREENWALT. Yes, Mr. Chairman, we can give you our projections in this direction, but it must be recognized that these are simply the plans of the Service and not necessarily those that will be realized after the process of budgeting has been completed.

Mr. LEGGETT. I understand.

What we are concerned with is I understand many times it is advantageous to be a good guy and do not create too many waves, and it looks like you are only going to get $10 million, apply for $10 million, because then it does not make the budgeters look too pernicious. But I think it is critical that people at the operating level, specifically what the needs are, and lay it out in terms of personnel, members and growth, and escalation and inflation, spell it out, because if you short circuit the system at your level and you just kind of so-called eat a problem before it surfaces, then the committee, the Congress, sees very little input as to exactly what the problem is. And we get complaints from people that enforcement has not been effective, et cetera, and still, in order to be a good guy, why, many times, some agencies only apply for what they think they will get.

I think that it is utterly critical that you go ahead and express yourself completely and fully, and let the chips fall where they may. And after the application is made, let the Congress determine what the priorities are going to be.

Unless we get that spelled out, we are going to have problems.

Mr. GREENWALT. I agree, Mr. Chairman.

[The following was submitted:]

ESTIMATE OF COST

The following attachment is an estimate of the cost of implementing as diligently as possible every program action implied by the Endangered Species Act. These estimates were made without considering any fiscal or personnel constraints and, therefore, do not represent what the Department of the Interior or the Fish and Wildlife Service may recommend after reconsidering these estimates with other programs.

ENDANGERED SPECIES PROGRAM

FISCAL YEAR 1977–81

The following two tables provide a current [but hurried] estimate of the dollars and man-power that would be required by the Fish and Wildlife Service to implement the Endangered Species Act of 1973 for Fiscal Years 1977 through 1981. The amounts shown are for what we deem to be full implementation of the Act at the optimum level.

Implementation at this level would allow us, among other things, to complete the following major tasks:

1. Carry out the required steps and list approximately 3,000 animals and 4,000 plants and delist or reclassify species as recovery allows.
2. Acquire 500,000 acres of high priority endangered and threatened species habitat.
3. Carry on effective coordination with Federal agencies and private groups and to achieve Cooperative Agreements with at least 48 States and Territories.
4. To establish effective endangered species grant-in-aid programs with 48 States and Territories.
5. Delineate critical habitats for 3,000 animals and 4,000 plants and advise Federal agencies of possible conflicts with Federal actions.
6. Implement and enforce the Convention on International Trade in Endangered Species of Wild Fauna and Flora.

7. Carry on training of foreign nationals in wildlife conservation and provide U.S. consultation with foreign countries on wildlife conservation problems.

8. Control import and export of wildlife and wildlife products and parts.

9. Enforce protection of endangered or threatened wildlife under the jurisdiction of the United States.

10. Maintain an effective system for receiving and processing requests for permits to take or transport listed species and for use of non-designated ports of importation and issue permits when appropriate.

11. Maintain approximately 200 National Wildlife Refuges for protection and management of endangered or threatened species.

12. Maintain an inhouse and contract research program to answer biological unknowns required to list or delist species and to establish effective recovery programs for listed species.

13. Carry on captive propagation of endangered species for release into the wild when all other measures are inadequate.

14. To maintain approximately 100 animal recovery teams and 45 plant recovery teams for optimum recovery effort by cooperating agencies and private groups.

15. To review and comment on Environmental Impact Statements and applications for Corps of Engineer permits to eliminate or minimize impact on listed species or their habitats.

ENDANGERED SPECIES PROGRAM[1] FISCAL YEAR 1977 THROUGH 1981

[Dollars in thousands]

Fiscal year	Section 15[2]	Grant-in-aid	LWCF	Excess foreign currency	Positions
1975	$5,480	----------	----------	----------	170
1976	[3] 7,374	$2,000	----------	----------	170
1977	19,095	4,000	$115,000	$500	410
1978	21,669	9,000	60,000	1,000	467
1979	23,738	10,000	45,000	1,000	513
1980	25,308	10,000	42,100	1,000	544
1981	27,880	12,000	42,900	1,000	570

[1] Resources required to fully implement the Endangered Species Act at the optimum level.
[2] Funds that would be appropriated under authority of section 15 are further broken down as to purpose in the following table.
[3] President's request but not yet appropriated for 12-month fiscal year.

ENDANGERED SPECIES PROGRAM FUNDING NEEDED UNDER SECTION 15

Purpose	Fiscal year (dollars in thousands)					
	1977	1978	1979	1980	1981	Tota
Section 4	$2,150	$2,050	$1,700	$1,600	$1,300	$8,800
Section 5[1]	----------	----------	----------	----------	----------	----------
Section 6[2]	875	1,000	1,148	1,262	1,355	5,640
Section 7	2,970	2,250	2,150	1,940	1,790	11,100
Section 8[2]	666	1,057	1,474	1,485	1,515	6,197
Section 9	3,745	4,295	5,191	5,601	6,145	24,977
Section 10	524	577	630	640	700	3,071
Research	2,595	4,105	3,650	4,150	4,185	18,685
Habitat management	4,050	4,075	4,395	4,600	4,510	21,630
Recovery teams/plans	1,520	2,260	3,400	4,030	6,380	17,590
Total	19,095	21,669	23,738	25,308	27,880	117,690

[1] See section 5 annual requirements under LWCF in preceding table.
[2] Does bot include grant-in-aid for which annual requirements are shown in preceding table.
[3] Does not include excess foreign currency program tor which annual requirements are shown in preceding table.

Mr. LEGGETT. So I am going to ask you for that 5-year program and personnel wise and dollar wise, escalation wise, and how that relates to fulfilling the—I am not going to say the mandate—fulfilling the law that Congress has enacted.

STATEMENT OF DONALD B. MYER

Mr. Chairman, I am Donald B. Myer, chairman of the American Institute of Architects Committee on Historic Resources. I am an architect registered in the District of Columbia, with experience in the fields of architectural history, restoration, and historic preservation. I serve as the Assistant Secretary of the U.S. Commission of Fine Arts. Today, I am speaking for the AIA, the national society for the architectural profession. We wish to express our support for a fiscal 1977 appropriation of $24.4 million for the historic preservation grants program administered by the National Park Service under authority of the Historic Preservation Act of 1966. In addition, we recommend an increase of $100,000 in FY 1977 for the Historic American Buildings Survey, also administered by the National Park Service.

For many years, the AIA has testified on the value of historic preservation and the substantial accomplishments which have resulted since the passage of the 1966 Act. We would like to commend once more the excellent work that is being done by the National Park Service.

Architects have a deep concern for the historic resources of our country. We believe historic preservation, restoration, and adaptive use should be given a far higher priority among our national programs and goals. Within the AIA there is a national Committee on Historic Resources, composed of almost 100 members from all parts of the country, all of whom are actively involved in the preservation of our American heritage.

To increase the national impact of historic preservation, in 1967 this Committee organized a network of State Preservation Coordinators. These coordinators act as our direct liaison between the officials in each state government responsible for historic preservation and our own 266 chapters across the country to encourage and assist the development of preservation projects. These state coordinators have played a major role in helping the states increase their participation in the historic preservation grants program of the National Park Service.

We are dismayed that the Administration has requested only $14 million in fiscal 1977 for the historic preservation programs of the National Park Service. This includes grants to the states to assist them in conducting surveys of historic buildings and sites, planning for their restoration, acquiring the necessary properties, and restoring the buildings and sites in an appropriate fashion.

The grant program is only <u>one</u> of seven major historic preservation activities funded through a single appropriation that is acted upon annually by this Committee. The other activities range from archeological projects to the National Register of Historic Places and are projected to consume approximately $4 million -- which represents a level of funding similar to FY 1976. Of the $14 million requested by the Administration, only $10 million will remain for state grants -- half the amount appropriated last year.

Every year this Committee hears testimony indicating that the ability of the states to provide matching funds for the preservation grant program far exceeds the federal matching share. Fiscal 1977 will be no exception. It is estimated that the states will request more than $200 million in matching grants. In light of the interest and ability of the states to finance preservation projects, a $10 million federal share is discouraging.

Because the legislation reauthorizing the Historic Preservation Act of 1966 has not yet been enacted, we realize that the Committee lacks a definitive funding ceiling for the program. However, there are two facts to be considered. The first is the funding level proposed in the pending reauthorization legislation, H.R. 12234 and S. 327. The House Interior Committee-approved bill sets a fiscal 1977 funding level of $24.4 million, while the Senate-passed bill authorizes $150 million. Although the difference between these two figures is great, we can be fairly confident that the minimum authorization will be at least $24.4 million.

Second, a review of the past ten years of this program's existence demonstrates a steady increase in authorization levels from $2.0 million in FY 1967 to $24.6 million in FY 1976. While the appropriations have not always equalled the authorizations, Congress has nevertheless continued to increase the funds available for this program, reaching a figure of $19 million in fiscal 1976.

Therefore, we strongly recommend that $24.4 million for the historic preservation grants program be appropriated for fiscal 1977. Even this funding level, of course, will not nearly approach the matching funds the states themselves are able to provide. But without an appropriation of at least $24 million, permanent damage will be inflicted upon many existing and planned historic preservation projects.

In testimony before this Committee last year, we proposed a special, expanded, 10-year program for the Historic American Buildings Survey (HABS). Our proposal recommended an appropriation of $3.75 million in fiscal 1976 to permit the completion of measured drawings for approximately

18,000 historic buildings. HABS did not receive the appropriation we recommended and thus has not been able to respond to the increased number of requests for cooperative architectural recording projects throughout the country.

This year we suggest a more modest expansion of the HABS program, which would require only $100,000 over the FY 77 budget request.

Since its inception in the 1930's, HABS has recorded over 16,000 American buildings. Needless to say, this collection represents one of the largest architectural archives in the world and is on deposit in the Library of Congress. However, almost none of these drawings represent original architectural work. They are record drawings of historic structures, made after the buildings became historically significant, for the purpose of creating lasting documentation.

It would be a logical extension of the role of HABS to begin to deal with significant original architectural records; that is, those documents used to design and construct architecturally significant buildings. We are not suggesting that the Survey collect original drawings -- simply that it serve as a national clearinghouse for information on architectural archives. It would function to: (1) maintain a union catalog of architectural materials and issue periodical updates thereof; and (2) be a resource center for information on architectural records nationally and an advisory center and clearinghouse for the disposition of architectural documents to repositories.

We believe this could be accomplished for approximately $100,000 to cover the following costs: salaries for two archivists, a technical information specialist, and one clerk ($65,000); travel ($12,000); administration ($12,000); and other expenses related to the information center ($11,000).

There is a definite need for the initiation of such a program. A report completed in December, 1975, by the AIA Research Corporation (Preserving Architectural Records and Creating a National Information System on Architectural Archival Material: A Discussion of Alternatives) reveals that a great majority of structures built in the United States prior to the 20th century have been physically destroyed without a trace. At the present time, there is no assurance that the architectural records which currently do exist will not eventually disappear in the same fashion. The records of architecture constitute the raw material from which architectural history is refined. If architectural records are destroyed or lost, all tangible contact with the built environment will be erased once the works of architecture themselves have passed from the scene.

Fortunately, Americans are beginning to realize that our environment is fragile and that it must be wisely cared for if it is to survive. Accompanying this realization is a feeling that existing structures should not be destroyed wholesale and completely replaced, but should be adapted and refitted to play a viable role now and in the future. The increase in restoration and adaptive use has created a need for historic architectural plans. This has been paralleled by an effort to popularize architectural history and interpret the built environment for a much wider audience. All these forces are creating unprecedented demands for access to the records of architecture.

Currently, architectural archives exist in private hands, in local and regional historical societies of all sizes, both private and state funded, in private research libraries, in art museums, in art departments of major public libraries, in special collections of some college and university libraries, in state, county, and national archives, in architectural offices, with families of deceased architects, in city planning and public records offices, and in a myriad of other situations.

But there is general agreement that a central information agency is needed on the national level to coordinate and advise the many local agencies which are now working unilaterally to preserve and service collections of architectural records. To be most effective, this central agency should not itself become an architectural archive, nor should it compete with regional centers to acquire archival material. Rather, it should be an information agency, attempting to serve the needs of the regional agencies by maintaining and publishing accurate, up-to-date records of the holdings of these various agencies, and by standing ready to advise them on technical problems.

The fact that the Historic American Buildings Survey is the only federal government entity devoted exclusively to the maintenance of historic preservation records leads us to the conclusion that HABS is ideally suited to undertake this project.

In summary, Mr. Chairman, we are recommending the appropriation of an additional $100,000 for the Historic American Buildings Survey and $24.4 million -- rather than the $10 million requested by the Administration -- for the historic preservation matching grants program in fiscal 1977.

On behalf of the American Institute of Architects, I thank the Committee for this opportunity to express our views and trust that you will take favorable action on them.

STATEMENT OF W. H. HILDEBRAND

Funds budgeted in recent years for the Forest Survey have not kept pace with increased costs. An increase of $5 million over the 1976 appropriation is needed. This nation's forests are becoming more important and must be protected from fire. We support an appropriation of $25 million for Cooperation in Forest Fire Control.

I am W. H. Hildebrand, Director of Wood and Woodlands for Mead Corporation. Today I am speaking as President of the American Pulpwood Association, a trade association of pulpwood producers, dealers, consumers, and others directly concerned with growing and harvesting pulpwood - the principal raw material used in the manufacture of pulp, paper, paperboard, and other products.

Since the pulp and paper industry depends on forests for raw material, it is vitally interested in and sensitive to any action that affects the forest resource.

Our reasons for appearing before this subcommittee are (1) to stress the importance of the Forest Survey, (2) the Forest Service program of cooperation in forest fire control with the State Forestry organizations and (3) to request that adequate funds be appropriated to finance these programs.

THE FOREST SURVEY - Until the present fiscal year, the Forest Survey has been what we would call a "line item" in the Forest Survey budget. In this year's appropriation and in the 1977 budget, it is included under the heading "Renewable Resources Evaluation". This is the result of the requirements of the Forest and Rangeland Renewable Resources Planning Act (RPA). The change in name is not important - what is important is that the item be adequately financed - not only to prevent further deterioration of the survey, but to cover the needed increases in frequency and intensity of state surveys.

Last summer in a letter summarizing the 1974 activities of the Southern Forest Experiment Station, the director said that the Forest Resources Survey had been "most severely hit" by inflation and that "increased costs have forced us to reduce the number of field personnel. The eventual outcome will be a lengthening of the survey cycle beyond the present ten years - probably to 12 or 13 years". Such a survey cycle is much too long a period, especially for timber stands in the southeast where pine plantations may be harvested only 23 years after they are planted. These southern pine plantations will provide a major portion of our nations wood fiber in the future and a survey every 12-13 years will not provide a true picture of our nation's timber supply. The Forest Service advised that although funding for the Forest Resources Evaluation had been increased by $1.5 million, all of that amount was needed for research required by the Forest on Rangeland Renewable Resources Planning Act and none of the increased funds would be used to offset increased costs of the Forest Survey.

The proposed budget for 1977 includes $7.1 million for resources evaluation, which is an increase of $1.7 million above the 1976 base appropriation. We have been advised that only one-fourth of this proposed increase will be used for the Forest Survey. With no increase for the current year and only $400,000 proposed for next year, the Survey will fall even farther behind.

We understand the pressure on the Forest Service to fulfill the requirements of the Forest and Rangelands Renewable Planning Act, but since Congress mandated these requirements, and the Forest Survey is needed to fulfill them it is only logical that Congress provide the funds to carry out the full assignment.

The Forest Service has been the only source of information on growth, cut, and inventory of the nation's forests since it began Forest Survey

work in the 1930's. Federal, state, and private landowners depend on the Forest Service to supply this information.

Information on our forest resource is vital to the country. Although we are growing more than we are cutting on a nationwide basis, we cannot expect this to continue indefinitely. Our nation's needs for lumber, paper, packaging, and other products from the forests will continue to increase. This demand coupled with declining commercial forest acreage resulting from withdrawal of land for other purposes will hasten the day when the demand will exceed forest growth.

In addition to present requirements it appears that a new use for wood may reach large proportions in the near future. Wood is now being considered as a source of energy. The technology for converting wood to oil or alcohol exists today but costs are too high to be competitive. If the technology for converting of wood to oil and alcohol improves, additional demands will be placed on our forest resources.

The increase in the demand for wood and wood products especially in the last 10-12 years has placed tremendous pressures on the forest resource. Recent Forest Surveys in several southern states indicate that the cut exceeds the growth of some species in portions of those states. This overcutting does not mean disaster, but it does emphasize the importance of information on forest growth, cut and inventory on a current basis.

You might be interested to know that Sweden has just recently found that the annual capacity of their forest industry manufacturing facilities exceeds annual forest growth. In order to overcome this short fall, they are attempting to buy chips from other countries and are looking specifically at this country. They are reexamining their position but it appears that because of a gap in age classes, the shortage will last at least 10 years and perhaps 20. We can't let a similar situation develop in this country. We need frequent and up-to-date information - which we can get only through the Forest Survey.

For that reason we urge that funds for Renewable Resources Evaluation be increased by $5 million instead of the $1.7 budgeted. This will increase the amount budgeted for Renewable Resources Evaluation to $10.5 million and will increase funds for the Forest Survey by approximately $3.7 million.

COOPERATION IN FOREST FIRE CONTROL - We are also interested in funds for Cooperative Forest Fire Control. We recognize the need to hold down Federal spending wherever possible, but feel that a reduction of $11 million below this year's appropriation for Cooperative Forest Fire Control is unwarranted. The cost of fire control has increased along with the price of everything else. Our forests are a most important renewable resource and need more fire protection - not less. When passed in 1924, the Clark McNary Act authorized the Federal government to match fire control funds on a 50 - 50 basis. Although this rate has never been applied the Federal share has been decreasing until this year it is only 14% of the total.

Fires are not set by the land owner. Four out of every five forest fires are set by the public either carelessly or intentionally. Consequently, the public has a responsibility to control these fires. As more people go to the forests for outdoor recreation, the danger of fire increases. In recent years, this country averaged more than a hundred thousand wild fires a year. Any decrease in funding, and the resulting reduction in fire protection could mean a tremendous loss to our nation - particularly if the weather is dry and windy.

It should be noted that forest fires destroy recreation, wildlife, soil and water values as well as timber. It is essential that we do everything possible to protect our forests from fire. We urge that the program

for Cooperation in Forest Fire Control be supported by a Federal appropriation of $25 million.

In summary, I would like to emphasize that the Forest Survey information and forest fire control are extremely important, not only to the forest industry, but to the nation as a whole. We urge that appropriations in the amount of $10.5 million for Renewable Resources Evaluation and $25 million for Cooperation in Forest Fire Control be provided by Congress.

STATEMENT OF TOBY COOPER

Mr. Chairman: I am Toby Cooper, Wildlife Programs Coordinator for Defenders of Wildlife. Our offices are located at 1244 19th Street, N.W., Washington, D.C.

Defenders of Wildlife is a major national, Washington, D.C. based, environmental organization, which publishes the highly respected and acclaimed bi-monthly Defenders of Wildlife magazine and engages in other activities designed to benefit and promote the welfare of wildlife and wildlife resources throughout the United States. To this end, Defenders testifies upon invitation before Congressional committees such as this one, files legal actions with appropriate governmental agencies, and participates to the extent possible in meaningful agency decision-making processes.

At the outset, Defenders is deeply concerned about the health and well being of our Fish and Wildlife Service. The FWS represents an extremely important component of our federal land management program. It protects important wildlife lands, it is charged with safeguarding and restoring our endangered species, and it provides one of the best programs in the nation for wildlife-oriented recreation.

Unfortunately, the FWS is in deplorable condition as a result of inadequate budget and personnel ceilings. Like the National Park Service, the Fish and Wildlife Service is often left in the background when the Administration's budget priorities are established.

To the public, it appears as if the land management and conservation agencies bear a disproportionate burden in the federal push for austerity, while the agencies engaged in resource exploitation are able to fare much better.

As an example, the breakdown of personnel levels in agencies within the Department of the Interior for 1974 is as follows:

Agency	Work Force, Permanent, Full time	Work Force Relative to OMB end-of-year Ceilings
BIA	13,690	+115
Geological Survey	8,794	-185
NPS	7,443	+325
Bonneville Power	3,133	+ 45
Bureau of Mines	3,634	- 30
MESA	2,565	-286
Fish and Wildlife	4,259	+124

Thus, this chart shows that at the end of 1974, the National Park Service and the Fish and Wildlife Service were faced with removing

325 and 124 permanent, full-time staff, respectively, while the Geological Survey, the Bureau of Mines, and the Mining Enforcement and Safety Administration were each able to hire new personnel.

The National Wildlife Refuge System

The National Wildlife Refuge System is perhaps the most significant function of the Fish and Wildlife Service. The refuges are essential to protecting wildlife, preserving endangered species, and providing public access to wildlife lands and wildlife resources.

The NWRS seems to be the hardest hit by budget and personnel constraints. Many refuges are supervised by only one individual, and some individuals have responsibility for more than one refuge. Maintenance functions, public services including environmental education, wildlife protection, land acquisition, and law enforcement are some of the refuge programs that are currently being curtailed, all to the detriment of our wildlife refuge system. Not only will the wildlife suffer, but the public investment in refuges will be largely lost if the present trends continue.

Defenders is committed to promoting the highest possible standards for the wildlife refuges. To this end, we are now in the process of initiating a nationwide survey of refuge conditions. The results of this program will be made available to this committee as soon as possible.

One of the problems facing the NWRS is the Program Budget Approach (PBA). The PBA, as the Committee is undoubtedly aware, draws on six FWS programs in order to create the NWRS budget: Habitat Preservation, Wildlife Resources, Fishery Resources, Endangered Species, Interpretation and Recreation, and Grant-in-Aid.

The details of the PBA can best be presented by the agency. Our only comment is that because the allotments for different budget activities overlap with programs unrelated to refuges, it is impossible to determine exactly how much money is actually being budgeted to the wildlife refuges.

Our very urgent and sincere recommendation is that this Committee specifically request a budget justification from the FWS that separates the refuge budget. This will greatly help the Congress and the public in protecting the public interest in our wildlife refuges.

In addition, the FWS prepared and released this year a ten-year programmatic Environmental Impact Statement on the Operation of the National Wildlife Refuge System. A copy of our remarks on that document are included here for the record.

The programmatic statement does not, in our eyes, fulfill the need for an annual environmental impact statement on the Fish and Wildlife Service budget. The need for such an environmental analysis was established most clearly in our eyes when a U.S. District Court held in 1975:

> The programmatic statement is designed to consider the general long-range goals of the Refuge System whether or not such goals are being considered by (the FWS) in developing appropriation proposals. The programmatic statement is thus directed at a different subject than the environmental impact statement and cannot serve as a substitute. A programmatic statement may be very helpful in assessing recurring policy issues and insuring consideration of the cumulative impact that numerous decisions might have on the environment, but that does

not mean that it will suffice to fulfill the NEPA mandate. ***Natural Resources Defense Council, Inc. v. Morton, supra.

Thus, the budget for an ecologically-oriented program such as the FWS must be accompanied by an Environmental Impact Statement. This is the only available way, and the best way, to inform the Congress and the public of the consequences of these budget alternatives and decisions. We hope this Committee will see the value of this approach.

Personnel Ceilings

We view meeting the staffing needs of the Fish and Wildlife Service as the most crucial step necessary to insure the continued viability of both the Service and the refuge program in this nation. The Service can not do the job it has been authorized to perform without increased personnel strength.

Based upon our knowledge of the FWS and our experience with analyzing wildlife programs, we estimate that the FWS needs the following numbers of people:

Refuges	100
Migratory Waterfowl	20
Law Enforcement	60
Endangered Species	100
Biological Services and Permits	150
Conversions of temporarys to full-time	300
Total increases needed	700 to 800

Thus, the Fish and Wildlife Service personnel ceiling should be close to 5,000 permanent positions, as opposed to the present request of 4,138. Without this level of support, the Fish and Wildlife Service and the wildlife refuges will continue to decline and the effectiveness of these programs to the public will be lost.

Endangered Species Program

The Endangered Species Act is one of the most important wildlife laws in existence. Our endangered species program literally involves our government directly in the life-or-death struggle of hundreds of species nationwide.

Scientists in the Office of Endangered Species estimate the number of extinctions in the United States to be over 600 species of plants and animals in the last 100 years. This figure is not even a "Bicentennial total." Yet, the Administration is requesting a program at less than half the authorized strength. We find this situation hopelessly inadequate.

We strongly urge this Committee to add $20 million for a strong and fully funded endangered species program, including at least, 100 new positions. Even at this level of operation, the endangered species program could not hope to meet the needs of all endangered species.

The rate of industrial and public works development continues at an ever-increasing rate each year. A $20 million endangered species pro-

gram is paltry in comparison, but still provides for a strong policy to protect our vanishing wildlife.

Endangered Species Grant-in-Aid

The Endangered Species Act authorizes appropriations of $10 million for grants-in-aid to the states for endangered species programs through FY 1977. The endangered species program cannot be successful without the direct involvement of the states. This potential has not been developed to date.

Sadly, the $2 million request for state endangered species grants from the 1976 budget has been dropped this year.

We sincerely hope the state endangered species account will be re-opened with at least $8 million. This would allow many important endangered species management programs to be initiated in states where such programs are needed now. The money comes from a separate appropriation and does not conflict with the $20 million authorized for the federal endangered species program.

Biological Services

The Biological Services, including the permit and licensing functions, is an important part of FWS programs.

We believe the Biological Services program was first initiated by the Administration for the purpose of reducing the federal profile on wildlife. The refuge program would be cut back in favor of a service program to aid state wildlife programs. The Program Budget Approach for refuge funding appears to be a part of this trend, because the PBA divides part of the refuge budget into service programs.

However, the Biological Service program is an essential part of Fish and Wildlife Service activities. The state programs are important, and they need the federal help. The permit programs and environmental impact statement review functions are both crucial to the Service and heavily over-worked.

We do not share the view that refuges and Biological Services are mutually exclusive. Both programs should be fully supported in the budget.

This concludes our statement and your questions are invited.

STATEMENT OF RACHEL WHITISH

My name is Rachel Whitish. I am Chairperson of the Shoalwater Bay Tribe of the Shoalwater Bay Reservation, which is located in Pacific County, Washington. I welcome this opportunity to testify before the Senate Subcommittee on Appropriations for Interior and Related Agencies. I am here today to express the concern of my Tribe on the implementation of Public Law 93-638, "The Indian Self-Determination and Education Assistance Act of 1975," which will be administered by the Bureau of Indian Affairs.

My Tribe and my Reservation are among the smallest in the State of Washington. Our tribal enrollment is presently 86 members. The size of our Reservation is approximately 350 acres. During Fiscal Year 1976, the Shoalwater Bay Tribe was funded for $10,700 by the Western Washington Agency of the B.I.A. in Everett. This was a base amount to fund our top tribal priorty, which is the development of tribal administration and development of essential programs to benefit our people. The funding was provided under the Tribal Government Development Program.

That Program is scheduled to end on June 30, 1976. It was based on tribal need and on the resources that a Tribe had available. Now, it is to be replaced by self-determination grants under Public Law 638, which will not be based on need, but rather on a limited on-reservation population which does not cover the enrollment population or the service population of a Tribe.

While we have 86 enrolled members, our self-determination grant population is only counted as 26 persons, which is the same population figure used by the Treasury Department to distribute revenue sharing funds. Based on the schedule submitted by the Office of Management and Budget, the Tribes which have less than 2,000 persons, such as the Shoalwater Bay Tribe, will receive $50 per person, and that figure is only for those persons who live on the Reservation. That means that my Tribe will be eligible for only $1,300, based on a revenue sharing population of 26 persons. That amount represents a loss of $9,400 from the Fiscal Year 1976 funding by the Tribal Government Development Program.

My Tribe has already limited resources with which to maintain programs for our people. The revenue sharing formula of the new self-determination grants only makes us more uncertain whether or not we will be able to continue the programs we have already started. We were not asked for our response to a revenue sharing formula, rather than a formula based on need.

The Shoalwater Bay Indian Tribe regarded Public Law 638 as a means to increasing our participation in the direction of Federal Services for our people. We regarded the Bill as an encouragement of Tribal self-determination in the fullest sense of the term. As it turns out, the revenue sharing formula ignores the clear intent of Congress in enacting the Bill.

It is true that the incentive funds available under Public Law 638 are supplemental to the revenue sharing formula. However, the total full-year cost of the incentive funds is estimated to be only $3,660,000. While the Shoalwater Bay Tribe encourages inter-tribal cooperation, our primary need is to develop our own unique programs, including administration and management. Whether my Tribe combines with other tribes or whether we focus on our own necessary programs, it is clear to us that there will be an increase in inter-tribal competition to obtain the incentive funds provided under the Act.

We respectfully ask this Subcommittee to carefully review the intent and content of Public Law 93-638. The intent of the Congress in passing the legislation clearly seems to have anticipated funding based on tribal need.

The Shoalwater Bay Tribe wants to get on its feet. We want to serve our people. We want to take our rightful place as a self-governing Tribe and to take on all the responsibilities of a self-governing body.

We do not stand with our hands out. We do not ask more than what we are able to benefit our people. What we do ask for is a chance to fulfill our self-determination goals, which are to better the lives and economic opportunities of our people.

This Subcommittee has an opportunity to see that Public Law 638 is implemented according to the clear intent of the Congress. The Shoalwater Bay Tribe urges you to support a funding formula based upon tribal need rather than upon the r revenue sharing schedule submitted by the Office of Management and Budget, which was submitted without any Indian input. We ask that the Federal Government not allow an administrative policy to deny the Tribes a chance to determine the direction of Federal Services for our people.

Thank you,

Rachel Whitish

Rachel Whitish, Chairperson
Shoalwater Bay Indian Tribe

ADDITIONAL STATEMENTS AND COMMUNICATIONS

Senator MONTOYA. We have received numerous letters and statements from individuals who were unable to come before this subcommittee, and this material will be inserted in the record at this point.

[The material follows:]

STATEMENT OF FRANK MOORE CROSS, JR.

The following evidence is submitted in support of the appropriation for the SMITHSONIAN INSTITUTION (Special Foreign Currency Program), in the sum of $3,381,000.00.

This testimony is submitted on behalf of 150 universities and colleges which constitute the Corporate body of the American Schools of Oriental Research.

Over the past ten years, the member institutions of the American Schools of Oriental Research, have conducted a number of highly significant projects in Israel under the auspices of the SMITHSONIAN FOREIGN CURRENCY PROGRAM. More than fifty institutions have been actively engaged in these programs.

At the present time the Semitic Museum, of Harvard University, the Kelsey Museum, of the University of Michigan, and The Oriental Institute, of the University of Chicago, are reaching a crucial stage in two important research projects at Ancient Carthage, in Tunisia. It is essential that funding of these programs be maintained at this critical stage.

ECONOMIC CONSIDERATIONS OF THIS APPROPRIATION

(a) As members of the Committee are well aware, research funds provided under PL480 are not Dollars, but are voluntary frozen assets in the currency of the host country. Therefore their expenditure does not affect, in any way, our National deficit.

(b) In these times of world-wide inflation and, with the constant threat of currency devaluation, the value of these funds is constantly diminishing.

(c) These funds have already achieved a primary purpose in the maintenance of friendly foreign relationships and, used wisely, they can produce an invaluable secondary benefit in pure research.

SCHOLARLY CONSIDERATIONS OF THE APPROPRIATION

Within the framework of SMITHSONIAN S.F.C.P. Projects, 324 graduate, and 1416 undergraduate students of U.S. universities and colleges have received field training in archaeology and allied disciplines. It will be readily apparent that, whilst considerable background training can be provided in the classroom, archaeological experience in the field is absolutely essential in the development of a well trained archaeologist.

INTERNATIONAL RELATIONS

Despite the constantly changing climate of international diplomatic relationships, over 260 senior U.S. academics affiliated with ASOR have continued to maintain a scholarly presence, and warm relationships, within foreign academic communities.

Archaeological excavations funded by the SMITHSONIAN INSTITUTION have also provided an opportunity for the training of Nationals of the host country, working alongside American scholars using the most sophisticated techniques. It is extremely costly for foreign scholars to train here in the United States, and the opportunity of working alongside American scholars is highly prized by foreign Nationals.

Excavations funded by the SMITHSONIAN INSTITUTION have served to demonstrate the importance of preservation and protection of invaluable antiquities. The burgeoning economics of developing nations lead to building construction that could obliterate a priceless national heritage. Sites of archaeological excavations funded by SMITHSONIAN are protected by the Department of Antiquities of the host nations against the encroachment of building and development.

ACADEMIC DEVELOPMENT

A number of young scholars of exceptional ability have been afforded the opportunity to develop their disciplines and, in the process, have gained international reputation, each in his chosen field.

Dr. Reuben G. Bullard, Geologist, University of Cincinnati.

In the past, archaeology in the Near East has used Geology only in the most rudimentary fashion. With the support of SMITHSONIAN funding, Bullard has been enabled to develop a highly sophisticated application of his discipline; the use of Geology in field archaeology, not only for the pre-historic period, but also for the historical period. The interpretation of the geological content of strata often yields the key to proper historical evaluation of the evidence.

Dr. William G. Dever, University of Arizona

Dr. Dever has been enabled to develop a most accurate stratigraphic interpretation of artifactual evidences of occupation periods in Palestine in the Middle Bronze Age.

Dr. Robert H. Johnston, Rochester Institute of Technology

Dr. Johnston, internationally acknowledged authority on ancient pottery making, has had the opportunity of studying technological aspects of pottery manufacture, and has made significant contributions to our understanding of ancient potters' techniques.

Dr. Dorothea Brooks and Dr. Alan Beebe, Brookhaven Laboratories

Dr. Brooks and Dr. Beebe have had the opportunity of applying the modern technology of neutron activation to ceramic materials, and have demonstrated a refined technique for locating the sources of materials utilized in ancient wares.

Dr. Robert J. Bull, Drew University

Dr. Bull is an internationally acknowledged authority on Samaritan Cultic Architecture.

INTERDISCIPLINARY DEVELOPMENT

SMITHSONIAN Foreign Currency Program excavations have been encouraged to invite scholars from many allied disciplines to bring their specialized knowledge to bear upon the interpretation and evaluation of archaeological evidence. Among these are:

Paleo-zoology
Paleo-botany
Numismatics
Geology
Stratigraphy
Physical Anthropology
Ceramic Typology and Technology
Ethnography
Palynology
Metallurgy
Agronomy
Neutron Activation Analysis

The current state of interdisciplinary communications and cooperation in the field of Near Eastern Archaeology has been a direct result of the policies and recommendations of the officers of the SMITHSONIAN FOREIGN CURRENCY PROGRAM.

LONG RANGE IMPACT

The benefits achieved by the SMITHSONIAN Foreign Currency Program are not limited to the time span of excess funds available in a specific country. Although funding of research in Israel ceased several years ago, work which began under S.F.C.P. funding is now continuing with private support.

It is extremely difficult to secure private support for the initiation of an excavation. However, once meaningful results have been obtained in the initial seasons funded by S.F.C.P., it then becomes practical to solicit private funding.

The expeditions at Khibert Shema, Shechem, and Ta'anach which were earlier funded by the S.F.C.P., are continuing their research with private funding. This seed-money aspect of the program cannot be over-emphasized.

In conclusion, as a result of support from PL480 funds made available through the SMITHSONIAN INSTITUTION, research in the field of Near Eastern Archaeology has gained momentum, and fresh materials for the interpretation of the history of the Ancient Near East are coming in at a greater speed than ever before. This is transforming our knowledge of those Ancient Cultures which stand behind our own.

STATEMENT OF THE AMERICAN DENTAL ASSOCIATION

The American Dental Association shares with Congress and the American public a continuing concern about the health and general well being of American Inidans and Alaska Natives. These people have the lowest educational, economic and health levels of any recognized minority group in the Nation. It is of particular concern to the Association that dental care is among the great health needs and one of the most sought after of all health services.

It may be noted that, of the afflictions of mankind, the oral diseases are among the most common, the most easily detected, most effectively treated and, if left untreated, will most surely lead to chronic, destructive and socially and physically debilitating conditions. American Indians exhibit no social or cultural barriers to dental care nor has any Indian or Alaska Native group been known to refuse water fluoridation or any other oral health preventive measure. Indian organizations invariably make dental care a major component of their health services. It is also the observation of the Association that privately practicing dentists near or in Indian and Alaska Native communities have the capacity, and are willing, to be of service to these people.

The American Dental Association is pleased to note that the Indian Health Service program is conducted cooperatively with Indians and Alaska Natives rather than for them. Each of hundreds of tribal entities and community organizations can best determine what oral health services are needed and how the services could be delivered to most appropriately meet their needs. The Indian Health Service dental program provides services through a variety of resources including federal employees, privately practicing dentists under several different contracting arrangements, volunteer services, cooperative arrangements with dental and dental hygiene schools, state assistance, and shared arrangements with other agencies. The Indian Health Service also serves as a catalyst by working with American Indian and Alaska Native leaders for fully utilizing available resources to provide oral health services in a manner that is most acceptable to each community.

The dental program has shifted its emphasis from a school-based program oriented to children to one in which the family is the center of attention and responsibility. The importance is stressed of parental leadership and support in diet control, good oral health practices, and periodic preventive and clinical services. The Indian Health Service places major emphasis on cooperative efforts with communities in the development and maintenance of fluoridation of community water supplies, care for those who cannot care for themselves, health management services and community education. The dental program is clearly moving postively toward becoming a highly flexible support group for effective community action.

The majority of persons employed by the Indian Health Service dental program are of Indian or Alaska Native descent and from rural areas. It is encouraging that Indian dentists are beginning to emerge in the program and that, in the recently approved Public Health Service Dental Scholarship Program, 19 of the 50 students receiving scholarships are American Indian or Alaska Native persons currently attending U.S. dental schools.

The dental program encounters many special problems not common to private practice and which require innovative approaches and special

community arrangements. Over half of the dentists employed by the Indian Health Service work in more than one community. Because of the rural nature of the program, it is important that services be convenient to each community and treatment, including preventive services, occurs before oral conditions deteriorate to the point of disability. The logistics of rural care are complicated. For instance, about 200 villages are served regularly in Alaska, most through the use of portable equipment flown into remote communities which are not accessible by road. Nearly 80 communities, outside Alaska and with road access, are served regularly by mobile dental units. In many Indian communities in the Great Plains, Rocky Mountains and desert areas, the extremes in climate and distances and the uncertain nature of roads, communications and power supplies pose significant problems which make conventional methods of dental practice impractical. It is a pleasure to note that, with careful planning and cooperation between the dental program and Indian and Alaska Native communities, solutions to these problems have been identified and implemented resulting in the routine provision of oral health services in isolated communities. Many children are now in excellent health as a result of preventive measures and years of periodic treatment. There is a generation of healthy young people as a result of steady Congressional support and competent program management. Still, over half of the dental services available for treatment are not provided because of insuffcient resources.

The Inidan Health Service dental program now has 517 positions and $9,905,000 in the direct service budget and $3,240,000 in contract funds which, according to HEW officials, places the program's resources at the 60 percent level of need. The program is providing comprehensive care, excluding corrective orthodontics, to most children with care to adults limited mostly to emergency services. Major program deficiencies remaining are the inability to treat severe malocclusion among children and the lack of capability for meeting the adult demand for care. To meet these needs, at least an additional 343 positions, including 75 dentists and 268 dental auxiliaries, and $3,520,000 are required in the direct service program and $2,079,000 in contract funds. It would, in our opinion, be unrealistic to suggest that this Subcommittee appropriate sufficient funds to remedy this deficiency within one fiscal year. As a practical matter, the addition of Indian Health Service personnel in the numbers noted above could not be utilized because of inadequate clinic facilities and housing. We have been advised, however, that a minimum of 80 new positions and $900,000 in additional direct operating funds can be effectively programmed, as well as all of the needed contract funds-$2,079,000. An expanded program of contracts with private practicing dentists can be of great value in assuring the availability of quality dental care to American Indians and Alaska Natives. The desire and capability of private dentists to render this care is, in our opinion, an important resource which should be more fully utilized.

The sympathetic attention of Congress to these problems has been a vital ingredient in the progress achieved thus far. The American Dental Association is highly appreciative of the concern and positive efforts of Congress in behalf of the dental health of Indians and Alaska Natives. It is our most respectful request that this Committee will continue to demonstrate an active interest in the serious oral health problems that exist among American Indians and Alaska Natives.

STATEMENT OF ETHEL E. WORTIS

Mr. Chairman, I am pleased to have this opportunity to appear before your Subcommittee to comment on the Bureau of Indian Affairs $243.8 million request for Indian education appropriations.

Although I believe the overall budget request is far below the amount necessary to meet the educational needs of Indian children, my testimony today will focus on the requests for two specific programs - the Johnson-O'Malley Program ($27,952,000) and the School Construction Program ($6.5 million), and the Bureau's failure to request assistance for Previously Private Schools.

Mr. Chairman, the Association on American Indian Affairs, Inc. is a national organization founded in 1923 to protect and preserve the rights of Indians and Alaska Natives and to assist them in their efforts to achieve full economic and social equality with other Americans.

The Association has appeared before this Subcommittee on several occasions to testify on a broad range of Indian funding requests. I will limit my comments today, however, to an area of Indian programs which I believe to be most critical to the improvement of the quality of life of individual Indians and which is crucial to the achievement of the goal of true Indian self-determination - Indian education.

It is unnecessary for me here to recount the evidence of our failure to provide quality education for Indians and Alaska Natives. The rate of illiteracy, the drop-out rate, the achievement levels and the level of formal education of Indians and Alaska Natives are a matter of public record.

Recognition of these problems was a major factor in the enactment of Public Law 93-638, the Indian Self-Determination and Education Act. The Act reaffirmed a commitment to Indian education and specifically declared that a major goal of our Government was to "provide the quantity and quality of educational services and opportunities which will permit Indian children to compete and excel in the life areas of their choice and to achieve the measure of self-determination essential to their social and economic well-being."

Although the need is obvious and the commitment of our Government clear, the Bureau's Fiscal Year 1977 budget request falls far short of what is necessary to begin dealing with Indian education problems. More significantly, it raises a serious question as to whether the Government will honor the commitments made in the Self-Determination Act.

Although the total budget request represents an increase of $722,000 over the spending level in Fiscal Year 1976, an analysis of the various program categories reveals that several key Indian education programs will suffer deep cuts in Fiscal Year 1977, including the Johnson-O'Malley, School Construction and the Previously Private School Programs.

Johnson-O'Malley

The budget request for Johnson-O'Malley funds of $27,952,000 is identical to the Administration's request for Fiscal Year 1976 and $3 million below what Congress actually appropriated last year. By cutting $3 million from last year's funding

level, the Administration eliminates the funds added by Congress to simply maintain the Johnson-O'Malley Program at its Fiscal Year 1975 funding level. Obviously, increased education costs in Fiscal Year 1977 mean that Johnson-O'Malley funding will now fall below the Fiscal 1975 level if the budget request is adopted.

It is clear, for example, that inflation and low employee turnover due to general economic conditions have resulted in an increase since Fiscal 1975 in the level of salaries of persons funded under the Johnson-O'Malley Program. Unless the budget request is increased, this could mean the immediate elimination of several hundred Johnson-O'Malley funded positions and a corresponding cut in educational services.

More significantly, however, the Johnson-O'Malley request for Fiscal Year 1977 leaves no room to meet the commitment of Public Law 93-638 to provide the necessary "quantity and quality of educational services and opportunities," or to adequately fund the program reforms provided in the Self-Determination Act. In fact, since these new programs and administrative costs will have to be absorbed out of existing funds, the Johnson-O'Malley funding level will be even further diminished.

As you are aware, Mr. Chairman, Public Law 93-638 encourages tribal organizations to become involved more directly in the control and operation of the Johnson-O'Malley Program. This will mean a substantial increase in Johnson-O'Malley contracts and a dramatic expansion of the population to be served. For example, the Bureau estimates that the number of contracts will increase from 115 in Fiscal Year 1975 to over 150 in 1977. It is estimated that the population served will be over 153,000 students in Fiscal Year 1977, an increase of more than 30% over the level of eligible students in Fiscal Year 1975. Additional contracts will, of course, mean increased administrative costs and more students will mean a further reduction in the amount of program funds available for each student.

Further, the Indian Education Committees, mandated by the new 93-638 regulations, are to be provided with funds to meet their operating costs. Since there is no specific set-aside for these committees, assistance for the committees will further reduce the already limited program funds.

Mr. Chairman, I understand that the Bureau of Indian Affairs had originally recommended to the Office of Management and Budget that an additional $10 million be appropriated for the Johnson-O'Malley Program. While I believe that substantially more is necessary to provide the necessary level of support for the Johnson-O'Malley Program, I would urge your Subcommittee to amend the budget request before your Committee to include the amount originally recommended by the Bureau.

School Construction

The requested funding for school construction in Fiscal Year 1977 is also grossly inadequate. I am advised that between 65 and 70 schools are now on the Bureau's "priority list" for school construction. Bureau officials estimate that the cost of construction for these schools is over $500 million. Many of the schools on this priority list are needed to replace substandard and unsafe school facilities. Others would relieve heavily overcrowded school conditions.

Despite this obvious need, the Bureau's request for Fiscal Year 1977 sets aside less than $7 million for school construction. This money will be used to replace only four schools which the

Bureau characterizes as emergency situations. No funds would be available for a replacement program to reduce the huge backlog in school construction requests.

Mr. Chairman, because funding for school construction in the last several years has been very irregular, tribes have had a difficult time developing their own long-range education programs. I would propose, therefore, that the Bureau be asked to develop a plan for the yearly replacement of substandard and overcrowded school facilities, and that the Subcommittee appropriate a minimum of $40 million a year for school construction so that the huge backlog can be reduced.

Previously Private Schools

Mr. Chairman, one final category of schools which critically needs financial assistance is the group of so-called Previously Private Schools.

Some ten schools in this category received $1.5 million for operating expenses in Fiscal 1976. This year's budget, however, eliminated funding for these schools entirely. In view of the program cuts in other areas, it is highly unlikely that these schools would be able to find alternate sources of financial assistance from other Bureau programs. In the absence of sufficient funding, the only alternative will be to close down the schools.

I understand that the Bureau recommended to the Office of Management and Budget the appropriation of $7 million for Previously Private Schools. I believe this reflects a realistic assessment of their needs and would, therefore, recommend that the Subcommittee approve funding at that level.

STATEMENT OF JAMES F. GAMBLE

Mr. Chairman, we ask for funding of Council Bluff Lake in FY'77, as follows:

A.	Construction and Land Acquisition:	
	1) Construction of Dam	$2,490,000.00
	2) Design of Recreation-Public Use Area	$ 472,000.00
B.	Forest Roads and Trails	$ 352,000.00

These are, of course, the Forest Service figures -- supplied at our request.

The project has been subjected to an irregular course of progression, due to withholdings and deferrals, and to a lack of budgeting procedures for projects of this magnitude. This has been going on since 1966.

This project is widely approved by all except some landowner interests. The construction work is well advanced. The expenditures to date total $1,794,000.00, or 42% of the total cost of the dam itself and related planning and land acquisition.

The advantages of this project are not disputed. It is part of a well-designed program of water management for the Meramec Basin, and a very fitting project as part of sound multi-use management of the national forest.

At this time, the economics of the area will be helped especially with a steady continuation of construction. Two counties are involved -- Iron County

which has a 7.1% unemployment rate, and Washington County, with unemployment at 10.8%.

Your concurrence in the need for stabilizing the funding and progress of this project will be most appreciated.

STATEMENT OF RAYMOND D. EVANS

Mr. Chairman:

I am Ray Evans, Supervisor, Forest Wildlife Branch, Missouri Department of Conservation. The Department of Conservation is the agency responsible for fish, wildlife and forest management in Missouri. My appearance here is in support of full funding for the wildlife habitat management program on the National Forests in the amount of 22.5 million dollars as called for in the Resources Planning Act. I wish to make special reference to a wildlife management program on the Mark Twain National Forest in Missouri and request your particular consideration of adding $327,000 for further implementation of that program.

The Missouri Department of Conservation and the Mark Twain National Forest jointly developed a program of wildlife habitat management that has become a national model. Initial funding for that management program was recommended by this Committee and received in Fiscal Years 1974 through 1976. While this budget request is for wildlife habitat improvement, the management program of which this is only a part, is a fully integrated, balanced approach to forest management. It provides forest products, but not at the expense of wildlife habitat or ecological stability.

The appeal and acceptability of this balanced management program is typified by the broad support if has received from such diverse groups as the Ozark Chapter, Sierra Club and Ozark Chapter, Society of American Foresters, American Forestry Association and the National Wildlife Federation, University of Missouri - School of Forestry and the Missouri Chapter of The Wildlife Society. We believe that any program that can get those diverse interest groups to support it is worthy of consideration for further funding and broader application.

During the past year the Mark Twain National Forest, in cooperation with the Missouri Department of Conservation, performed a cost:benefit analysis of the program at its present funding level of $378,000. We also analyzed the program at the proposed level of $705,000, an increase of $327,000 which we are requesting be added to the appropriation. I have provided a summary of that analysis for your later examination. For the record, I would like to state that the cost:benefit ratio was very favorable. Discount rates used in the analysis were those recommended by the Water Resources Council and the Office of Management and Budget, 6 and 1/8% and 10% respectively. The cost:benefit ratio ranged from 1:1.33 to 1:4.26 depending upon the discount rate and the value assigned to a day of wildlife-oriented recreation.

The wildlife program developed for the Mark Twain National Forest qualifies for funding under the Sikes Act (PL93-452) for which the Congress has authorized ten million dollars. As far as we know, the Administration budget requested no appropriation under the authority of that Act. The program likewise qualifies for funding under programs covered by the Resource Planning Act (PL53-378). Full funding of findings under that Act requires 22.5 million dollars during Fiscal Year 1977. Our program needs would be included under that funding, but again it appears that the Administration's appropriation request failed to recognize the sense of the Congress in seeing that Act funded.

The National Forests are many things to many people but they cannot be all things to all people. Balanced programs on the National Forests can help meet the public needs but balanced programs require, among other things, balanced financing at reasonable levels. Increased funding for wildlife habitat work, nationwide, will assist in achieving this balance, nationwide.

Changes in management systems and priorities came slowly but with your support of this funding request those changes will be made.

THE MISSOURI PLAN

Cooperation between the Mark Twain National Forest and the Missouri Department of Conservation led to the development of wildlife habitat management system that has been a national model for similar programs. That program is presented in the publication "--- in small corners, one bit at a time."

The Missouri Plan is not a purely wildlife management program but was conceived and programmed as a fully coordinated and integrated, balanced management program for the Mark Twain National Forest in Missouri. Wildlife and wildlife habitat does not exist as separate entities of the forest but are an inseparable part of the ecosystem. For that reason, attempts to manage them must be considered as inseparable from other forest management programs such as timber, range and recreation.

Initial funding for the program was received in 1974 and the accomplishments of habitat improvement for that year are reported in "Wildlife Habitat Management -- Accomplishment Report."

In 1976 an economic analysis of the program was undertaken and is reported in "Summary - A Program Evaluation and Economic Analysis - Wildlife Habitat Management Mark Twain National Forest." The analysis indicated that the program was highly cost effective at range of cost:benefit ratios of 1:1.33 to 1:4.26.

STATEMENT OF THE URBAN INDIAN COULCIL, INC.

The Urban Indian Council, Inc. of Portland, Oregon respectfully submits this written testimony for your consideration.

The American Indian residing in Portland, Oregon has many health and health related problems. Many of these problems are common to all Native Americans, but some are peculiar only to those residents of Portland. While we acknowledge and are concerned with those problems national in nature, we here address ourselves to residents of Portland, Oregon.

Summarily the Portland American Indian needs health education, information accurately stating his health needs, adequately trained American Indian Health Personnel, and direct health services where none are now available.

Health education is important to both provider and consumers of health services. Because approximately 75% of the American Indians residing in Portland are former reservation residents and because approximately 50 tribes are represented in this group, services providers must be informed as to the cultural uniqueness of each representative group. The Indian consumer, in turn, must become informed to both the nature of their health problems and the services that can be used to remedy it.

An ongoing accurate information system is important to those existing and potential providers because of its importance in both the development and administration of relevant effective health programs. Recent estimates place the current Portland Indian population in excess of 10,000. A verification of this figure, an assessment of its composition and a determination of the health needs of that group would be important in designing and administrating local health programs. Previous efforts have not provided such information.

The lack of qualified American Indian health personnel is also a factor contributing to both inadequate program development and administration. A previous paper stated that the American Indian has the lowest per/capita number of health care personnel of any American minority group. This condition affects program development because of the cultural barrier which must often be overcome before determining the nature of the Indian's health needs. Similarly, this cultural difference can affect the delivery of existing services when they are not presented in a manner that is in harmony with the American Indian culture.

Properly trained Indian personnel will help in both of these areas by increasing understanding through better communication.

A final problem is the absence of direct health services in those areas where there is an identified unmet need. Many American Indians do not receive the health services they need to maintain physical and mental health well being. There are many reasons for this: Indability to pay is one reason that Portland Indians do not receive health services. For example, a recent study indicated that 45% of American Indians residing in Portland had incomes of less than $3,000.00. Cultural heritage is another reason that needed health services are not received. As already stated, there are over 50 tribes represented in Portland and many of these people are recently removed from residence on the reservation; these people experience great difficulty in communicating their need for health services to providers. And, often having greater impact, is the problem which arises from the absence of needed health services. The federal government has, in the past, favored the Indian residing on the reservation in its direct health service programs. Only recently, in part due to the large American Indian migration from the reservation to urban setting in recent years- preventing the Indian from using those reservation funds available to him, therefore depriving him from receiving services otherwise available- has the federal government began to give direct service consideration to the urban Indian. This is a welcome change in emphasis.

In conclusion, the American Indian needs proper health care. Culture, income, education, and the urban setting all amplify problems of alcoholism, depression, poor nutrition, and other crippling health problems.

STATEMENT OF THE NISQUALLY INDIAN COMMUNITY

The Nisqually Indian Community as with most Indian Tribes envisioned the Indian Self-Determination and Education Act as the tool to achieving some measure of progress toward an economically stable Tribal community. The purpose and intent of the legislation is clear. Indian Tribes and Indian people are assured the right and the means of self-government.

That purpose and intent, however, has been destroyed by the simple act of establishing a grant formula which denies access to those funds by the Tribes with the greatest need. The formula for the distribution of grant funds is based upon the number of Indian people residing upon reservation and trust lands. This is the same formula used to compute revenue sharing allocations.

Consequently, those reservations which are the least developed; which have suffered the greatest from non-Indian encroachment; upon which no housing programs have been provided, are now denied grant monies. They are being penalized again just as they are penalized under revenue sharing.

The Nisqually Reservation, for instance, was totally allotted in the 1890's. In 1918 two-thirds of the reservation lands were condemned by Pierce County and given to Fort Lewis. Non-Indians with the cooperation of the Bureau of Indian Affairs rapidly acquired all but 700 acres of what remained. Those few acres are totally enmeshed in unsolvable multiple ownership. At least half of them are within a flood plain. There are no access roads and no utilities to much of the land and no housing programs have been made available. Resultantly, only 84 Indian people reside on reservation and trust lands. The other 455 persons served by the Tribe are forced to live in sub-standard housing nearby.

Under the funding formula devised for the grant funds authorized by the Indian Self-Determination Act, the Nisqually Tribe will be eligible to receive $4,200. It surely can be agreed that it is not possible to develop an economically stable community with a resource of $4,200.

We ask that a more rational formula for the distribution of the grant funds be designed which would offer the Tribes with the greatest need an equitable opportunity to fulfill the purpose of the Act.

We propose the following schedule as opposed to the one now in effect.

Present Schedule			Proposed Schedule	
1st	2,000	$50 per person	1,000 or less	$50,000
2nd	2,000	$40 per person	next 2,000	$40. per person
3rd	2,000	$30 per person	next 2,000	$30. per person
4th	2,000	$20 per person	next 2,000	$20. per person
5th	2,000	$10 per person	next 2,000	$10. per person
over	10,000	3 per person	over 9,000	$ 3. per person

Under these formulas, a Tribe with a population of 100,000 would receive $570,000 under the present schedule and $533,000 under

the proposed schedule. The difference of $37,000 is, of course, important but is it as important to a Tribe receiving over one-half million dollars as it is to a Tribe eligible for only $4,200 under the present schedule? And what of the Tribes presently not eligible for any funds?

The Nisqually Tribe dislikes being placed in a position which makes it necessary to advocate reduced funding for other Tribes - not even the large, more financially solvent ones. The formula as now devised, has effectively placed the small Tribes in this untenable position. We must, however, be allowed an opportunity to recuperate to at least some degree from the generation of oppressive and destructive efforts to destroy our Tribal identities. The Indian Self-Determination Act was our hope. We urge the Congress to reinstate that vision by directing that a new formula for the granting of appropriated funds recognizing the need of the small Tribes be implemented for FY 76 and subsequent funding years.

RESOLUTION OF THE COLVILLE CONFERERATE TRIBES

RESOLUTION 1976-41

WHEREAS, the Colville Tribes was the original contract for the Indian Action Team Program, and the Colville Tribe as well as other Tribal groups throughout the United States endorse the Indian Action Team Program as being the best accepted example of a proven plan of self-determination for Indian/ Alaskan Native people; and

WHEREAS, the Indian Action Program nationally has meant job placement, increased employability through advanced training, and a major contributor to the economic growth of those reservation and Indian communities that are recipients of Indian Action Team Contracts; and

WHEREAS, the Colville Tribe and other Indian Tribes do support the Indian Action Team Program and request that Congress approve future fiscal year funding to allow the Indian Action Team Progarm to operate at full capacity with appropriations allocated at a leval consistent with the contract needs and reflect inflationary increases.

NOW, THEREFORE, BE IT RESOLVED, that we, the Colville Business Council, meeting in SPECIAL session, this 19th day of JANUARY, 1976, at the Colville Indian Agency, Nespelem, Washington, acting for and in behalf of the Colville Confederated Tribes, do hereby request tht the Indian Action Team Program (I.A.T.) be refunded by Congress and that the continuation of the I.A.T. Program be determined by the benefits of training and justification of local employment needs and not be prejudiced by political or bureaucratic maneuvering, which does now reduce the effectiveness and funding capacity of this very important program; and

BE IT FURTHER RESOLVED, that the Affiliated Tribes of the Northwest Indians be contacted to request their support in a lobbying effort to achieve the continuation of the I.A.T. Program through congressional appropriations for future successive fiscal years.

The foregoing was duly enacted by the Colville Business Council by a vote of 9 FOR; 0 AGAINST, under authority contained in Article V, Section 1(a) of the Constitution of the Confederated Tribes of the Colville Reservation, ratified by the Colville Indians on February 26, 1938, and approved by the Commissioner of Indian Affairs on April 19, 1938.

ATTEST:

Al Aubertin

Al Aubertin, Chairman
Colville Business Council

STATEMENT OF EDWIN J. SMITH

Thank you for the opportunity to submit a Statement on behalf of Formcoke Associates regarding the importance of the Coke Pellet Process to our nation's future energy needs. I am Edwin J. Smith, Vice President of Research and Development, National Steel Corporation and Formcoke Associates consists of Bethlehem Steel Corporation, Consolidation Coal Company, Republic Steel Corporation and National Steel Corporation. Formcoke Associates has spent more than 35.0 million dollars in the development of the Consol-BNR Coke Pellet Process, and we now urge the Federal Government, through ERDA, to join with industry in completing the development work and in building and operating the first 1.0 million ton per year demonstration Coke Pellet Plant. This joint government-industry effort would meet many of ERDA's National Energy R, D and D Goals as published in Table 2 of ERDA-48 Summary for "Creating Energy Choice for the Future."

The Consol-BNR Coke Pellet Process is being developed as a new and improved method of producing metallurgical coke for blast furnace use. This Coke Pellet Process is a continuous, completely-enclosed process and its successful development will have an impact on our nation's future energy needs. The steel industry currently obtains more than two-thirds of its energy from coal and the remainder from gas and oil. The Coke Pellet Process used high-volatile coal and consequently has the potential of making available more gaseous and liquid by-product fuels than are currently made available from conventional by-product coke ovens. This will tend to make the steel industry more energy self-sufficient and reduce the need for the critical fossil fuels, natural gas and oil.

The successful development and commercial use of the Coke Pellet Process will meet several of ERDA's goals. This process will expand the range of coals that can be used to produce a vital fuel-coke for the blast furnace. It has the potential of providing more liquid and gaseous fuels than are currently available from by-product coke ovens. Because it is an

enclosed continuous process, it will meet the ERDA goal of "enhancing the general health, safety, welfare and environment related to energy."

The Federal Government should support this effort because it has the potential of providing jobs in areas of the country where unemployment has historically been a problem. Since the Coke Pellet Process can produce a strong coke from a single coal, then coke pellet plants can be located near the coal mines and bring new employment opportunities to less populated parts of our country. Appalachia would benefit from these mine-mouth coke plants.

The by-product coke plant, because of its batch-type operation, is the most difficult pollution problem in the steel industry. The Coke Pellet Process is an enclosed, continuous process and therefore lends itself to better pollution control and improved working conditions. The successful development of the Coke Pellet Process will help alleviate this difficult pollution problem.

In the production of metallurgical coke using conventional by-product coke ovens, low volatile coal is a necessary ingredient to produce a strong blast furnace coke. The reserves of low volatile coal are less than the abundant reserves of high volatile coal and so processes must be developed which will produce a strong blast furnace coke without the use of low volatile coal. The Coke Pellet Process achieves this objective.

About 25 percent of the coal mined in this country is ultimately used to produce metallurgical coke either here or abroad. The government's coal research efforts have been directed principally toward developing coal gasification and coal liquefaction processes. However, with the large amount of American coal used in the production of metallurgical coke, it is important that the Federal Government devote more resources to coal carbonization research programs. In Europe, where intense activity on the development of formcoke processes is also underway, either the government or the European Economic Community provides most of the funds for this work. Most of these processes are well known to steel industry people in the United States who

generally feel that because of the differences in coals and blast furnace operating practices, the European formcoking processes are not applicable in the United States. Some years ago a brief test was successfully conducted on the U. S. Bureau of Mines experimental blast furnace at Bruceton, Pennsylvania, using coke pellets from the Consol-BNR Coke Pellet Process.

As mentioned earlier in the development of the Coke Pellet Process, private industry, namely, Consolidation Coal Company, Bethlehem Steel Corporation, National Steel Corporation and Republic Steel Corporation, has spent more than $35.0 million over 15 years. In the last three years alone Formcoke Associates has spent over $25.0 million. This is a major effort and because of the advanced state of the development, early commercial use of the process may be possible although more experimental work remains to be performed. There are still major risks involved in scaling up the present 500-ton per day experimental pilot plant to a 1.0 million ton per year demonstration plant. Government and industry should join together to complete the development work and to fund the 1.0 million ton per year demonstration plant. It is suggested these funding efforts be on an approximately 50 percent industry-50 percent government basis. The Federal Government through ERDA is urged to participate in the next phase of the development of the Coke Pellet Process.

FORMCOKE ASSOCIATES

66-307 O - 76 - pt. 5 -- 40

STATEMENT OF HAROLD E. TURNER

The Council Bluff Lake project is something with which I am very well acquainted. It is only about 6 miles away. I have been close to the various actions concerning it since the Forest Service began to consider doing something about it in 1965.

As a banker, I hate to see inefficient expenditures of money and I feel that is what has been happening on this project. I do not refer to inefficient work on the project, but to no system of budgeting and the up and down rate of progress.

Our area is part of a new mining region in this part of Missouri on both private and government land. The government royalties are running in the millions annually. Our area is growing gradually because of the mining, but our economy is not as stable as it should be. We have agriculture, but it is not what it used to be, and timbering is not a high level producer because of our slow rate of forest growth, compared to elsewhere.

Recreation has a great potential for our Ozark area, but we cannot realize it if we do not have some steady and consistent assistance on such projects as Council Bluff Lake.

I certainly hope you will provide for the funding which the Forest Service has recommended for the coming fiscal year. Thank you.

STATEMENT OF ROBERT VANCE

Mr. Chairman and Members of the Committee:

My name is Robert Vance, Director of the Owens Valley Indian Housing Authority and Chairman of the Association of California Indian Housing Authorities. I am testifying in favor of a special add-on appropriations in the amount of $2,547,750 for the Bureau of Indian Affairs to assist the Indian tribes in California for development of Indian housing.

Tribes in California have not participated in Indian Housing programming until 1974 due to lack of technical assistance and other organizational problems that made them ineligible for U. S. Housing and Urban Development (HUD) housing. The relatively small size

of the Reservations contributed to the delays, since multi-tribal Indian housing authorities had to be formed.

Consequently, there has only been 120 houses constructed on Reservations in California. However, HUD has programmed over 250 houses to be constructed during Fiscal Year 1976. The Bureau of Indian Affairs has not programmed access roads to individual sites, therefore, many of the sites are disapproved due to lack of access roads. According to the "Interdepartmental Agreement on Indian Housing" sanctioned by the Departments of HUD. Interior and Health, Education and Welfare. "The Bureau of Indian Affairs will carry out its responsibilities under applicable regulations of the Department of Interior for providing roads, including access roads, which are not the responsibility of HUD under the HUD regulations." (FEDERAL REGISTER, VOL. 41, NO. 47 - TUESDAY, MARCH 9, 1976 - Sec. 805.223 (c). We are requesting that an additional $2,247,750 be added to the Bureau of Indian Affairs budget to construct 33.3 miles of roads to individual home sites receiving HUD houses. If these funds are not granted many needy Indian families will not receive homes since the land is very scarce on California Reservations. And, if the families are forced to move into cluster living conditions cultural patterns are broken, which tend to create other social problems among Indian people.

The Association of California Indian Housing Authorities, an Association of all six California Indian Hous-

ing Authorities, representing 27 individual reservations recognizes the need to collectively solve management and operational problems. Even with multi-tribal housing authorities, the size of the programs will not support the management of the homes for at least a year. Therefore, we are requesting that $300,000 be added to the Bureau of Indian Affairs allocation for Fiscal Year 1977 to be contracted to the California Association for use of management, training and technical assistance. The Association will set up a central office and assist each local authority as the need is indicated. In this way communication will be established and cross management problem solving will be implemented.

In closing we would like to emphasize the crucial nature of this request, since the houses now being programmed for California by HUD will have to be reprogrammed if the local authorities can not provide sites with adequate access roads. Furthermore, the vast area covered by the authorities, the number of tribes involved in the program and the small staff dictate that central management systems be implemented at the earliest date to insure program success.

STATEMENT OF THE AMERICAN ASSOCIATION OF NURSERYMEN

The American Association of Nurserymen with offices at 230 Southern Building, Washington, D.C. is a trade association of more than 2,400 member firms involved in the sale, installation and production of environmental nursery stock and fruit trees and vines, small fruits, trees and shrubs for orchardists, ranchers, farmers, and home owners. The retail sales of nursery stock by July 1976 are estimated at over $3 billion annually.

One of the nation's most valuable natural resources is our forests, which are under increasing attack by forest insect and disease pests. Each year these trees and forests become more and more valued for recreation, wildlife, timber products, grazing, and esthetics.

Good progress in research is being made on the gypsy moth, the tussock moth, and the southern pine beetle. But the losses of this nation's trees and forests to insects and diseases is increasingly unacceptable -- mainly because of a lack of adequate funding for research on the western mountain pine beetle, the western spruce budworm, the dwarf mistletoe, the larch casebearer, and the hardwood insects.

These pests require research to develop improved methods of detection, and the means to analyze and predict population trends. Control methods are needed -- both chemical and biological methods. And, silvicultural tools will be developed and used as a control measure, as possible.

The U.S. Forest Service, with the cooperation of several universities, is currently spearheading a progressive program of research on several forest insects and diseases -- including tussock moth, southern pine beetle, and gypsy moth. This statement has as its purpose to solicit support of research programs needed to control the other major forest insect and diseases problems. This would require additional funding of $3,000,000 for the U.S. Forest Service.

In my opinion, the forest insect and disease problems and the research program envisioned by the Forest Service constitute a most important and far-reaching program. Answers in this important area will have additional application, in many instances, to problems facing the user of environmental plants for soil erosion, along highways, around homes and office buildings, etc.

Thank you for this opportunity to make our views known before your Subcommittee.

STATEMENT OF EDWARD CLAPLANHOO

My name if Edward Claplanhoo and I am here as Vice Chairman of the Makah Tribal Council of the Makah Indian Nation of Neah Bay, Washington, I appreciate this opportunity to be able to come before you as the representative of the Makah Tribal Council on behalf of the Makah National Fish Hatchery.

The Makah Indian Tribe began an intensive campaign for the building of a fish hatchery in 1970. We are located at

the northwest tip of the United States on the beautiful Olympic Peninsula. It has taken much work by the Tribe and our Congressional representatives to come to the present road and site preparation stages. We have given our lands, our time, and our energies toward reaching the goal of the beginning of fish production as soon as possible. Thus far, approximately $2,8000,000.00 through FY-1976 has been appropriated for the planning and development of this project. We are now requesting two phase funding for the remaining $6,600,000.00 necessary to complete construction of this project and allow full production to take place in 1979.

All people involved in the fishing industry in the West, whether Indian or non-Indian, have now come to the realization that the only way in which the major problems of the industry can be resolved is for more fish to be available for harvesting by all concerned. The call for the establishment of additional fish hatcheries is supported by everyone who is interested in saving the fishing industry and relieving the great pressures which have been brought to bear on the fisheries resource in the Northwest.

In a recent report of the National Marine Fisheries Services outlining a national fishery plan, it is stated that the production of salmon in the Pacific Northwest could be doubled by 1990 through appropriate increases in hatcheries and aquaculture projects.

The Makah National Fish Hatchery can make significant contribution to the solution of many of these problems. Upon completion, it will have an annual fish production of five different species of salmon and trout totalling 10.9 million fish weighing nearly 200,000 pounds. These fish will be distributed throughout the rivers, lakes and streams of the entire state of Washington. Judge Boldt's recent decision in United States v. Washington has stimulated the attention of fishermen, managers,

the public, and governmental representatives to the need for immediately improved harvest management and increased production. It is most fortunate that plans for the Makah National Fish Hatchery, having begun so long ago, are sufficiently developed that, with two phase funding, production can begin by 1979.

If present, proposed plans for three more stages of appropriations and funding continue, production will not be able to begin until the 1980's. Such a delay will have a devastating effect on our attempt to replenish our fisheries and maintain them at former historical levels. In addition, a delay will have a devastating effect on meeting the demands of the rapidly increasing sport and commercial ocean fisheries, both Indian and non-Indian.

We have met with the Director and other officials of the United States Fish & Wildlife Service, and they agree that the need for a two phase appropriation for completion of the hatchery is strongly supported by savings in constructions cost, increased early benefits, and the significant contribution to the solution of urgent problems facing Pacific Northwest fisheries managers. If appropriated other than in two phases the final cost of construction of the hatchery would be substantially higher. Therefore, two phase funding is the most logical plan from the standpoint of sound fiscal responsibilities in addition to being the best plan for meeting the immediate problems of the Northwest fisheries industry.

While the Makah National Fish Hatchery program is the type of project which clearly calls out for single phase funding, two phase funding would make more sense than three phase funding from the point of view of eventual construction costs and the pressing need for replenishing fisheries resources. An appropriation of one-half the necessary amount for FY-1977 with one-half to follow in FY-1978 would still allow production

to start in 1979 as opposed to the 1980's. It should be remembered, however, that the longer the appropriation funding is spread out, the more difficulty there is in terms of contracting for all of the materials and services necessary for completing construction on the project.

The Makah people have always relied upon the fisheries resources as their principle source of livelihood. We have watched as this resource has been depleted over the years. We know that the waters on and near our Reservation must become more productive, not only to sustain a high yield Indian fishery byt also to contribute to the fisheries for all concerned. We, therefore, ask your support in speeding up the completion of the Makah National Fish Hatchery program by accelerating the appropriations from the Congress.

I should like to take this opportunity to repeat the words of the Chairman of our Tribal Council at the ground breaking ceremonies for the hatchery at Neah Bay on August 8, 1975:

> As long as there are fish, my friends, there will be fishermen . . . As long as there is fish. And there will be fish, if we will join hands to let it be. That is our calling and in it our hope.

Thank you for the opportunity of presenting to you our request for accelerated funding for the Makah National Fish Hatchery. We have submitted some additional material and data for your information.

Inclusion on a fish rearing facility has been a dream of the Makah Tribe for as far back as I can remember. Because they could see the problem of ever increasing sport fishermen and commercial fishermen.

STATEMENT OF BARBARA WEINBERG

On behalf of its 190,000 members organized in over 1800 branches, the American Association of University Women urges you to grant full funding to the National Endowments for the Arts and Humanities (NEA/NEH) for fiscal year 1977. We urge you to, at the very least, meet the administration's figure of $87 million for each of the endowments. This $87 million represents an increase of $5 million or 6% over last year. In the face of growing demand for assistance, increased public interest in the arts and humanities and an annual inflation rate of 8.7%, the $87 million barely allows existing programs to be maintained.

The request for grants to foster activity in the arts and humanities grows prodigiously each year. Although the NEH had grant requests amounting to $302 million this past year, it had only $73 million with which to meet those requests. That is, the NEH was able to make only a 20% response to applications, approximately 50% of which were evaluated as highly deserving. The $302 million in application requests indicates an almost 50% growth rate over the previous year's requests. NEA's aid to the arts too has stimulated a growth pattern, permitting service a wider audience. However, the growth also means increasing financial demands. While last year there were 84 dance companies eligible to participate in the National Dance Touring Program, designed to decentralize the arts and increase access to them, it is estimated that there will be more than 135 companies petitioning for funds in fiscal year 1977. Until the mid-1960's, there were only a handful of non-profit prosessional theatre companies in the country; however during the tenure of the NEA that number has increased to 50 companies in 40 cities in 22 states, providing programs for a broader audience, yet increasing the financial demand on the endowment.

The growth in financial requests from artists and humanists is fed by the ever-growing public interest. Public attendance figures at cultural events show dramatic increases from year to year. Attendance at NEA-aided summer festivals in local communities showed almost a 500% increase. NEH, at the same time, estimates that in the next year we can expect to see 12,000 humanists engaged in programs serving 20 million adults. While the growth in financial requests from the artists is increasing, the financial gains of the communities (vis-a-vis the impact of jobs in both art related and non-art related categories) is on the upsurge. Because of this dynamic combination of the new interest of the public and the artist, cities are quickly expanding services such as restuaurants, parking lots, novelty shops, etc., for the general public. All of this means more jobs for more people in this depressed economic time.

An important aspect of this growing and far-ranging participation by Americans in the arts and humanities is the proliferation of state-based agencies for both the arts and humanities. Federal monies from the endowments have prompted the establishment of state agencies in all 50 states, whereas there were only a handful ten years ago. With the help and encouragement of NEA/NEH the state agencies are strengthening their programs and augementing the financial support they receive from state legislatures. This is only one instance of federal funds appropriated to NEA/NEH producing a multiplier effect by generating state and private monies. The $87 million to the endowments in effect becomes much more, because of matching funds. The programming for the bicentennial celebration is an excellent example of this. Educational institutions, broadcasters, urban and rural groups across the country were encouraged to develop bicentennial programs, thanks to federal leadership and the incentive of seed money from NEH. American broadcasters produced the landmark Adams Chronicles, the largest historical serial ever under taken by

American television and the first "educational" program produced by Americans to "out-poll" commercial fare. The Adams Chronicles "were made possible" by a grant from the National Endowment for the Humanities, and the private funds generated by that grant.

In the arts, the bicentennial celebration programs were sponsored with an emphasis not simply on temporary celebration, but with a look toward improved future access to the arts. The Dance in America series, bringing into millions of American homes performances by top dance companies, is a fine example. Since, however, only ongoing programs with an abiding value were supported, they will by their very nature, require a continuing commitment. And the commitment must not falter. Cultural activities in particular are labor intensive and do not lend themselves to labor or money-saving devices. They are costly to produce, yet the latest census figures show median income of male actors to be $6,816, median income of female dancers $3,469. For cultural events to continue without putting admission prices beyond the reach of the average citizen, federal monies are essential.

A budget request of at least $87 million for each endowment would permit a holding pattern on programs already in existence, with limited or no development despite an ever-increasing need for assistance and burgeoning public interest. The fiscal year 1977 budget represents a decrease in budget for the administration area of both endowments, reduced from approximately 6% of the total budget last year to an estimated 4% next year, at a time when staff is handling an increasing volume of work and a growing constituency. This decrease is to permit the largest sums possible to be invested in programs for the American people.

In sum, $87 million is a bare bones budget for both the National Endowments for the Arts and Humanities. Each dollar requested is critical to maintain the present programs--programs which are filling a vital need for an ever-increasing number of Americans.

The American Association of University Women calls upon the members of Congress to appropriate at least $87 million for the arts and humanities.

STATEMENT OF THE WATERSHIP FIRE COUNCIL OF SOUTHERN CALIFORNIA

The Watershed Fire Council of Southern California is a citizen's advisory group appointed by the Boards of Supervisors of nine Southern California Counties. The Fire Council is concerned with the proper management and protection of the watershed and wildland areas from fire, and supports the local governmental agencies responsible for these functions. Preservation of the watershed areas from fire is of vital importance for the protection of life, property, and natural resources, and to maintain the natural water supplies and flood control protection for the adjacent heavily populated areas.

Request:

The Watershed Fire Council urges that the following amounts be included in the 1977 Fiscal Year U. S. Forest Service budget for the five Southern California National Forests which include the Angeles, San Bernardino, Cleveland, Las Padres, and Sequoia:

Chaparral -- Fuel Management

Construction	$4,971,000
Maintenance	800,000
TOTAL	$5,771,000

These figures are updated Forest Service estimates of work needed, and can be accomplished during the 1977 Fiscal Year. A detailed breakdown of the funds needed for the first year and a summary of the program needs for five years are attached.

We understand the present budget request for forest fire protection includes $1 million for the Southern California Fuel Management Program. However, it is apparent that this amount falls far short of meeting total needs essential to completing and maintaining critical projects. It is imperative that fuelbreak networks be tied together to achieve maximum effectiveness in fire suppression operations.

Therefore, the Watershed Fire Council urges your full support of our request for the funding needed to accomplish this vital Program.

Justification:

The wildfire problem in Southern California has long been recognized as the most serious in the nation. However, Fuel Modification Programs have produced measurable results in minimizing the resource damage from major fires.

The fire problem has increased in recent years as the result of accelerated use of watershed areas for outdoor recreation and by increased encroachment of dwelling construction in and adjacent to the mountainous areas of Southern California.

Climatic conditions also contribute greatly to the watershed fire problem in this area because of the long dry periods each year. Rainfall is received for the most part during the period from November to April, and the remaining seven months are warm and dry. The dry condition becomes much worse during the Fall of the year when the "Santa Ana" winds blow down across the great California deserts and live up to the name of "Drying Devil Winds" from the North.

The primary vegetative cover in the five National Forests of Southern California is the chaparral type brush. This brush is considered the most explosive and flammable vegetation cover in the world. There is in excess of 2.5 million acres of this cover type in Southern California.

The chaparral covered mountains are extremely valuable to the 12 million downstream population. Without this brush cover, even small rainstorms can produce high runoff rates and rampaging flood waters.

With present Forest Service and local county and city fire suppression forces, most fires are stopped before they reach five acres in size. However, when critical fire weather occurs, some fires escape initial attack forces and become major conflagrations. In combating these large fires, fire fighters have few places from which to start backfires and more importantly, no place of safe refuge and no means of quick escape from fire in the large unbroken expanse of brushland. Modification of the vegetation in strategic areas breaks up these vast expanses of natural fuels. The areas are selected after environmental analyses are prepared covering cost benefit ratios, resource values to be protected, past and potential fire occurrences, and environmental benefits derived. The selected areas for chaparral vegetation modification are either temporarily or permanently changed to a lighter vegetative type resulting in less fuel volume per acre.

The disastrous sequence of wildfires followed by floods originating on these steep mountain slopes is well known. The flooding caused by the rains of 1969 falling on fire denuded slopes above the developed valley communities are still fresh in the memories of the affected citizens. Congressional committees then saw first hand the terrible havoc that can result when upstream forest watersheds are destroyed by fire.

Fire and flood officials are especially concerned about the flood potential conditions that now exist in the La Canada-Montrose areas of Los Angeles County as a result of the disastrous 47,000 acre "Mill" fire of November, 1975.

The historic flood disaster that occurred on January 1, 1934, when over 13" of rain fell in a 24-hour period in this area, was caused by a comparable fire disaster in the same area during November, 1933. The storm waters, charged with eroded material, swept down canyons into the foothill country with devastating force, leaving a death toll of 44 persons and an estimated $15,000,000 (1933 values) in structural and property losses.

During the Fiscal Year 1972-73, Congress appropriated $5 million to the Forest Service for a program of managing Southern California chaparral brushlands to aid in the control of disastrous wildfires. The California Region received $4 million of this funding. The majority of the California dollars ($3.7 million) went for fuel management work on the four Southern California National Forests to initiate a program which now must be maintained and expanded in order to be fully effective.

Southern California watershed fire protection priorities now provide for first maintaining present fuelbreak systems. Although we have made significant fuelbreak construction progress through the cooperative efforts of Federal, State, and county agencies, an expanded Fuel Management Program will continue to reduce burned acreage.

The attached statistical summary of recent fires demonstrates the cost benefit to be derived from these Fuel Management Programs. Fire experts projected that these fires would have amounted to $16 million in suppression costs and watershed resource losses if networks of existing fuelbreaks had not been in place at the time of these fires. The actual loss was $7,230,000, and therefore reflects a projected savings of nearly $9 million.

It is therefore the recommendation of the Watershed Fire Council of Southern California that continued Fuel Management Programs will be cost effective and of great public benefit through the reduction of fire suppression and flood damage costs in the Southern California watershed areas.

Your consideration of this request is greatly appreciated.

Respectfully,

Roland W. Percey

ROLAND W. PERCEY
Chairman
WATERSHED FIRE COUNCIL OF
SOUTHERN CALIFORNIA

CHAPARRAL - FUELS MANAGEMENT

SOUTHERN CALIFORNIA FORESTS - SUMMARY OF FIRST YEAR

A. CONSTRUCTION - Initial stage for fuelbreaks and fuel reduction areas. 1/

FOREST	MILES	ACRES	COST $
Angeles	56	2,120	1,388,000
Cleveland	60	3,600	880,000
Los Padres	39	7,400	1,210,000
San Bernardino	62	1,500	1,032,000
Sequoia	29	750	461,000
TOTAL	246	15,370	$4,971,000

B. MAINTENANCE - Existing fuelbreaks including follow-up stages of construction. 2/

Angeles	110	4,900	205,000
Cleveland	68	5,000	220,000
Los Padres	100	3,600	220,000
San Bernardino	70	2,520	116,000
Sequoia	24	570	39,000
TOTAL	372	16,590	$800,000

1/ Estimates include funds to initially modify the vegetation. They also include planning costs such as environmental analysis, obtaining rights-of-way, studies of soils, geology, archaeology, etc.

2/ Estimates include cost to follow-up after initial construction to keep fuel volume low; i.e., handgrubbing, spraying, intensity stock use, prescribed fire, etc.

CHAPARRAL - FUELS MANAGEMENT

SOUTHERN CALIFORNIA FORESTS - SUMMARY OF FIVE YEAR NEEDS

A. CONSTRUCTION - Initial stage for fuelbreaks and fuel reduction areas. 1/

FOREST	MILES	ACRES	COST $
Angeles	288	9,800	$7,252,000
Cleveland	300	18,000	4,400,000
Los Padres	220	37,900	5,781,000
San Bernardino	310	7,500	5,160,000
Sequoia	126	3,641	2,567,000

B. MAINTENANCE - Existing fuelbreaks including follow-up stages of construction. 2/

Angeles	1,323	44,500	1,840,000
Cleveland	744	47,400	2,085,000
Los Padres	500	18,000	1,100,000
San Bernardino	416	10,820	468,000
Sequoia	257	7,150	497,000

1/ Estimates include funds to initially modify the vegetation. They also include planning costs such as environmental analysis, obtaining rights-of-way, studies of soils, geology, archaeology, etc.

2/ Estimates include cost to follow-up after initial construction to keep fuel volume low; i.e., handgrubbing, spraying, intensity stock use, prescribed fire, etc.

REGION 5

FUEL MANAGEMENT NEEDS FOR 5 YEARS

	Fuelbreaks & Fuel Reduction	Maintenance	Southern* California Forest (Total)	Other California Forests	Regional Total Per Year
Year 1	$4,971,000	$ 800,000	$5,771,000	$2,640,000	$8,411,000
Year 2	5,207,000	1,029,000	6,236,000	3,300,000	9,536,000
Year 3	5,284,000	1,280,000	6,564,000	3,850,000	10,414,000
Year 4	5,036,000	1,361,000	6,397,000	4,950,000	11,347,000
Year 5	4,662,000	1,520,000	6,182,000	5,500,000	11,682,000

* Angeles, Cleveland, Los Padres, San Bernardino, Sequoia

66-307 O - 76 - pt. 5 -- 41

ANGELES NATIONAL FOREST STATISTICAL SUMMARY

FIRE NAME		DATES	ACTUAL LOSSES 1/ (acres)	PROJECTED LOSSES 2/ (acres)
1.	Dry Fire	9/22/74	5,800	13,580
2.	Prospect Fire	9/22/74	3,120	5,488
3.	Rock Fire	6/16/74	1,815	4,780
4.	Mystic Fire	8/18/74	750	2,340
5.	Necktie Fire	8/31/74	426	2,686
6.	Forebay Fire	9/01/74	200	3/
7.	Pacoima Fire	8/09/75	7,300	14,600
		TOTAL ACREAGE	19,400	43,474
		TOTAL DOLLARS	$7,230,000	$16,095,300

1/ Includes actual suppression costs, watershed damages and resource loss.

2/ Includes the projected suppression costs, watershed damages and resource losses if the fuel breaks had not been in place.

3/ Projected burned acreage has been lumped together for both the Necktie and Forebay fires. Fire experts projected the Forebay fire would have burned over the same area as the Necktie fire.

STATEMENT OF MORROE BERGER

In view of the vital importance of the Smithsonian Foreign Currency Program to American scholarship, teaching of American students, and cultural relations between the U.S. and Egypt, we urge the Subcommittee to appropriate the amount requested by Mr. Dillon Ripley for the program.

For the past ten years the American Research Center in Egypt's archaeology and art history program has received its entire support from the Smithsonian Institution Foreign Currency Program. With this support seventeen of the eighteen projects listed on the third and fourth pages of the enclosed brochure have been undertaken, many of them consuming several seasons of work in Egypt.

The names of the university and museum members comprising the consortium which is the American Research Center in Egypt, appear on the enclosed list of the Board of Governors. The research accomplished with SFCP funds is vital to their teaching and the increase in knowledge of the ancient Near East. The expeditions also offer the opportunity of field experience to young scholars, including advanced students.

The Smithsonian supports the Center itself* located in Cairo, which administers also the ARCE Research Fellowship program, to enable individual scholars to pursue research on medieval and modern Egypt.

Attached are lists of Projects and Fellows for 1975-76, taken from Volume XII of the Journal of the American Research Center in Egypt.

Attached also is a list of American institutions whose faculty and students have participated in each phase of the ARCE program over the years.

The American Research Center in Egypt has provided an important cultural link between the United States and Egypt, even when other relations between the two countries have been strained. The Center remained open during both the 1967 and 1973 wars.

The spring of 1974 saw the signing of a protocol between the government of the A.R.E. and the ARCE establishing on a permanent basis the ARCE research program in all periods of Egyptian civilization. Security restrictions on some sites have recently been lifted, making possible an increased amount of fruitful research if funds are available.

* The U.S. office in Princeton is supported by the consortium members, other institutions, 550 individual members and an annual tour of Egypt.

AMERICAN RESEARCH CENTER IN EGYPT
Incorporated

BOARD OF GOVERNORS

Research Supporting Member	Represented by
$2500 per annum	
University of California Berkeley	Leonard H. Lesko
University of California Los Angeles	Speros Vryonis, Jr.
Oriental Institute University of Chicago	Klaus Baer
Columbia University	Jay C. Hurewitz
Harvard University	Muhsin Mahdi
University of Michigan	William D. Schorger
New York University	Donald P. Hansen
University Museum University of Pennsylvania	Froelich Rainey
Princeton University	Morroe Berger (President)
University of Toronto	Ronald J. Williams
University of Utah	Aziz S. Atiya

Individuals Elected Annually by Individual Members

Richard Ettinghausen	Metropolitan Museum of Art and New York University
Hans Goedicke	Johns Hopkins University
Gerald E. Kadish	State University of New York Binghamton
Christine Lilyquist	Metropolitan Museum of Art
Afaf L. Marsot	University of California Los Angeles
Nicholas B. Millet	Royal Ontario Museum
Wm. Kelly Simpson (Vice President)	Yale University and Museum of Fine Arts, Boston
John J. Slocum	New York, N. Y.
John A. Wilson	Hightstown, N. J.
R. Bayly Winder (Treasurer)	New York University
Louis V. Zabkar	Brandeis University
Farhat J. Ziadeh	University of Washington

Institutional Members - not represented on Board of Governors

$500 per annum	
University of Arizona	State University of New York Binghamton
Museum of Fine Arts, Boston	Southern Methodist University
Brooklyn College	University of Texas
Brooklyn Museum	University of Washington
Exxon Corporation	Yale University
Metropolitan Museum of Art	

EDITORIAL FORWARD

In order to effect further production economies, we are returning, with this issue, to the single-column format of the first two volumes of *JARCE*, while, at the same time, retaining the type size of our most recent issues. Another change is the placing of the footnotes at the end of each article. Reader comments and suggestions are invited.

Continuing the policy begun in *JARCE* XI, we list below the research projects and fellows sponsored by the American Research Center in Egypt in 1975–76:

AMERICAN RESEARCH CENTER IN EGYPT

Projects for the year 1975–76

Funded by the Smithsonian Institution

Title	*Director(s)*
Ongoing Projects	
Preparation for Publication of a Manuscript by the Late Georges Legrain on the Late Egyptian Sculpture from Karnak in the Cairo Museum	Bernhard V. Bothmer *Brooklyn Museum*
Maintenance of Archaeological Research at the Site of Hierakonpolis (Nekhen) in Edfu District	Walter A. Fairservis *American Museum of Natural History*
Medieval Astronomy: Survey of Arabic Scientific Manuscripts in Cairo	Owen J. Gingerich *Harvard University* David A. King
Maintenance of a Stratified Pharaonic Site in the Egyptian Delta at Mendes	Donald P. Hansen *Institute of Fine Arts, New York University*
Akhenaten Temple Project of the University Museum, University of Pennsylvania	Donald B. Redford *University of Toronto*
Editing the Nag Hammadi Codices by the Institute for Antiquity and Christianity, Claremont, California	James M. Robinson *Claremont Graduate School*
Arabic Writing Today, A four-part series III: The Literature of Ideas	Speros Vryonis, Jr. *University of California Los Angeles* Lewis Awad

Continuation of an Epigraphic and Architectural Survey by the Oriental Institute, University of Chicago at Luxor	Kent R. Weeks *Oriental Institute, University of Chicago*

New Projects

Catalogue of the Arabic Philosophical Manuscripts in the Egyptian National Library in Cairo	Muhsin Mahdi *Harvard Universtiy* Dimitri Gutas
A Sociological Analysis of the Workmen's Village at Deir el-Medineh in the XIXth–XXth Dynasties: the family as a social institution	Leonard H. Lesko Cathleen A. Keller *University of California Berkeley*
Excavations at Taposiris Magna	Edward Ochsenschlager *Brooklyn College*

AMERICAN RESEARCH CENTER IN EGYPT

Research Fellowships for the year 1975–76

Funded by the Bureau of Educational and Cultural Affairs of the U.S. Department of State

Name	*Research Topic*
Abboud, Peter	A Reference Grammar of Cairo Arabic
Allen, Roger M. A.	A Study of Fiction and Drama in Egypt Today: Some Emerging Figures
Anderson, John L.	Egyptian Rural Social Structure and the Party Politics of the Constitutional Monarchy Period, 1924–1952
Collins, Jeffrey G.	The Egyptian Elite under Cromer, 1883–1907
Denny, Frederick M.	Preliminary Survey of the Training of Qur'ān Reciters and their Roles in Contemporary Piety in Egypt
Frantz, Gladys M.	Trade between Egypt and the Italian City-Republics from the Twelfth to the Fifteenth Century: A Study of the Early Development of European Export Markets in the Near East as a Factor in the Stimulation of Industrial Production in Europe
Marsot, Afaf L.	Biography of Muhammad Ali (1805–1848)
Michel, Thomas F.	A Critical Edition, with translation and notes, of *Al-Jawab Al-Sahih* (The Correct Answer), by Ibn Iaymiyya
Mikhail, Mona N.	Contemporary Literary Criticism and the Craft of Short Fiction in Egypt
Northrup, Linda S.	A History of the Reign of the Mamlūk Sultan al-Malik al-Mansūr Qalā'un (678/1279–80 — 689/1290)

EDITORIAL FORWARD

Raccagni, Michelle	Feminism in the Arab Countries, a Comparison between Tunisia and Egypt
Rouchdy, Aleya	A Study on Bilingualism: An Investigation into the Interference Occurring in the Linguistic Performance of Bilingual Egyptians
Russell, Robert A.	Aspects of Syntactic Change within Egyptian Arabic
Smith, Jane I.	A Study of Contemporary Muslim Attitudes and Beliefs concerning the Afterlife and Their Relevance to and Impact on Individual and Communal Life in Islam
Stetkevych, Jaroslav	A Critical Approach to Modern Arabic Poetry
Zysow, Aron	The Social and Cultural Aspects of 'Abd al-Ganī al-Nābulusī's Oneirocritical Handbook, Ta'tir al-anam fi Ta'Bir al-Manām

AMERICAN RESEARCH CENTER IN EGYPT

Universities and museums whose faculty members and graduate students have participated in ARCE projects and expeditions funded by the Smithsonian Institution in the past ten years include:

University of Akron
Brooklyn College, CUNY
Brooklyn Museum
Institute for Antiquities and Christianity, Claremont, CA
University of Chicago
Detroit Institute of Arts
Metropolitan Museum of Art
University of Michigan
Museum of Natural History
New York University
University of Pennsylvania
Pomona College, California
SUNY, Binghamton
Wheaton College, Illinois
Yale University

Disciplines represented include, in addition to archaeology and Egyptology, history, anthropology, art, photography, conservation, orthodontry and literature.

FELLOWSHIP PROGRAM

While the Smithsonian Institution has not funded the Fellowship Program extensively, it has been the main or sole support of the Center in Cairo, which has administered the individual research fellowships in fields of medieval and modern Islamic history, economics, language, literature, etc.

The list of American institutions of higher learning from which scholars have received ARCE fellowships is long, and includes:

UC, Berkeley
Boston Museum
Boston University
U. Southern CA
University of Chicago
Georgetown University
Johns Hopkins Univ.
University of Michigan
Ohio State University
Portland State Coll.
University of Utah
San Diego State Univ.
U. of Texas at Austin
UC, Los Angeles
Bowling Green Univ.
CA State College
Columbia University
Indiana University
Kansas State Univ.
Michigan State Univ.
Pennsylvania State U.
Princeton University
Stanford University
University of Wisconsin
UC, Santa Barbara
Brown University
CA State University
University of Colorado
Harvard University
University of Maryland
New York University
Northwestern University
University of Pennsylvania
Smith University
University of Virginia
University of Washington
Wayne State University

Funds for the Fellowship Program of the ARCE have stemmed mostly from the Bureau of Educational and Cultural Affairs of the U.S. Department of State and the Office of Education of DHEW.

All funds received from the U.S. Government for research in Egypt have been in Egyptian pounds.

STATEMENT OF JAMES L. GUNDY

A national program for hardwood research through the U. S. Forest Service is urgently needed by all consumers of wood and forest products. The nation faces the very real possibility of immense shortages if the Congress does not act now to enable scientists now on staff to complete programs of study designed to provide the technology to make best use of our hardwood resource.

An annual appropriation of $6,100,000 beginning in fiscal year 1977 and lasting for the next five years is the minimum that should be appropriated for hardwood research studies.

The overburden on softwoods utilized in applications where hardwoods could be employed is a serious problem. If this is allowed to continue, we face a critical shortage of affordable construction material, pulp and paper products, wood chemical derivatives and other products.

We would encourage a program of research in hardwood genetics improvement, harvest methods and technique development, saw mill improvement and further studies in total utilization.

We believe that such studies could serve to expand harvest yields by 50 percent, including pulp, lumber and residue products. Such a program could also increase material for ties, pallets and timbers used in mines and in construction.

The research programs should include:

development of methods of harvest, transport and marketing;

identify salvageable waste and develop systems for utilization;

develop hardwood construction products;

develop increased hardwood pulping techniques;

studies in "super tree" genetic development (as has been accomplished in the softwood sector);

develop chemical extraction and utilization systems;

research methods to improve yield of higher grade lumber products;

develop technology to produce ties and pallets from fabricated residue products;

develop residue combustion studies to provide the forest industries opportunity to meet fuel and energy needs.

It is our sincere belief that funds expended on these types of research programs will return benefits in terms of the general public welfare many times the investment.

Absolute utilization of our nation's hardwood production is necessary if the public is to have the forest products it requires. Government studies show that under present systems of harvest and utilization, the short fall in forest products will be between two and eight billion cubic feet by the year 2000. That shortage could begin in 1977 with an estimated shortage of two million cubic feet less than is required.

A comprehensive program to research new uses, refine systems now employed, and advancement of general technology is long overdue. Fiscal 1977 is already too late. We sincerely urge the committee to give serious consideration to an expanded and sustained hardwood research program for this nation's welfare.

STATEMENT OF EMMETT SARRACINO

SUMMARY

The American Indian Free Clinic, which opened in 1970, now provides understanding as well as assistance, and seeks to provide better health and opportunity for the Urban Indians who find themselves in difficulty.

The clinic services include the following: General Medical, Pediatric, Family Planning, Drug Abuse, Dental, Eye Exams, Pharmaceutical, Laboratory services, legal referrals and other referral sources, the Senior Citizen services, including nutritional meal program, and the Alcoholism program, also the outreach and follow-up are an integral part of the clinic operations, on a daily basis, at five days a week these services are rendered to approximately 60 patients in an average clinic session four nights a week.

The need for the existance of the American Indian Free Clinic's wider range of services is very necessary to the community that is in need of direct services.

Establishing of clinical services offered by the American Indian Free Clinic has advanced forward in reaching the Urban Indian and others aiding in his recovery to this health problems.

The American Indian Free Clinic feels competent that through refunding, they will continue to make giant strides in health problems. The clinic's goals from the time of its inception has always been to work toward the betterment of the communities and provide comprehensive services of the Indian problems that prevail. The primary purpose of the American Indian Free Clinic has been to meet the needs of the Urban Indian population of its community.

The target population which could benefit from this program are the immediate community surrounding the clinic area. This includes Chicanos, Blacks as well as Indians and others. The Indian population cannot be identified as constituting a majority in one area as they are scattered throughout the county. We have records on file of clients that have come from all areas in the county. That is one of the ways we have been able to arrive at the estimation of the target group to be serviced.

Our past record will speak for itself in relationship to staff unison and direct services to those who have come to the clinic facilities for medical, dental, laboratory attention as well as legal and psychological consultation.

In our summation of the clinic's objectives, we feel that what we have proposed will in fact aid the depletion of the urgent and ever existing services needed by the American Indian and their families and other groups residing in the defined locations of the proposal. It goes without mention that the American Indian and his health problems as well as other groups, have warranted great concern in our society.

Even with the advanced methods of treatment and knowledge in the health fields, the services received or provided to the American Indian fall short of meeting the oblegations for fulfilling these needs. Also to bring attention to the dental situation with the Indian people here at the clinic, which in part is a result of the reservation Public Health Services failing to orientate the Indians on basic dental care, their dental service in the past has been limited to extractions. The Dental department of the clinic is getting to be the busiest and most needed service to all. This department has had all types of dental problems, from minor fillings to extractions to major orthodontic. Realizing this, the clinic Dentist suggested that one day be set aside for a "Brush-In", teaching Indian children as well as others, and some adults also, the basic care for teeth. This we hope, will be a partial solution to future dental problems.

We are submitting this request for funding that will help us to reach the intent of this proposal, which is to continue and expand its present services.

STATEMENT OF FRANK A. LAWRENCE

Mr. Chairman and members of the committee, my name is Frank Lawrence, Executive Director of the United Sioux Tribes of South Dakota. The United Sioux Tribes of South Dakota is pleased to have this opportunity to submit testimony on the Indian Health Service funding for FY-77 and implementation of P.L. 93-638 (The Indian Self-Determination & Education Assistance Act).

The Indian Health Service is the only health resource for all Indians residing in the Aberdeen Area of the Indian Health Service which is comprised of the four states of North Dakota, South Dakota, Nebraska and Iowa. The goal and objective of the Indian Health Service is to raise the health status of the American Indians to the highest possible level. Indian Health Service also acts as the principal federal health advocate for them. Health services are provided in the Aberdeen Area through eight hospitals and four field health clinics, and is supplemented through contractual arrangement with public and private health practitioners in those situations where it is considered to be the most feasible, effective, efficient and accessible method of providing the highest quality of care.

In the present field of medicine there have been signficant advances made in recent years. However, due to the geographical and economical conditions in which our Indian peopole have to survive, combined with a backlog of inadequate funding results in health needs that far exceeds that of the general population in the United States.

A resource criteria document recently prepared by the Indian Health Service documented that the Aberdeen Area alone was receiving funding, 55% below their minimum needs for staffing and training health manpower, preventive health services, and other areas. In order to over come such significant unmet needs there must be a drastic change in funding so that the Indian population can receive proper services from Indian Health Service.

Funding for hospitals is particularly erratic. In FY-76, the Indian Health Service requested $116.3 million to build or rebuild 13 hospitals. The President slashed that to $2.1 million but fortunately Congress appropriated $12.9 million. Of the $257.8 million asked in the past 7 years for hospitals, $46.3 million was appropriated (17.9%).

The 1976 appropriation of $12.9 million for hospitals will allow construction to begin on four hospitals. None of which is in the Aberdeen Area. Under the congressional plan, each year a portion of the funds will be provided for the constrcution of each hospital. However, there is no guarantee that all of the funds needed to complete each project will be appropriated. This phased constrctuion financing, although a step in the right direction, will run into difficulties due to the rising cost of materials and will result in a cost over-run of the estimated $30 million needed to construct each hospital, particularly those being built in Alaska where construction costs are unusually high. The Indian Health Service hospital admissions are continuing to increase while the funding level remain virtually unchanged. The projected number of hospital admissions for FY 76 and FY 77 are 74,900 and 75,900 respectively. This means that Indian Health Service will provide hospital services at a higher level and will have to reduce the quality of care to an even lower level in order to stay within available funds. Further aggravating this already undesirable situation is thelack of funds to maintain, repair, update and replace deteriorating hospital buildings and equipment which is a direct cause of all hospitals in the Aberdeen Area failing to meet requirements of the Joint Commission on Accreditation of Hospitals. This means that Indian patients are using facilities which do not meet minimum requirements considered standard for a normal hospital.

Because of Indian Health Service efforts to motivate the Indian people to seek better health care, there has been a continuous increase in hospital admissions and outpatient medical visits. Although this is certainly a desirable result of health education activities, it has, along with outmoded facilities and equipment, placed an enormous burden on the physicians, nurses, laboratory and x-ray technicians and technologists, and other hospital employees. This is primarily because of commensurate increase in patient care personnel has never been authorized. Eighty hour weeks are now somewhat common among the physicians. Nurses and lab technicians are resigning because they have to work fifty and sixty hour weeks with no weekends. In regard to the shortages of staff, an inability to recruit and retain enough physicians and RN's has been another major problem. Even where there is a full staff of physicians, the ratio of physicians to population of patients is nearly double the generally accepted stand of 1:700. Where there is a marked physician shortage, most of the physician's time is spent in meeting the demands of emergency and hospital care, i.e., mostly episodic crisis care rather than preventive care. It has become increasingly clear that Indian Health Service is committing more and more of its limited resources to hospital care rather than prevention of disease, disability, death, or unnecessary hospitalization.

As stated previously the physical environment of the American Indians and Alaskan Natives in most locations throughout the United States is characterized by severe climatic conditions, rough, often treacherous geographical settings and extreme isolation. Survival under these conditions attest to the ingenuity, adaptability and self-determination of these people. This harsh environment, coupled with decades of economic deprivation and the resulting lack of basic environmental amenities, has contributed greatly to the exceptional high incidence of disease and premature deaths,

particularly among infants. In an attempt to combat this, Indian Health Service through P.L. 86-121 has been constructing sanitation facilities for communities, however, reservation families still lack basic facilities and are subject to the serious health hazards associated with such environmental deficiencies. Other environmental conditions which result from improper sanitation including insect and wild rodent vectors, continue to result in sporadic epidemics on Indian reservations. To help combat these and other environmentally related problems, Indian Health Service efforts must be effectively funded for much remains to be done to improve the home and community environment in which our Indian people live.

One of the priorities of the Indian Health Service is to provide Indians and Alaskan Natives with opportunities for maximum involvement in defining and meeting their own health needs. To enable Indian Health Service to do this, P.L. 93-638 should be implemented, Specifically, the Act stipulates the Secretary of HEW to provide funds to Indian Tribes or Tribal organizations to carry out any or all of their responsibilities. It is of primary importance that funds be made available for the tribes or tribal organizations to enter into a contract or grant pursuant to this Act.

Again, we would like to thank the distinguished members of the Committee for the opportunity to submit testimony on this crucial issue.

STATEMENT OF GARY W. THOMPSON

Mr. Chairman and Members of Task Force #6 on Indian Health:

My name is Gary W. Thompson. I am a member of the Gila River Indian Community and work for the Tribal government as a planner. It is not an easy assignment you have given us (Indian people). There are so many reasons why Indians do not receive the same level of attention economically, socially, or politically as citizens of the United States. Even after every reason has been attested to and the last Indian's testimony has been heard, the message from the Commission to the Congress must be penetrating and frank. Your task is even harder than ours. I hope we are both successful.

It would be easier and much more practical to conclude early that money, and lots of it, is the cure-all. Of course, not enough money is the root of most Indian problems. I will cite several examples later in my testimony where lack of money is clearly the underlying reason for inadequate health care on Gila River. Before that, let me illustrate how even with funds in hand, it is difficult to move forward.

Housing is needed by many families reservation-wide (estimated by local BIA Branch of Housing in 1975 at 555 families). HUD recognized this need in 1970 by allocating 200 low-income housing units for Gila River. Why is it, then, if the need is there, and families have been identified, and money is available--that no new housing has appeared.

Before a housing project can move forward, HUD, BIA, and IHS outline in the Intergovernmental Agreement attached to the project what each will do to bring the project to completion. In short, HUD has the responsibility for providing houses, IHS for water and sanitation, and BIA for access roads. Written assurances are given by those agencies to the Tribal Housing Authority which states that if the Tribe enters into a contract with HUD for housing, water and sanitation facilities and access roads will be "in-place and in-time" by the time of occupancy. The end result is history. Gila River has not lost any housing allocations since 1970 but worse yet, Gila River has not built any houses either. Water supply is constantly a problem, especially in Districts

1 and 5 (Exhibit 1), and money for access roads to serve the housing units, built in subdivisions, is slow in coming.

Although it has been suggested to Housing and Urban Development by Tribal Housing Authorities that because Indian Health Service and Bureau of Indian Affairs have consistently failed to fulfill their part of the Intergovernmental Agreement because of insufficient funding levels, that HUD should include the costs for roads and water and sanitation in the development of Indian housing programs. The response from HUD: "because funds for those functions and responsibilities for their administration are vested by law in the other agencies involved in Indian housing programs, HUD cannot change its policy in regard to Indian housing programs." This position by HUD appears in the Federal Register dated March 9, 1976 (Exhibit 2). I also have documents in the form of letters to HUD (Exhibit 3), to the Department of the Interior (Exhibit 4), and to the Indian Health Service from the Gila River Indian Community which outlines the difficulties encountered.

The Gila River Tribe is requesting relief either legally or administratively so that housing units so badly needed can be built. Safe and sanitary housing is being denied to Gila River families because of the firm grip the federal government has on the reservation through the enforcement of existing policy through HUD, BIA, IHS, EPA, and the Corps of Engineers. I urge this task force to incorporate policy changes in its message to the Congress which will permit Gila River to get on with its housing program.

I have for the task force other documents which contain information gathered to support Gila River's request for action on other projects. The yellow document (Exhibit 8), Sanitation Facilities Planning Guide, is a plan for expansion of water and sanitation facilities reservation-wide. I urge the task force to view this information not as an Indian Health Service funding prospectus but rather as a capital improvement planning guide which Gila River intends to use in seeking funding from other federal and state agencies or from private funding sources if policy changes can be implemented to allow Indian tribes to seek private funding in addition to the public funding route.

The other document (Exhibit 7), Sacaton Health Facility, Schematics, was prepared under the direction of Friedman and Jobusch, Architects and Engineers of Tucson. A previous document prepared by the same firm, Sacaton Health Facility, Master Plan, can be obtained from the Indian Health Service. The master plan study indicated that a new hospital on another site would be comparable in cost to updating the existing hospital. Further the study indicated that operation of a new hospital would be less expensive and more efficient than the remodeled hospital. Therefore, the study recommended that a new hospital be designed. The resulting schematic drawings are for your information. Although we would prefer to remain optimistic about the Sacaton Health Facility project, HEW's most recent transmittal (Exhibit 5) on the Sacaton project is discouraging (Robert van Hoek, M.D., to Congressman Rhodes, May 15, 1975).

An even earlier document, Gila River Model Health Delivery System, May, 1973, which can also be obtained from the Indian Health Service, is the earliest planning document on health care needs and problems at Gila River. What the progressive set of documents should illustrate is although the capacity exists within most tribes to plan long-range health care improvement programs, the corresponding capacity to respond does not exist with the BIA and the IHS.

What then happens to tribal groups, including Gila River, when the Indian Health Service and the Bureau of Indian Affairs cannot fill needs, supply resources, and do that which by law is required--

> --The Gila River tribe through HUD initiated a health support program during its "hold harmless" period to provide dentures, orthopedic shoes, eyeglasses, and other prosthetic goods for elderly citizens.

HUD recently declared that all such activities are ineligible and instructed that we cease providing this service with HUD money. The responsibility for this service should rest with the IHS, but according to the attached memo (Exhibit 6) from Phoenix Indian Medical Center to the Sacaton Service Unit, even the dental service will not be provided by IHS. The Service Unit hospital at Sacaton is not equipped or adequately staffed to provide this denture service for adults; and although this need was previously documented in the Model Health Delivery System for Gila River in 1973 and subsequent needs documents, the Tribe wound up providing the service through a non-health related grant until stopped by HUD.

--A water and sewer application totalling $215,000 was applied for through a HUD discretionary grant and secured tentatively, pending a transmittal of work program and cost estimates. This grant coupled with other improvement works secured through the HUD Block Grant Program, approximates $450,000 worth of water and sewer capital improvements which will be accomplished at Gila River without IHS support. Although this grantsmanship demonstrates capability to fulfill the spirit of Public Law 93-638, it does again illustrate the inadequacy of the Indian Health Service to respond in a timely manner to tribal planning. The need for such improvements were, as in the case of the needed dental service, documented in the Model Health Delivery System in 1973 and in subsequent needs documents.

--The Indian Health Service was alerted two years ago by the IHS program emphasis plan and by correspondence from the Tribe to planning offices at Phoenix Area Office of the impending end to alcoholism grants awarded to Gila River under the National Institutes of Mental Health. No response was transmitted two years ago. A year ago, the response from IHS was that the allocations for "special CHR positions" which would normally fill a need such as this request are nominal and our request would have to be compared with other similar requests--the result, Gila River received no allocation of special CHR positions. This year the proposed transfer of NIMH-NIAAA Indian alcoholism treatment positions to the Indian Health Service has confused the planning process at Indian Health Service. As a result, Indian Health Service is holding up action on Gila River's request, pending the establishment of an administrative unit within IHS to handle the transfer.

Where does this leave Gila River? As I have said, Mr. Chairman, your task is not an easy one and what happens at Gila River in the near future appears to hang on whatever message will be delivered to the Congress as a result of this hearing and others conducted by other task forces. I hope we are all successful.

Thank you for receiving my testimony.

STATEMENT OF DONALD BRODY

My name is Donald Grody. I am Executive Secretary of Actors' Equity Association. As you know, Equity - for more than 60 years - has been the Association of professional actors, actresses, and stage managers. At present our membership numbers more than 20,000 men and women.

The adequacy of the appropriation request placed before you by the Arts Endowment and the administration can only be judged in terms of the end results that are to be achieved. If we understand the Congress correctly, and if we are properly evaluating the concerns expressed in the past by this committee, national support for the American theatre has at least two major goals:

1. The democratization of the theatre. The literature and the art of the theatre must be made available to all ages and all classes in all regions of our vast country. The contribution of live theatre to the education, enrichment and happiness of a civilized society is much too important to be limited as a luxury to benefit only an elite few.

2. The maintenance of quality in the American theatre. This second goal must go hand-in-glove with the first. Making theatre available geographically and economically to more people would be a meaningless exercise unless we strive also to make the quality of that theatre the highest possible. Nothing is gained by distributing funds so thinly over a wide area that the efforts supported are nothing better than mediocrities or worse.

If these are your goals, then Actors' Equity submits that the funds requested for the year ending in September 1977 are inadequate. Quality theatre, as you know, does not exist in many areas throughout the country.

Assuming the 6% increase requested by the Administration is allocated by the Endowment so that theatre - which now receives approximately $6 million - is given an equivalent increase, it would translate into $360,000 more dollars. This is hardly enough to keep up with rising costs for the next eighteen months, much less expand theatre to places now devoid of it.

And what about existing theatre? It is barely holding on. You have heard the reasons. Theatre, like other art forms is incapable of mass producing itself. The economies of scale that are so beneficial in other forms of economic endeavor are unknown to the theatre. And yet, costs are rising for travel, for land and construction, for heating and air conditioning, for salaries and materials. Ticket prices could be raised or playing seasons could be shortened but that would defeat our goal of making the theatre arts available to more people at a price they can afford.

The size of the theatre companies could be cut but that would undermine our search for quality.

Shifting much needed funds from presently supported theatres to assist new ones would be robbing Peter to pay Paul - a mischievious deception that, ultimately, would serve no one.

The answer, gentlemen, lies in an appropriation for the Endowment that is closer to the $126 million adopted by Congress as an authorized ceiling for the current fiscal year than to the $87 million now being suggested by the Administration for the next year. I respectfully suggest that if we are to get on with the job of making quality theatre accessible to more Americans, you must help provide the financial wherewithal to do so.

Before I conclude, Mr. Chairman, I would like, in behalf of Actors' Equity, to provide you with some data which I believe could shed some light on three issues that have been raised by members of this committee in the past.

1. Regarding the geographic spread of theatre, concern has been expressed that most theatre activity is concentrated in New York and therefore, aid to the theatre is tantamount to aid for New York performers and audiences. This is not true. First, because most professional actors and actresses are not from New York but from every state and region of the nation. Second, most actors do not work in New York. During the 1974-75 season, Equity members enjoyed only 34,419 work-weeks on Broadway and Off-Broadway, and more than 130,000 work weeks elsewhere. The non-profit resident theatres which are strongly supported by the Endowment accounted for more than 31,000 work weeks. In that year, there were 66 such theatres spread throughout the land. In the 1975-1976 season, now drawing to a close, employ-

ment in the resident theatres will constitute the largest single source of employment for our members.

2. You have also inquired about actor's salaries. You should understand that salaries negotiated by Actors' Equity generally vary according to the type of theatre activity (commercial, non-commercial, etc.) and size of the theatre. However, since non-profit resident theatre is the major recipient of support from the theatre program of the Endowment, I will discuss salaries in this area only. Resident theatres are divided into four categories according to the seating capacity of the theatre. Salaries are highest for the larger category of theatres and lowest for the smallest. In June, 1967, the largest theatres contracting with Equity paid a minimum weekly salary of $135.00. As of June 30, 1975, they began paying salaries of $217.45, an increase of 61%. The smallest non-profit resident theatres paid minimums of $90.00 per week in 1967 and, at present they pay $157.70. This represents an increase of 75%. During this same period, 1967 to June 1975, the cost of living index rose more than 61%. And so, real salaries in terms of the rising cost of living have not risen at all in the larger theatres and slightly in the lower paying theatres. If it were not for the Endowment's assistance in this area, I am sure they would have fallen in both areas. This is a situation which the acting profession and Equity could not tolerate. Income levels for America's actors and actresses are absymally low. They cannot be allowed to fall any further in real terms. To give you an example of how low earnings really are in the live theatre, I submit the following economic profile of Equity members for 1974: In 1974, 23,283 individuals were on Equity's roles at one time or another; 13,501 had no income whatever from the legitimate theatre in that period; 6,695 earned less than $5,000; 1,886 earned between $5,000 and $10,000; only 1,179 earned more than $10,000 and of this group 178 earned in excess of $30,000.

3. What about employment opportunities? During the 1974-75 season the average week saw only 3,768 Equity members working in the live theatre - 26% of the membership.

I assure you, gentlemen, these dismal statistics are the same for the actor wherever he or she turns - films, broadcasting or the stage. For this reason, the census for 1970 could report that median 1969 earnings for actors in all areas was only $6,816 and for actresses, a little more than $5,000.

A great deal of talent is being wasted - unemployed or underemployed. It could be used to bring theatre of all types - repertory, childrens', school programs, experimental - to every region of the country. The people who possess this talent are highly trained and educated. The fact that they are not being utilized is a tragedy for them and for our society which this committee can and should address through the appropriation process and the National Endowment For The Arts.

STATEMENT OF WILLIAM E. TOWELL

Mr. Chairman and members of the Committee, I am William E. Towell, Executive Vice President of The American Forestry Association. For the past five years I have appeared before this Committee as Chairman of an Areas of Agreement Committee on forestry appropriations. You have been most generous with your time and in response to our collective recommendations and we are grateful. However, the new appropriations process, timing and other important forestry legislation now being considered made it impractical for our Areas of Agreement Committee to get together again this year. I hope that each person or group who has participated with us so effectively in past years will express themselves again this year, individually, as we are doing, and that this Committee will be as responsive as you have been in the past. I invite your consideration for the following recommendations:

U. S. Forest Service

The most critical item in Forest Service programs is the manpower limitations imposed by the Administration. Although appropriations recommended for fiscal year 1977 are about double what they were in 1965, manpower authorizations are almost identical to what they were 11 years ago. This creates an almost impossible situation for the Forest Service or any other resources agency in carrying out effective management activities. We realize that this is primarily a responsibility of the executive branch, but we call upon the Congress to help resolve this serious manpower limitation.

This year's Forest Service appropriation is caught between the old budget process and the new as well as in the program being developed under the Resources Planning Act. It would be our recommendation that final appropriations more nearly reflect the program submitted to the Congress by the Forest Service although it was not fully endorsed by the Administration. Obviously, the budget amount of $993 million for all programs is inadequate as compared with the Resources Planning Act recommendation of $1.9 billion. This proposed increase cannot all be realized in the first year, but the discrepancy should not be this great.

There still are three million acres of National Forest lands in need of reforestation. The Forest Service is unable to expand its activities where most needed in the fields of recreation, fish and wildlife habitat management, in road construction and maintenance, range rehabilitation, forest insect and disease control, and especially in research. Money spent in management of land and renewable resources today, particularly timber management, will pay great dividends in the future. But, the greatest expansions should come in those activities reflected by the increasing demands on our National Forests by the user public. The Resources Planning Act program emphasizes these needs and 1977 fiscal appropriations should focus in this direction.

The American Forestry Association differs strongly with the budget recommendation to cut Cooperative Fire Control funds to $11.9 million or about half the amount appropriated for the current fiscal year. This difference cannot be made up by the states, and those states which need help the most will be the ones that suffer. The proposal of the Administration to faze out this CM-2 grants program entirely next year is totally unacceptable. It should be going the other direction toward full authorization. We recommend $25 million for fiscal 1977 or at least an amount equal to the $22,596,000 in the current year. Other items in the State and Private Forestry Cooperation are satisfactory, but these fire control funds must be restored.

National Park Service

As with the Forest Service, employment ceilings are the most critical limitations in the National Park Service budget also. In addition, total NPS recommended funding for fiscal 1977 is $4.745 million below 1976. How can any agency perform satisfactorily with increasing public use and services, limited manpower, and a decreasing budget? Major funding is needed to restore National Park areas to their original condition, with an estimated $518 million or $120 million per year needed for construction and rehabilitation. Additional funds are needed also to improve the quality of visitor services, particularly interpretative centers in the NPS system. New areas constantly are being added to the National Park System and these all require operating funds. This budget fails to provide adequate funding for older areas, let along new Parks. We urge increased funding.

Bureau of Land Management

BLM is the most neglected public lands agency in our government. With a responsibility for managing and protecting over two billion acres of public land, BLM has about one person for every 250,000 to 300,000 acres. This applies to surface management only and does not include sub-surface minerals and outer continental shelf responsibilities. Obviously, manpower limitations are a major need with this agency, too. In terms of total needs, BLM is lacking in nearly all budget categories. Perhaps the greatest need is an Organic Act which would declare for all time that BLM is a public lands management agency and not a custodial or disposal agency. When this public decision is made, perhaps funding will follow. Meanwhile, some help is needed. As a start, we would recommend adding the following language to BLM's appropriations: "The Bureau of Land Management shall not be subject in this fiscal year to any full-time employment ceiling which is less than the number of authorized permanent positions funded in the budget as enacted by the Congress." Hopefully, increased appropriations also will be made so that BLM can more nearly fulfill its management responsibilities.

U. S. Fish and Wildlife Service

The Administration budget for the Fish and Wildlife Service is essentially a "no change" budget. Gains over 1976 appropriations are offset by losses in other categories. Like the Forest Service, BLM and National Park Service, however, manpower limitations are the most serious problem. Since 1971, Fish and Wildlife Service funds have increased about 100 percent yet permanent positions are nearly the same. This agency needs at least 140 more fulltime employees. Places where increases in funding are most needed include: (1) Land and Water Resources Planning; (2) Anadromous Fisheries Program; (3) Endangered Wildlife Species, and (4) advances under the Migratory Bird Acquisition program.

Bureau of Outdoor Recreation

This agency has fared best of all the natural resources agencies in budget recommendations. Appropriation of the full $300 million under the Land and Water Conservation Fund is justified and should be approved.

Thank you, Mr. Chairman, for this opportunity to express our views.

STATEMENT OF LONNIE L. WILLIAMSON

Mr. Chairman:

I am Lonnie L. Williamson, secretary of the Wildlife Management Institute headquartered in Washington, D.C. The Institute's program has been devoted solely to restoration and improved management of renewable natural resources since 1911.

Our testimony is directed toward the endangered species and national wildlife refuge programs in the U.S. Fish and Wildlife Service, the fish and wildlife program in the U.S. Forest Service, and the fish and wildlife and range programs in the U.S. Bureau of Land Management. We are recommending a $4 million increase over the Administration's request for the endangered species program, $10 million increase for refuges, $9.1 million increase for the Forest Service fish and wildlife programs, $1 million increase for BLM's fish and wildlife program, and $6 million for BLM's range program. We also suggest budget requests that could be reduced in the public interest to provide the increased funding.

First, Mr. Chairman, let me express our overall concern about what we view as an imbalance in the total national budget. The nation's renewable natural resource base is being seriously shortchanged in budget priorities. We say this because of overwhelming evidence that renewable natural resources are experiencing an accelerating rate of decline on much of the public lands. The Committee has been appraised of this documented fact, including two reports by the BLM, letters from successive directors of the Fish and Wildlife Service, and the need for an accelerated wildlife program outlined by the Forest Service.

Renewable resource programs are at a point in time where Congress and the Administration must make a decision. Are the resource values on one-third of this nation's land area worth saving? Or are other things more important than the livestock, water, fish and wildlife, timber, recreation, and other renewable benefits produced on federal public lands? That is a political decision that must be made, and soon, if they are important and desirable.

U.S. FISH AND WILDLIFE SERVICE

Endangered Species

The most important part of the 1973 Endangered Species Act, in terms of native U.S. fauna, is Section 6 which authorizes the Service to provide grants-in-aid to state wildlife agencies for improving their endangered species programs.

The state agencies' authority to manage endangered species was taken away by the federal government in the 1973 Act. The Service readily admitted and still does that it cannot replace the states in managing endangered species. The Congress authorized grants-in-aid to encourage state participation in a national effort. The Administration thus far has failed to work with the Congress and fulfill that commitment to the states. The Service's pleas for grants-in-aid money have been ignored by the Office of Management and Budget.

Last year this Committee appropriated $2 million for grants-in-aid. But again this year, the Administration did not request money for that purpose. Instead, I notice, the Administration has suggested that any money the states may need for endangered species could be provided by the Federal Aid in Fish and Wildlife Restoration Programs. To even suggest such a ridiculous thing is an open invitation to war with conservation interests. That is the best way I know to arouse the ire of 50 million American sportsmen, and organizations such as the Institute.

For the Administration to shirk its responsibilities under the Endangered Species Act, especially after usurping the states' authority in this area, and attempt to raid the Federal Aid Program is unthinkable. We recommend that the Committee appropriate $4 million additional for the FY 1977 Section 6 grants-in-aid program so the Service and the states can do more than shuffle papers for endangered species.

National Wildlife Refuge System

For several years, the Institute's testimony has sounded like a broken record regarding refuges. The Committee is well aware of the disgraceful backlog of maintenance needed on the refuge system. Our testimony last year contained a letter from FWS Director Lynn A. Greenwalt which documents a need of at least $60 million just to rehabilitate existing facilities.

Again the Administration has failed to request funds for eliminating any of this backlog which is growing continuously at the current level of investment. Furthermore, it appears that much of the additional $2 million granted to refuges in the 1976 appropriations will be lost permanently. Language originating in the Senate report last year apparently has reprogrammed $570,000 of the $2 million refuge add-on for animal damage control.

If the refuge system is important and is to survive, Congress and the Administration must readily increase their support of the program to stop the degrading spiral. This year the Service requested $9 million additional, Interior cut that to $7 million but the OMB disallowed it all. We recommend that $10 million additional be invested in the refuge system to help begin recuperating that important program.

U.S. FOREST SERVICE

Despite current debate over clearcutting on the national forests, resource programs of the Forest Service seem in better stead than for the other agencies. The Resources Planning Act is responsible. It has given the Service an opportunity to openly state what the national forest resources programs need. The Administration has responded with a proposed program to Congress which would dissolve the long-standing imbalance in the Service's programs. If the Congress adequately responds to the proposal's requests, the Service's programs will be improved immensely. People could expect to receive the full benefits from those important lands.

Although the President's budget asks for only $13.5 million for fish and wildlife resources, the Service had requested $22.6 million to begin meeting requirements of the Resources Planning Act. We recommend that the additional $9.1 million be restored.

U.S. BUREAU OF LAND MANAGEMENT

BLM appears to be emerging from decades of subservience to user groups and attempting desperately to improve its resource programs. The nation has a lot at stake on the more than 450 million acres of national resource lands. Even though the coal and oil are most mentioned and attended to, the renewable resources such as forage, fish and wildlife, water, timber, and recreation are vast and can help sustain us long after the coal and oil are gone.

The nation has made meager efforts to maintain renewable natural resources on the NRL and it shows. Rangelands are being depleted. Their ability to provide livestock forage and fish and wildlife habitat is deteriorating. Erosion is occurring. Soils are being washed away. Overall, the land's capacity to produce is decreasing. This trend must be reversed.

Reports by BLM on the Nevada rangelands, and on all western rangelands were made available to this Committee last year. They tell the story well. A symposium on fish and wildlife problems associated with rangelands was held during the 41st North American Wildlife and Natural Resources Conference last month in Washington, D.C. Foremost range and wildlife managers from the western U.S. again pointed out the deteriorating conditions of public grazing lands and their negative effects on fish and wildlife. The problems are clear. BLM knows what needs to be done, but it must have the money and manpower to do the job.

We recommend that BLM's wildlife program be given $1 million over the President's budget, and that range rehabilitation be allowed another $6 million increase to continue slowing the abuses that are robbing the nation of future resource availability.

PERSONNEL CEILINGS

We trust that the Committee will take a good look at the personnel ceilings which are pinching renewable resource programs. Additional funds would be of little value without accompanying directives to include people for doing the work.

The OMB is holding the U.S. Fish and Wildlife Service to 4138 permanent full-time employees for FY 1977. That is only 85 more than in 1971. Funds since 1971 have increased 100% (about 50% in real dollars). The Service needs 215 additional personnel just to handle the Administration's current budget request.

Resource programs in BLM have similar personnel problems. There is no trouble getting personnel for energy projects. In fact energy development has drained off

a large percentage of the fish and wildlife personnel in the Bureau already. The need is for people to strengthen renewable resource efforts. BLM is authorized for 5514 permanent, fulltime personnel. OMB has restricted that to 5,077 for FY 1977.

Committee efforts to relieve the restrictions on personnel could be most helpful.

Finally, Mr. Chairman, for the money to make needed adjustments in public land renewable resource programs, we believe Congress should look to current expenditures where resources are being irrepairably harmed with very little return to the public. For example, the Corps of Engineers' destructive Cache River Project should be halted. Savings from that move alone would pay the increases recommended. The Garrison Diversion Project, a Bureau of Reclamation undertaking, is another.

Within the agencies themselves, there could be a shifting of funds to greatly benefit renewable resource programs. In both the Fish and Wildlife Service and the BLM, energy annually is awarded relatively large chunks of new funds. Renewable resources are not. The Committee would do well to even up that imbalance.

STATEMENT OF ROBERT L. FRANK

Mr. Chairman and members of the Committee: My name is Robert L. Frank, I am the elected Chairman of the Tribal Council of the Washoe Tribe of Nevada and California. The Washoe Tribe is a contractor of an Indian Action Team Program. Appearing with me today are:

Mr. Ed Arviso, Director, Southern California Tribal Chairman's IAT Program
Mr. Jim Racine, Director, Blackfeet I.S.T. Program
Mr. Kenneth O. Tiger, Director, Seminole I.A.T. Program of Oklahoma
Mr. Charles Trimble, Executive Director, National Congress of American Indians

We are here to address the Bureau of Indian Affairs requested appropriations for the Indian Action Team Program. We feel it is important to bring to the attention of this Committee the issues and concerns expressed in Indian country regarding the Indian Action Team Program. The Bureau is requesting an appropriation of 14 million dollars. We are here to request an appropriation of 38 million dollars.

Gentlemen, we have for your information and or your disposal, within these packages; tribal resolutions, supportive letters and program related materials.

Historically, the I.A.T. Program was started in 1972. The initial funding level was $800,000 and there were four (4) contractors. In four (4) years this program has grown to $14,000,000 and 61 contractors. The popularity of this program is evidenced by the fact all of the present contractors are desirous of recontracting the program and the Bureau has notifications of intent to contract from an additional 55 tribes and tribal organizations.

The reasons for this popularity are three fold. One, I.A.T. is one of the few programs which truly advances Indian self-determination. Two, I.A.T. has shown substantial social and economic impact on both the reservation and surrounding communities. And three, I.A.T. provides valuable skill training to tribal members without the members having to leave their home communities.

The program truly fosters self-determination. I.A.T. is designed, developed, administered, managed and operated by the contracting tribe. I.A.T. provides tribes with a tribally operated and managed resources development capability.

The program is tailored by the contracting tribe to meet the needs of the Tribe. For instance, in the training aspects of this program, job skills are taught which will meet the employment market in the home area of the contracting tribe. Furthermore, the program fosters the development of managerial capabilities, a necessary ingredient for self-determination.

The substantial impact, both socially and economically, on the tribes and surrounding communities is demonstrated in various ways. Many I.A.T. contracts provide training in the construction trades. These contracts are able to combine with other programs, such as, housing improvement, to renovate sub-standard houses on the reservation. The combination results in a stretch of the Federal dollar by providing safe, sanitary reservation housing, and at the same time, equipping tribal members with employable skills. Another example of the stretch of Federal money is in the area of road construction. By combining I.A.T. and

road construction programs, tribes have been able to improve reservation access roads to a level which far exceeds the improvement envisioned by the Bureau Road Program alone. In addition, the tribal members are being trained in the skills necessary to maintain the constructed roads. Thus, I.A.T. programs result in a prudent expenditure of Federal money.

One facet of the I.A.T. Program which must not be overlooked is the fact I.A.T. is one of the rare programs which allows tribes to acquire government surplus equipment. The importance of this aspect is that the tribes are authorized to renovate otherwise useless equipment and then utilize the equipment in the performance of contract projects.

The identifiable need of the Indian Action Team Program for FY '77 is in excess of 38 million dollars. This need is based on the fact that over 100 tribes and tribal organizations have indicated a desire to contract I.A.T. Programs. The contract proposals submitted by these organizations identify this dollar amount. This dollar amount contemplates each contractor being able to contract at the FY 75 contract level. In FY '75 there were 31 I.A.T. contracts. The appropriation was approximately 10 million dollars. In FY '76 the number of contracts nearly doubled to 61. However, the appropriation was only increased to approximately 15 million dollars. The level of appropriation was not in keeping with the increased number of contracts. Many FY 75 contractors had to withstand a substantial decrease in the funding level of their contracts. This resulted in a severe curtailment or dilution of services delivered under I.A.T. contracts. To alleviate the problems caused by this growth will cost approximately 20 million dollars. This sum will allow the present 61 I.A.T. contractors to recontract in FY '77 at a level equal to the FY 75 level. Another problem encountered in FY '77 is that 25 additional I.A.T. contracts were let in FY 76 under the Title X Program. To include these contracts in FY 77 will cost an additional 6 million dollars for a total of 26 million dollars. If these contracts are not included in FY 77 many programs will halt in mid-stream. In addition to the already identified 86 contractors, there are 30 other tribes which have indicated a desire to contract I A.T. programs. To fund all 115 organizations will cost 38 million dollars. This sum will provide sufficient funding so that all presently identified interested tribes and tribal organizations can contract in FY 77. Furthermore, this sum will allow each contractor to be able to design, develop and operate a sound I.A.T. Program. Our analysis of the situation indicates the following for FY '77:

I. A 14 million dollar appropriation will result in a dilution of the present 61 contracts.
II. A 20 million dollar appropriation will result in the present 61 contracts being funded at the FY 75 level.
III. A 26 million dollar appropriation will result in meeting the need expressed by all contract proposals submitted for FY '76.
IV. A 38 million dollar appropriation will result in all identifia ble interested organizations being able to contract to deliver services at the FY '75 level of delivery.

The analysis so far does not include the impact of the Indian Self-Determination and Education Assistance Act, P.L. 93-638. Under this Act a tribal organization is entitled to contract with the Bureau of Indian Affairs to operate Bureau programs. I.A.T. is a Bureau program within the purview of the Indian Self-Determination Act. Thus, there are over 250 potential I.A.T. contractors. It is incumbent on this Congress to indicate its committment to Indian Self-Determination and P.L. 93-638 by appropriating sufficient funds to ensure that any eligible contractor can operate a sound I.A.T. Program. Any other act by this Congress will render the Self-Determination Act and the concept of Self Determination illusory. The importance of Congressional support is demanded by the fact that I.A.T. is the only operating Bureau program which comes close to meeting the Self-Determination aspect and goals of the Act. As a result of the Act, all 115 organizations I mentioned before are entitled to an I.A.T. contract. A 38 million dollar appropriation is needed to meet this demand.

Since the inception of this Program, the Bureau has attempted to disband I.A.T. This action leads us to conclude the Bureau is not supportive of Self-Determination. We implore this Congress to support the Self-Determination desires of Indians by appropriating sufficient monies for I.A.T. to ensure the operation of sound I.A.T. Programs throughout Indian country.

We would like to point out this program has high priority on reservations throughout the United States. Seldom, if ever, has over 100 tribes shown such an interest in and support of a Bureau Program. The Bureau's attitude and actions toward the I.A.T. Program lead us to conclude the Bureau is consciously attempting to destroy the I.A.T. Program. If the Bureau was interested in supporting the I.A.T. Program, the Bureau would request an appropriation which is in keeping with the need expressee by Indians rather than an appropriation which is designed to hamper the ability of the contractors to operate effective programs.

This position is actively supported by the National Indian Action Team Contractors, the National Tribal Chairmen's Association, the National Congress of American Indians and over 100 tribes.

Thank you for your time and consideration.

STATEMENT OF ROBERT L. FRANK

CHAIRMAN AND MEMBERS OF THE COMMITTEE

It is my pleasure to appear before you today. My name is Robert L. Frank. I am Chairman of the Washoe Tribe of Nevada and California. I wish to express to you the comments and concerns of the Washoe Tribe regarding the Bureau of Indian Affairs budget justification for fiscal year 1977.

I have already stated my views concerning the Indian Action Program. Those views are also the views of the Washoe Tribe of Nevada and California

Our other concerns are: The Johnson O'Malley Act Appropriation, the Retrocession of Nevada Tribes and the proposed grant program under the Indian Self-Determination Act.

In fiscal year 1976, the number of eligible participants in the Johnson O'Malley program rose from approximately 1300 hundred students in the State of Nevada to an excess of 2800 hundred students. Along with this increase in the number of eligible students, the amount of Johnson O'Malley monies allocated for the State of Nevada increased from $230,000 to $490,000.00. Under the Indian Self-Determination Act, which will govern Johnson O'Malley fiscal year 1977, the number of eligible Indian students in the State of Nevada will increase to approximately 3500. I understand this increase to be nation wide and not just limited to the State of Nevada. Thus, it is beyond my comprehension how the Bureau could request a Johnson O'Malley appropriation which is considerably less than the Johnson O'Malley appropriation for fiscal year 1975.

In our situation, if we were to receive a cut in the amount of our contract our whole Johnson O'Malley program could be jeopardized. 25% decrease in contract funds will result in decreasing the level of services in one half. We anticipate, at minimum, a 20% increase in eligible students in Washoe Country in fiscal year 1977. As a result, any decrease in the level of our contract would be compounded by the increased number of students.

As a result of this, I urge this Committee to recommend appropriations for Johnson O'Malley at least at the same level as the 1976 appropriation.

The next issue I would like to address to this Committee is the retrocession of Nevada Tribes. On July 1, 1975, the tribes in the State of Nevada which were subject to state jurisdiction under P.L. 280 retroceded to Federal/Indian jurisdiction. At the time of retrocession, the Bureau increased its law enforcement budget for the State of Nevada in order to provide law enforcement services in the retroceding areas. However, the increase in the Bureau's budget was limited to officers, equipment, and operational funds. The increase did not contemplate any planning monies for the development of sound judicial systems in the retroceding areas. As a result of this, many areas of Indian Country in the State of Nevada are without properly functioning judicial systems. Retroceding tribes have not had the experience of managing their own judicial affaris for the past twenty years. Those affairs were managed through the state court system. I understand the Bureau's budget request for fiscal year 1977 again does not include any additional planning monies for judicial systems in Nevada. Due to the timing of retrocession and the time frame work for the development of the Bureau's budget, Nevada tribes were unable to express their views concerning developmental monies for judicial systems in the budgetary process. Thus, we urge this Committee to recommend appropriations for the Nevada tribes for the planning and development of sound judicial systems on all reservations in the State. We estimate the job would cost approximately $500,000 to develop the systems on 24 areas of Indian Country in the State of Nevada.

Under Public Law 93-638, the Indian Self-Determination Act, the Bureau of Indian Affairs is authorized to make grants with Tribes for the development of tribal governments. The Bureau has developed a formula for funding of the grants. At this point, we understand the Bureau's formula to include only those members of a tribe who reside on a reservation. In the Washoe situation, approximately half of our membership resides off the reservation. Our total membership is approximately 1500 Indians. About half reside off the reservation due to inadequate number of housing units and employment opportunities. Utilizing the Bureau's formula the Washoe Tribe would be eligible for approximately 25,000 thousand dollars of grant money.

Using the formula which includes all of the members of the Washoe Tribe, the Washoe Tribe would be eligible for approximately 75,000 thousand dollars of grant money. Our approved constitution provides for membership based on a blood quantity and does not have the residency required. The Bureau appears to interpret the membership provisions as applying to only those who reside on the reservation. We are responsible as a tribal government for members no matter where they reside. Thus, we request the Committee to recommend an appropriation with sufficient funds to provide for all members of the Tribe.

Resolution No. 76-W-06

RESOLUTION OF THE GOVERNING BODY

OF THE

WASHOE TRIBE OF NEVADA AND CALIFORNIA

WHEREAS, The Washoe Tribe of Nevada and California is organized under the provisions of the Indian Reorganization Act of June 18, 1934 (48 Stat. 594), as amended, to exercise certain rights of home rule and be responsible for the general welfare of its membership; and

WHEREAS, The House of Representatives and the Senate of the United States are to conduct hearings regarding a supplemental appropriation for FY '76 for the Department of the Interior and/or the Bureau of Indian Affairs in March of 1976; and

WHEREAS, Many areas of Indian Country in the State of Nevada retroceded from P.L. 280 State jurisdiction to Indian/Federal jurisdiction on July 1, 1975; and

WHEREAS, The Bureau of Indian Affairs has not seen fit to increase the amount of money in the State of Nevada for tribal judicial system planning implementation and facilities to an amount necessary to meet the need presented by this unique situation; and

WHEREAS, The Washoe Tribe and other retroceded tribes in the State of Nevada are in serious need of financial and other assistance to reasonably and rationally plan, establish and implement sound judicial systems which will meet the needs of the members of the Tribe.

NOW BE IT THEREFORE RESOLVED THAT, the Congress of the United States appropriate a supplemental sum of $500,000 for the Western Nevada Agency for FY '76 to assist the tribes under the jurisdiction of the Western Nevada Agency to plan, establish and implement sound judicial systems; and

BE IT FURTHER RESOLVED THAT, the Congress of the United States appropriate a sum of $1,000,000 for the Western Nevada Agency to continue the development of sound judicial systems designed to meet the needs of the members of the affected tribes; and

BE IT FURTHER RESOLVED THAT, the Chairman, Washoe Tribal Council, be authorized to take any and all steps necessary to convey the seriousness of this situation to the appropriate public officials as the Chairman deems necessary.

CERTIFICATION

It is hereby certified the Washoe Tribal Council is the governing body of the Washoe Tribe of Nevada and California and is composed of nine (9) members of whom 7, constituting a quorum, were present at a meeting duly held on the 23rd day of February, 1976, and that the foregoing resolution was adopted by the affirmative vote of 7 for and 0 against pursuant to the authority contained in Article VI, Section IE of the amended Constitution and Bylaws of the Washoe Tribe of Nevada and California.

Jim Frank

Jim Frank, Secretary
WASHOE TRIBAL COUNCIL

2-23-76

Date

DOUGLAS COUNTY SCHOOL DISTRICT

George D. Graham, Superintendent

GEORGE WHITTELL HIGH SCHOOL
ZEPHYR COVE ELEMENTARY
MINDEN ELEMENTARY SCHOOL
GARDNERVILLE ELEMENTARY
CARSON VALLEY MIDDLE SCHOOL
DOUGLAS HIGH SCHOOL

BOARD OF EDUCATION
MR. CLAYTON JOHNSON-President
MRS. BARBARA DOWTY-Clerk
DR. NORMAN KNUDSON-Member
MR. DAVID DURYEE-Member
MRS. MARY LEE SMITH-Member
MRS. NANCY GARDNER-Member
MR. TIM HEYDON-Member

April 2, 1976

Sidney R. Yates, Chairman
Interior Appropriations Committee
House of Representatives
Washington, D. C. 20202

Dear Mr. Yates:

I am writing this letter with respect to the concern I feel upon hearing that your committee is considering a reduction in JOM funds that, in our area, could result in a desolation of an Indian Counseling Program that has, although only recently established, proved to be of practical value and served as a very positive influence upon the attitudes and academic performance of our Indian students.

My point, Mr. Yates, is that I surely hope this counseling program may continue to be funded and that it is my recommendation that in consideration of the very positive effect it has had on these young students and the reinforcement it has afforded to our programs and services to our Indian students, that I strongly urge your consideration of the continuation of this fine program.

Sincerely,

George D. Graham
Superintendent

Alpine County
Unified School District
Route 1, Box 42 B
Markleeville, California 96120

March 30, 1976

Representative Sidney R. Yates
Chairman, Interior Appropriations Committee
United States House of Representatives
Washington, D. C. 20202

Dear Mr. Yates:

The Washoe Tribal Council's Johnson O'Malley Project has been in effect since October 1975 with counselors visiting the schools and working with the Indian children.

The Counselors and Director have also worked with our teachers in presenting a Native American Unit to the primary grades.

I have found the program to be highly successful.

The counselors have been very consistant and punctual in being here when scheduled. They have spent time with the assigned children and I have seen good things coming from that counseling. They have also been closely involved with the staff, working for a better understanding of the Indian children. They have helped us with communications with the Indian parents and community. They have been ready and willing to assist with home visits when problems arise.

I feel this program has been a most significant step in improving education for the Indian children here in Alpine County. Because of the significance of this program and the benefits directly to the children I feel strongly that any reduction in funding or subsequent reduction of program would be detrimental to the Indian children in Alpine County. Please see that this program is maintained or expanded.

Sincerely,

Richard L. Martin

Richard L. Martin
Superintendent

CARSON CITY SCHOOL DISTRICT

CARSON CITY, NEVADA 89701

1402 WEST KING STREET - P.O. BOX 603 - TELEPHONE (702) 882-6894

BOARD OF SCHOOL TRUSTEES

Dr. Wm. Van Patten, President
Mr. LeRoy Rupert, Vice President
Mrs. Alice M. Noteware, Clerk
Mr. Henry Clayton, Member
Mr. Wm. Furlong, Member
Mr. Rudolfo Moreno, Member
Mr. Gene Milligan, Member

Mr. John Hawkins, Superintendent

March 31, 1976

Representative Sidney R. Yates
Chairman, Interior Appropriations Committee
U.S. House of Representatives
Washington, D.C. 20202

Re: Johnson-O'Malley Program

Dear Representative Yates:

The Carson City School District is receiving counseling services for Indian Students as a result of a Johnson-O'Malley project funded through the Washoe Tribal Organization.

Any decrease in funding levels for this project will definitely result in reduced services and opportunities for Indian Students.

We would strongly urge your support in maintaining Johnson-O'Malley appropriations at least at the same level as FY 1976. We believe that a strong case can be made for increased funding to provide adequate counseling and guidance services for all Indian Students.

Sincerely,

Vernon C. Rowley

Vernon C. Rowley, Director
Research and Development

LETTER FROM MICHAEL L. KINSEL

Western Heritage Society, Inc.

April 14, 1976

Senator Robert C. Byrd
Chairman
Sub-Committee on Department of
Interior and Related Agencies
Senate Appropriations Committee
Washington, D.C. 20510

Dear Senator Byrd:

I had hoped to be in Washington Wednesday afternoon, April 14th, to testify before your Sub-Committee on Department of Interior and Related Agencies.

My purpose in coming to Washington would have been to urge and request that the Senate restore to the full authorization level of $24.4 million dollars the grants-in-aid appropriation for the Historic Preservation Program of the National Park Service, Department of Interior.

I would like to present the following reasons for my request:

1. This request is not an increase, but, rather, it is the same request as their fiscal 1976 request.

2. The present program of the National Park Service, Department of the Interior, is barely meeting the preservation needs of this country. Historic Preservation organizations and Landmark groups are realizing the deep heritage and significance of our historic sites, buildings, and areas all over the country. It has been estimated now that the need is between $214 million to $400 million for historic preservation throughout the United States.

   Based on that figure, $20 million is only 5%, and is a very small amount to ask, in light of the great need across the country.

3. Any cut in the funds for historic preservation program would be devastating to the cause in this country.

4. In Omaha, Nebraska, the Western Heritage Society has been the recipient of one of these grants, funded under the Historic Preservation Program. In 1974, we received $5,600 to do an architectural study of the Omaha Union Station located in downtown Omaha. The architectural investigation funds were matched, and it is growing into one of the finest museums of regional history in the United States.

   That initial grant of $5,600 helped to generate nearly $54,000 that has come in to the Western Heritage Society for operating funds and other museum services and programs.

5. Western Heritage Society currently has on file with the Nebraska State Historical Society an application for funds for the replacement of the roof of the Station building. We originally submitted the application for $200,000, realizing, of course, that that was probably an unrealistic figure, since the entire funding for the State of Nebraska is something like $230,000; however, we submitted our honest and real need for preservation funds. We would, of course, have matched that with $200,000 cash and in-kind services. In January, we were informed that the grant for the roof of the Union Station would probably be in the vicinity of $25,000. In March, unfortunately, we have now, due to this particular anticipated cut in the funding of the Program; have been informed that we will probably only receive $15,000.

Since we are a young and emerging museum, we are needing great amounts of help to establish and make this museum a reality. The problem of raising the additional $45,000 of the $60,000 needed for roof repair, instead of $35,000 seems almost insurmountable.

Many organizations around the country need the help and the seed money that this Program can provide.

I most strongly urge that you restore the authorization level of $24.4 million for the grants-in-aid program for the Historic Preservation Program of the National Park Service, Department of the Interior.

Respectfully submitted,

Michael L. Kinsel
Executive Director

LETTER FROM ROSS O. SWIMMER

CHEROKEE NATION
P.O. Box 119 • Tahlequah, Okla. 74464 • (918) 456-8887

April 2, 1976

Senator Henry Bellmon
Senator Dewey F. Bartlett
UNITED STATES SENATE
Washington, D. C. 20510

Dear Senators:

At the request of your staff, I have worked up some information concerning the status of Indian health care in Oklahoma and particularly within the area of the Cherokee Nation. For some time now, it has appeared to me that the Oklahoma area which contains more Indians than any other state has been greatly lacking in its ability to obtain health care facilities to effectively care for its Indian population. Historically, Indian Tribes in Oklahoma have stressed other programs apart from those dealing with the health care of the Oklahoma Indians. I personally am convinced that proper health care for the Cherokee people must be a number one priority within our Tribe in order to accomplish the majority of those goals set out in the other

programs that have been stressed in the past. It is certainly difficult to educate or place a Cherokee in a productive job situation when he is ill.

I realize the statistics can be used in many different ways to prove a point and oftentimes a statistic taken out of context is absolutely meaningless. However, I think a few statistics that I have gleaned from the materials I enclose with this letter are particularly meaningful. For the past twenty years, Oklahoma Indians have been practically ignored by Congress insofar as health facilities are concerned. I believe that Claremore is the first major facility in Oklahoma to be funded through the regular appropriation process. All of the facilities in Oklahoma for Indian health care purposes have been obtained through the help of our Congressmen in the form of add-on appropriations. Even when the add-on appropriations are obtained, the statistics become interesting. During 1976, we secured an add-on appropriation for the Miami Health Clinic; planning money for the Ada Hospital; and operating money for the Wewoka Clinic. These three facilities totaled $1,560,000. A total of $13,908,000 was added on to the appropriation bill last year for the benefit of Oklahoma and other states. As you will note, Oklahoma received approximately 11% of the add-on appropriations and no benefit through the regular appropriation bill except for the Claremore facility which was the first in about twenty years. Of those three facilities which were included in the '76 budget through add-ons, rescission was requested for all except Ada and a deferral request was put in for the Ada planning money. Another tragic example of the difficulty with the budgetary process is that the new Claremore facility which is due to open sometime later this year or the early part of 1977 will not have the 130 employees that are needed to open the doors of the hospital because they were stricken from the 1977 proposed budget. Even now the Claremore facility is understaffed and without the new positions the delivery of the health care services through the Claremore facility will be greatly hampered just as it is now with the outmoded, dilapidated structure.

Recently the Indian Health Service has adopted a new formula for determining the need of health service facilities in the Indian areas. This study is called "The Resource Allocation Criteria" of which I also enclose a copy for your information. This Resource Allocation Criteria was done on a national scale in all service units and area offices. Basically, it reflects the deficiencies by percentage rate as well as dollar volume with the existing health service. You will notice in the summary section that Oklahoma City Area Office either leads or is in the second or third position in nearly every category insofar as deficiencies are concerned. Such things as 54% deficient in in-patient care; 71% deficient in dental care; 75% deficient in contract health care; 75% deficient in public health nursing; 94% deficient in optometry; with an overall total of 61%.

Breaking this down in the Oklahoma City Area Office between the seven Service Units, we find that Tahlequah and Claremore are consistently in the top three insofar as additional need in staffing deficiency is concerned. This study only refers to the staffing deficiency and not to the facility deficiency itself. In Tahlequah, we are dealing with a hospital that was built in the 1930's, that is not fit to be used as a hospital, yet is the only facility available to Indians within a five-county area. Not too long ago, I was visiting with Bud Stewart concerning the number of patient beds available exclusively to the Indian population versus the number of beds available generally to the public as a whole. In the five-county area mentioned, there are 707 beds available to the public including the Veteran's Administration Hospital in Muskogee. This serves a non-Indian population of 118,683 people which provides .0059 beds per non-Indian person. In the same five-county area, there are 57 beds available to serve 15,016 Indians. This results in .0037 beds per Indian for the five-county area or one-third

more beds available to the non-Indian population over the Indian population. I recall during the testimony of the House Subcommittee in Tahlequah about a year ago, Congressman Johnson, from Colorado made the suggestion that someday the Indian population would have to provide its own means of health care and not rely on the federal government. Unfortunately, it is no more feasible to make this suggestion to the Indian population than it would be to make the suggestion to any local, community, state or other unit of government. Obviously, the federal government is in the business of financing hospitals not for just the Indian population, but also for cities and towns through such programs as Hillburton, Farmer's Home Administration, Federal Housing Administration, and the Veteran's Administration, to name a few.

One of the most serious problems that the Indian population faces, particularly the Cherokees here in eastern Oklahoma, is that without the Indian Health Service facilities there would not be community facilities enough to handle the need of the Indian people. When communities such as Tahlequah request federal aid and state aid to construct medical facilities, such as the new city hospital in Tahlequah, they are only permitted to use the service population that is predominantly non-Indian. In our case, the service population would only justify a 55-bed hospital. If we were to close down Hastings Hospital and tell the Cherokee people that they would now be eligible to use other community facilities, it is obvious that these other community facilities would not be available. Presently, Hastings Hospital is visited daily by 250-300 outpatients. If these outpatients were suddenly thrust into the new city hospital in Tahlequah, the effect would be chaotic. Perhaps it is not the best solution to always have a separate facility for the Indian population, but for the time being it appears to be the only solution. It is absolutely imperative that we have your help in moving toward the development of a new Hastings Hospital for the Cherokees in this five-county area. As I mentioned before, it is very difficult to bring industry into the area, create jobs, and raise the educational level of our people without having at least the minimum health care available. Much of the outpatient pressure presently existing at Hastings could be alleviated through the development of several clinics in the fourteen-county area. I am enclosing also Indian Health Service documentation on the need for the clinics at Stilwell, Sallisaw, Jay, and Nowata. I am extremely interested in getting something done at Sallisaw this year, if at all possible. Presently the only facility is the trailer house which is manned by one physician out of the Eufaula Clinic one day a week. It is impossible to give the patient anything but the minimum diagnostic service and refer them to other medical facilities in the area at their cost. Of course, more often than not, this simply means that no health care will be obtained because the Cherokees cannot afford other facilities and there is not enough contract medical funds to pay for the referral to the private physician or the hospitals.

To be more specific, I am asking for your consideration and help in doing whatever is necessary to obtain planning money for the Hastings Hospital facility here in Tahlequah. I am also requesting your assistance in doing whatever is necessary to obtain the minimum amount of funding necessary to get the Sallisaw facility off the ground; the Stilwell facility completed; and the Jay and Nowata projects begun within the next fiscal year. I will be glad to furnish any additional documentation that may be necessary for you to advocate this cause, and I assure you that you will have the backing of the entire Cherokee Nation in this effort.

Very truly yours,

Ross O. Swimmer
Principal Chief

LETTER FROM LEO J. GEHRIG

AMERICAN HOSPITAL ASSOCIATION
ONE FARRAGUT SQUARE SOUTH WASHINGTON, D.C. 20006
WASHINGTON OFFICE

April 14, 1976

Honorable Robert C. Byrd
Chairman
Subcommittee on Interior
Committee on Appropriations
United States Senate
Washington, D.C. 20510

Dear Mr. Chairman

The Interior Appropriations Subcommittee presently has under consideration budget requests for the Department of Interior for Fiscal Year 1977, part of which will be allocated to the Indian Health Service for program activity within their jurisdiction.

The American Hospital Association, which represents some 7,000 hospitals and other health care institutions throughout the United States, would like to support the appropriations request of the Indian Health Service to enable them to more effectively carry out their important responsibilities in providing health care to this country's first Americans.

As you know, the Indian Health Service programs directly affect more than half-a-million Indians and Alaskan Natives through a wide range of activities involving both the prevention and treatment of illness among this population. These activities include the operation of a delivery system involving 51 hospitals, 99 health centers, including school health centers, and over 300 health stations and satellite clinics, with a full-time staff of approximately 8,000 persons, over half of whom are Indian.

The Service also operates a contract program involving literally hundreds of community hospitals, physicians, dentists and other health care workers. Through both direct and contract operations, the IHS has over the years directed special efforts to improve mental health programs, nutritional programs, dental programs, maternal and child health programs, environmental health, and prevention and treatment of diseases which pose a special health problem for Indians.

There is no question that efforts of the IHS have resulted in substantial improvement in the overall health of the Indian population. Since 1955, we have witnessed dramatic reductions in the overall death rate of Indians, as well as in the death rate from diseases of early infancy, from gastritis and its related diseases, and from influenza and pneumonia. However, demands on the Indian Health Service are increasing tremendously and available evidence clearly shows that the health status of Indians is still appreciably below that of other Americans.

A review conducted by the General Accounting Office of health problems seriously affecting Indians clearly shows that there remain a great number of unmet needs, especially in the areas of maternal and child health programs, and prevention and treatment of otitis media, venereal disease, and alcoholism

and alcohol abuse. If these needs are to be met adequately in the future, it is clear that the appropriate place to direct our nation's efforts is through the Indian Health Service and its contract resources which often represent the only source of health services for tens of thousands of Indians and Alaskan Natives.

It should be noted that shortcomings generally associated with providing adequate health care to Indians are to a large extent those of delivering high quality services in all rural areas of the United States. These problems include certain shortages and maldistributions of health care personnel, the lack of a full measure of health care services and facilities in certain remote and sparsely populated areas, the need for modernization and renovation of health care facilities, and the need for improved safe water and sanitary waste disposal facilities.

Of the proposed increase in IHS funding for "Services" for FY 1977 of $27.8 million, virtually all of that amount represents mandatory increases, or increases which will enable the IHS to stay even with services provided during the preceeding year.

In view of this fact, the American Hospital Association believes that the budget request of the Indian Health Service for Fiscal Year 1977 represents the minimum amount which would be required in order to accomplish program objectives, and we would urge the Subcommittee's thoughtful attention to this matter.

I am taking the liberty of sending copies of this letter to the members of the Subcommittee. In addition, I would ask that it be included in the record of your hearings.

Sincerely

Leo J. Gehrig, M.D.
Senior Vice President

LETTER FROM GILBERT C. RADONSKI

SPORT FISHING INSTITUTE

608 THIRTEENTH STREET, N.W. (SUITE 801) WASHINGTON, D. C. 20005 (202) 737-0668

April 14, 1976

Senator Robert C. Byrd, Chairman
Subcommittee on Interior
Committee on Appropriations
U. S. Senate
Washington, DC 20510

Dear Chairman:

The Sport Fishing Institute, a professionally-staffed conservation organization, offers the following comments on the Fish and Wildlife Service FY 1977 budget.

The FY 1977 budget for the Fish and Wildlife Service is a no-growth document that abandons the long-range resource needs of the United States. That statement is not intended to reflect upon the professionals of the Fish and Wildlife Service. Instead, it reflects our disagreement with Administration policy in this respect. With apparently limited input from resource professionals the effect of Administration policy is to rearrange priorities through arbitrary manpower allocations. By reducing its manpower allocations, the Fish and Wildlife Service is forced to direct its efforts into programs that do not require additional manpower. Under such a regressive policy, current programs such as Permits and Licenses Review that, by law, are required for such activities as dredging and filling and point source pollution discharge cannot be adequately carried out.

It is estimated that 27,000 permits for dredge and fill will be filed for review with the FWS in FY 1977. This will occur in an area where 82 percent of such permits went without recommendations in FY 1976. To keep pace with the workload and maximize opportunities for protection of critical fish and wildlife habitat it is estimated that an additional 60 positions and $1.5 million would be required. The FY 1977 budget provides for an increase of $750,000 but no new positions, thereby being totally inadequate with respect to need and ignoring both short and long-range resource implications.

The line-item activity, Fishery Resources Research and Operations, is inadequately funded and staffed. An additional $2.4 million and 23 positions are needed. Of that Coastal Anadromous Fish require an additional $1,600,000 and 8 positions, and Great Lakes Fisheries require the remaining $830,000 and 15 positions, to meet minimal staffing and funding needs. There is a dire need to increase the hatchery production of Pacific and Atlantic Salmon. Disease, nutrition, and fish population control laboratories need improved research facilities. Research, stock assessment, and improved lake trout hatching facilities are needed for the Great Lakes.

Sport fishing is an important and integral part of the modern life style in the United States. In addition, sport fishing contributes significantly to our economy. The 1970 National Survey of Fishing and Hunting reported that 33,158,000 fishermen spent $4,958,883,000 pursuing their desired form of recreation. That portion of the FWS budget designated to protect and enhance the aquatic resources is a mere pittance and does not reflect sound business jedgment.

The Sport Fishing Institute strongly urges Congress to exert needed leadership in these matters by adequately funding programs that have long-range ramifications to our vastly over-worked aquatic ecosystems.

It is respectfully requested that these comments be included in the record of hearings on the budget of the Department of Interior and Related Agencies.

Sincerely yours,

Gilbert C. Radonski
Executive Secretary

LETTER FROM WILLIAM H. LARSON

WASHINGTON
FOREST PROTECTION
ASSOCIATION
since 1908

April 7, 1976

Dear Senator Byrd:

This Association was organized in 1908 by private forestland owners to curb the awful devastation of forest fires. It now represents the owners of about 52% of the private forestland in this State.

Hearings on the U.S. Forest Service budget are scheduled in the Senate Interior Appropriations Subcommittee April 12-14. Included is the funding of Section 2, Clarke-McNary Act - the cooperative forest fire control program. Currently it is funded at about 22.6 million dollars. It has been proposed that 25 million dollars be appropriated for this purpose. We regard this as a minimum amount. However the Office of Management and Budget has proposed to eliminate the item entirely in two annual steps. We urge you to support the 25 million dollar annual appropriation. There are several compelling arguments for this action.

1. Air quality: The Clarke-McNary Act was passed in 1924 to encourage development of fire control in the states. During this era on the state and private lands in the western half of this state some 125,000 acres were burned annually. Smoke obscured visibility for days and weeks at a time. Recently the federal government enacted comprehensive air quality legislation. To the degree that weakening of state forest fire control organizations allows large fires to reoccur, the intent of the federal air quality legislation will be frustrated.
2. Protecting other federal investments: In this age of declining resources, wood is renewable. Congress has recognized this by several multi-million dollar programs to encourage the owners of small forest acreages to make their lands more productive. Obviously, to the degree that fire is not controlled, the federal government objective and investment is lost.
3. Interstate recreationist's fire starting responsibility: In every state there is a significant segment of the recreationing public from other states. In this state, recreationists start about one fourth of the fires. It is impossible to ascertain which of these were started by out of state visitors but the element must be recognized.
4. National benefits from wood production: Based on the recent federal census data (1967) the U.S. Forest Service calculated that each dollar's worth of stumpage sold in Washington State generated nine dollars to the gross state product and an equal amount to the gross national product. Certainly, this national benefit must be recognized by the federal government when considering this matter.

For all of these reasons we urge that you support a 25 million dollar appropriation for this purpose.

Please enter this letter into the record of your hearing.

Sincerely,

William H. Larson
Executive Director

LETTER FROM RALPH W. LARSON

DEPARTMENT
OF GAME

600 North Capitol Way / Olympia, Washington 98504

April 12, 1976

Dear Senator Byrd:

This is a request that your committee approve a FY 77 appropriation request of $4,209,000 for continued implementation of the Boldt decision (U.S. v. Washington #9213) in the State of Washington. The $4,209,000 figure includes $1,000,000 which is presently in the President's budget request by the U.S. Department of the Interior for use in the Boldt case area by Treaty Indians; $3,209,000 is then "add-on" to the President's budget for Interior and will be allotted as follows: $2,057,000 to the Fish and Wildlife Service for the State of Washington, Departments of Fisheries and Game and $1,152,000 to the Bureau of Indian Affairs for the Northwest Indian Fisheries Commission.

The Committee will recall that Congress last year approved $4,137,000 for the Boldt-decision related activities. Those funds are just now being received by the State of Washington and the Northwest Indian Fisheries Commission. The add-on of $3,209,000 which we are now requesting will fund the programs outlined in the attached Joint Statement and Budget and Program Synopsis.

While we feel there is a clear federal responsibility to fund these activities which are required by a federal court decision based on federal treaties, we would also point out that in the Boldt case area, the State of Washington has an investment of $250,000,000 in hatcheries, production facilities and related fishery programs which annually require several million dollars to operate.

I previously requested time for an oral presentation before your committee, however it now appears I will be unable to attend and do request that this letter and the attached document be made a part of the records of your committee.

Thank you for your time and consideration in this very important matter.

Very truly yours,

THE DEPARTMENT OF GAME

Ralph W. Larson

Ralph W. Larson, Director

WASHINGTON STATE DEPARTMENT OF GAME

BUDGET SYNOPSIS FOR BOLDT CASE AREA
FY 77

Prepared 3-17-76

The Department of Game is requesting $1,197,000 for FY 77, an increase of approximately $ 76,000 over its 1976 appropriation. The increase represents an additional expenditure involving law enforcement and research programs.

I.	PROGRAM ADMINISTRATION This activity administers the treaty Indian programs, coordinates Department programs with tribes, State and federal agencies.	$ 60,650
II.	RESEARCH PROGRAM This program is responsible for research activities relating to the development of steelhead population indices and enhancement potential.	$ 311,430
III.	FISHERY OPERATIONS/MANAGEMENT This program is responsible for the operational activities related to establishing annual available harvest, coordinating and reviewing biological aspects of regulatory proposals, supervision of data collection analysis, interpretation and transferral and to develop experimental enhancement programs.	$ 584,300
IV.	COMMERCIAL DATA BUYER MONITORING PROGRAM This program will allow the Department of Game to continue to develop and implement conservation enforcement programs to monitor steelhead trout taken, bought or sold pursuant to the exercise of treaty Indian fishing rights.	$ 164,120
V.	REGULATION PROGRAM The program is responsible to maintain orderly citizen participation in the fishery programs and will coordinate law enforcement activities of the Department of Game with tribal and B.I.A. authorities.	$ 77,460
	TOTAL	$1,197,000

ACCOMPLISHMENTS STIMULATED BY FEDERAL APPROPRIATIONS

TO THE BOLDT CASE AREA

Washington Department of Game

All people who live in the Pacific Northwest have an intense interest and an association with anadromous fish. This association has developed for a variety of reasons, however, it can provide and promote a common

bond and interest. Recent court decisions have only served to accentuate this common heritage. Citizens and managers now have the legal obligation and a mechanism by which to share. It is now the responsibility of the government and the tribes to create an atmosphere in which all citizens will desire to share the fishery resource.

Fishery Management programs funded by Federal appropriations provide an important communications mechanism between Indian and non-Indian. Frankly, improved communications about and an understanding of the anadromous fishery resource and the problems associated with management could greatly improve general social relationships. Further, these funds could provide the basis for this future accomplishment. Enhancement of anadromous fish stocks by either or both artificial or natural production could be viewed with pride and demonstrate the value of cooperate programs to both the Indian and non-Indian citizens. Programs included in this budget proposal will provide additional fish, assist the State in addressing conservation issues, and will promote programs to insure the sharing principles outlined in the Boldt Decision while providing the mechanism for communication and cooperation.

COOPERATIVE ACCOMPLISHMENTS

DEPARTMENT OF GAME TREATY INDIAN PROGRAM

FY 76 - 77

ADMINISTRATION/COORDINATION

The Boldt Decision recognizes and defines tribal authorities and responsibilities in regulating the harvest of the tribal share of the fishery resource. The state retains its traditional management responsibilities. The state's management program must accommodate the tribal harvest responsibilities. This requires a very high degree of coordination. Frequent meetings, discussions and information exchanges are essential to accomplish the requirements of the Boldt Decision.

FY 76 appropriation provided funds to develop and implement the Department of Game's treaty Indian program. Administrative, clerical, and coordinating staff were assembled, responsibilities assigned and development initiated by December 1, 1975. Programs related to management of the harvest programs became operational. Research and development on other programs continued and will become operational upon approval of cooperative agreements with U.S. Fish & Wildlife Service. These agreements should be concluded by April 1, 1976 with full implementation to commence at that time. FY 77 appropriations will continue these programs.

RESEARCH PROGRAMS

State and tribal authorities have expressed serious concerns relating to the long term direction and effects of steelhead management programs. The research program provided by these funds will provide anadromous fish managers essential biological information essential to management of the anadromous fish complex. Tribal authorities, state and federal management agencies have been consulted and appraised in the development and implementation of these research programs. Significant areas for cooperation and information exchange are being and will continue to be developed as the programs evolve. The resulting data can be used by the managers to make realistic appraisals of artificial and natural production systems.

OPERATIONS/MANAGEMENT

This program accumulates, interprets and analyzes biological harvest and escapement data essential to establishing available steelhead for harvest, appraises tribal regulations and coordinates biological aspects of the Department's sport steelhead harvest program with treaty Indian commercial

harvest. Harvest data is shared, through common data input and retrieval systems.

Additionally, this program has developed for implementation a short range experimental steelhead planting program to determine optimum levels for enhancement of steelhead populations. This program also provides additional harvestable steelhead as well as valuable management research information.

COMMERCIAL BUYER AND REGULATION

Only treaty Indians may harvest and sell steelhead trout taken for commercial purposes. Certain Indian and non-Indian citizens may commercially traffick in steelhead under permit issued by the State. Harvest data generated by commercial sales of steelhead is extremely important to tribal, state and federal fishery managers. It is used to resolve conservation and sharing principles defined by the Boldt Decision. Department of Game personnel work closely with tribal authorities to insure that sales are accurately recorded and timely reported. Further, this program insures that only treaty citizens participate in tribal fishing seasons. Many cooperative enforcement patrols are being conducted. State officers have and will assist tribes in the arrest and prosecution of tribal members. Department of Game enforcement personnel have cooperated in law enforcement training programs and worked with tribal authorities in developing and interpreting tribal fishing regulations.

State of Washington
DEPARTMENT OF FISHERIES

BUDGET SYNOPSIS FOR BOLDT CASE AREA
FY 77

The Department of Fisheries is requesting a budget of $860,000, the same magnitude as Fiscal 1976. This budget will emphasize more effective law enforcement which surfaced during 1975 as a major need to control illegal fishing activity wrought by allocation.

I.	Enforcement activities to guarantee compliance with all regulations promulgated to comply with Boldt decision ----------	$530,000
II.	Fishery management: applied research projects to increase capability to optimize the harvest for both treaty and non-treaty fishermen. Includes salmon, marine fishes, and shellfish ----------	230,000
III.	Planning for salmon enhancement: feasibility studies on fish cultural sites and evaluation of new methods ----------	100,000
	Total:	$860,000

Proposed Benefits

This request will allow a major increase in enforcement capability - a need that was demonstrated graphically to us in 1975 and was a major complaint from treaty fishermen. We are requesting funds for new patrol officers and necessary equipment.

The 1977 funds will also allow us to continue with our planning for a strong salmon enhancement program initiated with 1976 funds. Emphasis will be placed on engineering and biological feasibility studies of recommended fish cultural sites and evaluation of new methods. Close liaison during planning with treaty tribes

and commercial and recreational groups will foster coordination between the Department and all concerned.

These new funds will allow us to continue our applied research work started in 1976 to increase our management capability so that we can be more effective in allocating the harvest to the treaty and non-treaty fishermen. Without this knowledge, we cannot optimize harvests and may end up with large surpluses at hatcheries.

Also for 1977, we intend to direct our attention to several shellfish species - namely, clams of Puget Sound, Dungeness crabs, and ocean razor clams. Although relatively minor concerns have occurred to date, we need background data to provide for future treaty Indian fisheries, yet minimize the impact on other citizens and the resources.

Cooperation Between the State and Treaty Tribes

The programs underway or proposed have and will continue to increase communication and understanding between the State and the Indian people. This is taking place as a direct result of planning meetings, workshops for scientists, and meetings at administrative levels. Cooperation cannot fail to increase as each group achieves a better understanding of the others' problems.

The Department of Fisheries' activities that will facilitate cooperation with the treaty tribes consist of the following, which require liaison and consultation:

1. Location and planning of salmon enhancement facilities.
2. Regulation formulation for salmon harvest.
3. Advisory service on salmon cultural methods.
4. Applied research projects to increase understanding of the resource.
5. Salmon catch record collection and exchange.

Synopsis of Accomplishments from the 1976 Fiscal Year Add-on Funds

The 1976 funding has allowed the Department to initiate planning for a major salmon enhancement program. This is a coordinated effort involving all concerned treaty tribes, government agencies, buyers, processors, non-treaty fishermen, recreational fishermen, and legislative bodies. The first phase of the program will catalog all possible cultural sites and review all possibilities of enhancing the harvest through manipulation of existing and new hatchery production and the harvesting fleets, and finally investigate alternatives for financing major new facilities required by the program. A massive enhancement program appears to be the one best alternative to reducing the effects of the Boldt decision on non-treaty sport and commercial fishermen and in turn enhance the benefits to treaty fishermen.

The 1976 funding will also allow us to make a small start toward increasing enforcement capability, will increase our effectiveness in monitoring and managing our north Puget Sound roe herring fishery, and will allow our staff to initiate several salmon management-oriented projects that we have never been able to afford. Most of these are essentially applied research designed to provide answers that will enable us to do a better job of management in compliance with the Boldt decision.

BOLDT CASE AREA TRIBES

BUDGET SYNOPSIS FY 77

MARCH 25, 1976

The Tribes of Western Washington recognize that the State agencies and Indians need to develop new techniques to improve fishery management precision beyond its present capabilities. This will require the requested funds in order to assist already existing staff in researching and establishing reliable management tools. The total professional community including research institutions, Federal and State agencies and Indian tribes must work together to establish these tools. Cooperation and coordination will be necessary to produce the final programs necessary to protect the resource and Indian rights while achieving maximum benefit to all citizens.

FY 77 BUDGET SYNOPSIS

I.	Biological/Technical Program	
	A. Resource Management	$ 422,000
	1. Data Collections Systems	204,000
	2. Regulation Development	149,000
	B. Resource Protection & Enhancement Planning	253,000
II.	Administrative Support Program	
	A. Fisheries Program Management	$ 195,000
	B. Clerical Support	106,000
	C. Training	82,000
III.	Law Enforcement Program	
	A. Personnel	$ 531,000
	B. Equipment	51,000
	C. Operations	159,000
	Grand Total	$2,152,000

PROPOSED ACCOMPLISHMENTS WITH THE 1977 FISCAL YEAR FUNDS

Indian management in cooperation with the Washington State Department of Game and Fisheries expects to accomplish with 1977 fiscal year funds several key cooperative basis' for mutual benefit. They are as follows:

1. An annual cooperative preparation of fishing regulations for all of our varied user groups. This cooperation is presently ordered by the court. However as tribes become self regulatory during the coming year it is fully expected that this practice will continue. The preparation of regulations will be based upon a sound and mutual data base fulfilling spawning escapement requirements while achieving maximum harvest of the surplus.

2. A mutual timely and accurate monitoring system for commercial sport and Indian fisheries. A common system presently exists in embryonic fashion however much work by all involved agencies will be required to achieve and maintain an efficient system.

3. Cooperative establishment of firm spawning escapement goals that will maximize and best utilize the limited number of sites for natural freshwater production areas.

4. More mutually beneficial and biologically sound use of artificially propagated salmon and steelhead. Cooperative work has

already begun with the Department of Fisheries in the form of a feasibility study being conducted to explore the possibility of an accelerated enhancement program in Puget Sound. Also, several tribes are presently working with sport fishing organizations in relatively small projects to study combined enhancement efforts.

WAYS IN WHICH COOPERATION WILL BE ACCOMPLISHED

Fundamental to the facilitation of more cooperation between the involved agencies and tribes in increased communication in areas of:

1. Analyzing and adopting mutually suitable procedural methods.

2. Establishing, maintaining and exchanging data and other pertinent information.

3. Developing and coordinating programs. (i.e. law enforcement, enhancement, etc.)

4. Resolving interim problems through the Court Advisory Board.

5. Examining and structuring all aspects of the fishing industry to meet ever changing needs.

6. Relating the positive results of the Boldt decision and cooperative management efforts to the public.

ACCOMPLISHMENTS BY THE 1976 FISCAL YEAR ADD-ON FUNDS

At the present time we still have not received any 1976 fiscal year funding. The short time period in which to spend the 1976 funds between now and the remainder of the 1976 fiscal year pose many administrative problems unrelated to cooperative accomplishment of mutually agreed upon goals. Some specific accomplishments that have been achieved with out funding, but that in all likelihood will be enhanced when 1976 funding is available, are:

1. Cooperation and exchange of information resulting from test fisheries conducted throughout the past fishing season.

2. Communication between tribal and state enforcement people regarding illegal fishing activities during closed periods.

3. The exchange of data gathered from Indian and non-Indian fishing effort during the past season.

4. Joint biological and technical staff meeting to prepare our overall long range fisheries management program for the 1976 fishing season.

5. The distribution of hatchery surplus salmon in a fashion as equitable as possible during the fiscal year 1976 funding year.

SUBCOMMITTEE RECESS

Senator MONTOYA. We will stand in recess subject to call of the chairman of this subcommittee.

[Whereupon at 2:45 p.m., Wednesday, April 14, the subcommittee was recessed, to reconvene at the call of the Chair.]

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

FRIDAY, APRIL 30, 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.

FEDERAL ENERGY ADMINISTRATION

STATEMENT OF FRANK G. ZARB, ADMINISTRATOR

ACCOMPANIED BY:

JOHN A. HILL, DEPUTY ADMINISTRATOR
ERIC R. ZAUSNER, DEPUTY ADMINISTRATOR
MICHAEL F. BUTLER, GENERAL COUNSEL
GORMAN C. SMITH, ASSISTANT ADMINISTRATOR, REGULATORY PROGRAMS
JOHN D. CHRISTIE, ASSISTANT ADMINISTRATOR, POLICY AND ANALYSIS
WILLIAM G. ROSENBERG, ASSISTANT ADMINISTRATOR, ENERGY RESOURCE DEVELOPMENT
CLEMENT B. MALIN, ACTING ASSISTANT ADMINISTRATOR, INTERNATIONAL ENERGY AFFAIRS
DENNIS BAKKE, DEPUTY ASSISTANT ADMINISTRATOR, CONSERVATION AND ENVIRONMENT
MARTIN D. HOWELL, DEPUTY ASSISTANT ADMINISTRATOR, MANAGEMENT AND ADMINISTRATION

OPENING REMARKS

Senator STEVENS. If we may, let us proceed to the Federal Energy Administration's fiscal 1977 budget request as revised in an amendment just received.

As was noted by the chairman earlier, the budget revisions did not reach the committee until a few days ago. The late timing of both the 1976 supplemental and 1977 revised estimates forced the committee to cancel its regularly scheduled budget hearings for the FEA and made it difficult to prepare for today's hearings.

BUDGET ESTIMATE

The amended FEA request for fiscal 1977 totals $750.8 million, including $193.1 million for salaries and expenses, and $557.6 million for the strategic petroleum reserve.

Overall, this is an increase of nearly $608 million over appropriations to date for fiscal 1976. Based on the pending supplemental, the 1977 request amounts to an increase of more than $277 million over the requested 1976 program.

JUSTIFICATION

We will include the justifications for the submitted budget request in the record at this point, and it should be noted that the justifications printed in part 2 of the record covering FEA's initial submissions are superseded in total by these revisions.

[The justification follows:]

Justification

FEDERAL ENERGY ADMINISTRATION

Congressional Budget Submission
Fiscal Year 1977

Salaries and Expenses

GENERAL STATEMENT

Background:

The era of abundant, inexpensive energy ended abruptly for the United States late in 1973 with the imposition of the embargo of oil exporting nations. Our production of domestic energy has been decreasing: coal production peaked in 1954, domestic exploration for oil and natural gas began to decline a decade later, and, since 1970 oil and gas production has been decreasing. But, for most Americans, the embargo provided the first sign that the United States was no longer self-sufficient in energy and that it was, in fact, vulnerable to supply interruptions.

It was in this atmosphere of crisis that the Federal Energy Administration came into being, first, by Executive Order, as the Federal Energy Office and, later, by Congressional action, as a new agency of the Federal Government.

At the outset, FEA dealt with the emergencies of the moment -- emergencies that arose from the embargo and the resulting shortages of petroleum products. At the same time it began to address the equally difficult problems of the Nation's energy future. For the short-term those problems involve conservation of energy to lessen our dependence on imported oil and to reduce the deficits that have resulted from dramatic increases in oil prices during the past year. For the mid-term-- the next decade-- those problems involve continued and improved conservation as well as increased domestic production of conventional forms of energy, such as coal, oil and natural gas, to eliminate that dependence by 1985. For the long-term -- the last quarter of the century -- those problems involve development of new energy sources to enable the Nation to become an energy exporter by the year 2000.

As it addresses these problems of energy conservation and energy development, the FEA must operate within the context of our many national aspirations and goals. While we as a Nation must strive to attain energy independence, we must do so without causing social, environmental or economic jeopardy. Conservation measures must be realistic and equitable. Development efforts must be rational and balanced. Similarly, activities of the FEA must be consistent with international realities and U.S. foreign policy goals.

Americans are becoming increasingly aware that their days of energy profligacy are over and that they will for years and decades to come be grappling with problems that have never before confronted them. The FEA's fundamental mission now and in the future will be to formulate energy policies that will most effectively solve those problems. At the same time it must continue to be the coordinating agency within the Federal Government that assures the coherent and consistent execution of our national energy policies and that supplies to other segments of the Government, such as the Energy Resources Council, that support which is necessary to their effective functioning.

FEA's near-term goals require immediate action to increase our domestic energy supplies while reducing demand. We are limited in the steps that can be taken to increase domestic production in the near-term. Therefore, Federal, State, and local governments, industry and the American people must form a partnership dedicated to the elimination of wasteful uses of energy by a day-to-day commitment to conserve in every way possible energy resources now available to us.

Program for FY 1977:

The recently enacted Energy Policy and Conservation Act (EPCA), Public Law 94-163 approved December 22, 1975, will now determine much of the program activities and future direction of the Federal Energy Administration. The EPCA establishes national policies on oil price and allocation controls, conservation measures, supply initiatives, and emergency authorities such as contingency planning for protection against another embargo. Specific provisions of the Act include:

1. Standby authorities enabling the President to implement rationing and mandatory conservation plans to meet our domestic needs and international energy commitments during a future supply interruption.

2. The creation of a Strategic Petroleum Reserve to offset the impact of a supply cut-off.

3. Provision for loan guarantees to develop new underground coal mines.

4. Ceiling prices on domestic oil, while providing for incentives to stimulate certain types of oil production.

5. Conservation of energy through voluntary and mandatory programs applicable to industry, the States and the Federal government.

6. Energy efficiency standards for automobiles, and energy efficiency targets for appliances and other consumer products.

7. Expansion of the ESECA coal conversion program to reduce our demand for natural gas and petroleum products.

By combining the 40-month pricing schedule, conservation and resource development provisions and the existing programmatic scenarios of the Project Independence Evaluation System, we will be able to quantify those energy requirements that still stand between the Nation and its goal of independence by 1985. Using the EPCA as our program base, we will work with the State governments and private sectors to continue to develop and expand programs to bring us closer to success.

At this moment, our greatest emphasis must be on the aggressive implementation and management of the programs mandated by the EPCA. The Act provides a variety of mechanisms to accomplish its objectives. For example, there is a mandatory requirement for reporting by the private sector on industrial conservation achievements. Technical experts within the Federal government will prepare energy efficiency test procedures in order to label appliances so that consumers will have an objective basis for comparison. Individual States have the responsibility for administering those conservation programs best handled at that level.

This decentralization of effort will allow each objective to be accomplished with the best available technical information and financial resources.

In the coming year, we will give special priority to the Strategic Reserve Program (including plans to develop Naval Petroleum Reserve No. 4 in Alaska), expanding the conversion of utility generators burning oil or gas to coal, and developing the Coal Loan Guarantee Program. We will continue to give attention to specific regional problems, such as the Northern Tier States as they experience the reduction in Canadian fuel supplies.

Our two years of experience in pricing and allocation regulations will help in managing the price control formula for the remainder of the period. In accordance with clear legislative direction, all proposed pricing regulations will be analyzed for administrative feasibility, effects on crude oil production and for regional, social and economic impacts before issuance. We will also take every precaution to insure that our regulations are consistent with the continued economic recovery of the Nation.

Finally, to insure that the Nation will not find itself again vulnerable to foreign petroleum supply disruptions, the FEA is responsible for

developing a revitalized contingency planning program. The EPCA specifically requires the submission to Congress of contingency plans for rationing and mandatory conservation strategies for use during an emergency. Depending upon the timing and length of an interruption, plans must be both economically and socially feasible for actual implementation at all points in time. Our Project Independence analyses will prove invaluable in this area.

Program by function:

The Federal Energy Administration is composed of six budget activities. A brief description of each of these activities with the resource requirements for each follows:

1. Executive Direction and Administration

Executive Direction and Administration includes the responsibilities of the Administrator as well as the supporting services necessary to the proper execution of the Administrator's responsibilities. The Administrator advises the President and the Congress with respect to the establishment of a comprehensive National Energy Policy and, in coordination with the Secretary of State, the integration of domestic and foreign policies relating to energy resource management. The Administrator provides the leadership for energy programs mandated by the President and the Congress.

The supporting services necessary to the proper execution of the Administrator's responsibilities include legal, financial, personnel, organization management and procurement functions, as well as public affairs, congressional affairs, and maintaining relationships with the States on energy matters.

Resource requirements in Fiscal Year 1977 for this activity are 1,014 positions and $31,554,000 as compared to the 1,136 positions and $32,300,000 in the revised request for Fiscal Year 1976.

2. Energy Policy and Analysis

The Office of Policy and Analysis is responsible for all policy and analysis and coordination of energy related legislation and programs which will culminate in a national plan to meet the energy needs of the Nation. To achieve this objective, the office's primary activity is the review, coordination and evaluation of energy policy and legislation by providing statistical and analytical studies and systems on which to base the formulation of energy policy by providing quantitative analysis of various policy alternatives and assessing the economic and social impacts of those alternatives. This activity, therefore, is

responsible for developing a family of econometric models to perform impact analysis, analyzing long-term energy supply and demand and producing short-term and long-range energy forecasts. To support these efforts, this activity also includes all data collection, processing, and ADP systems design for Policy and Analysis as well as for all of FEA. It also serves as the national energy data clearinghouse for FEA, other State and Federal government agencies, for Congress and the general public.

Resource requirements in Fiscal Year 1977 for this activity are 467 positions and $34,372,000 as compared to the 469 positions and $27,300,000 in the revised request for Fiscal Year 1976.

3. Energy Regulatory Programs

The Energy Regulatory activity is responsible for the execution of those audit and enforcement activites required to assure compliance with any existing regulations, as well as the regulations in force from February 1973, through December 15, 1975, in accordance with the mandate of the Emergency Petroleum Allocation Act and the provision of a standby force to perform regulation development and operational readiness responsibilities in accordance with the mandate of the FEAA. Finally, this activity provides a continuous contingency planning capability to review, develop and up-date National Energy Contingency plans.

Resource requirements in Fiscal Year 1977 for this activity are 1,483 positions and $47,800,000 as compared to the 1,766 positions and $34,000,000 in the revised request for Fiscal Year 1976.

4. Energy Conservation and Environment

The Office of Energy Conservation and Environment was established to (1) reduce the energy demand growth rate in the United States; (2) develop and oversee the implementation of voluntary and mandatory energy conservation programs that promote the efficient use of energy; and (3) ensure environmental concerns are balanced with national energy goals.

Resource requirements in Fiscal Year 1977 for this activity are 284 positions and $62,596,000 as compared to the 316 positions and $51,800,000 in the revised request for Fiscal Year 1976.

5. Energy Resource Development

The Energy Resource Development activity is responsible for developing and implementing national programs and projects to increase production

and utilization of energy from present domestic sources and to facilitate the development of new domestic energy sources.

The activities within Energy Resource Development (ERD) include the development of plans, programs, and projects to expand domestic production of every currently available fuel source including oil, natural gas, coal, oil shale, nuclear, solar, geothermal, and others. ERD is responsible for developing energy sources and facilities. The organization is also responsible for preparing programs which serve to mitigate the adverse effects of and remove any impediments imposed by Federal, State, and local regulations in the expansion of energy supply. ERD also evaluates the impact of present and prospective energy alternatives, technologies, resource requirements, programs and actions.

Resource requirements in Fiscal Year 1977 for this activity are 297 positions and $14,914,000 as compared to the 294 positions and $12,700,000 in the revised request for Fiscal Year 1976.

6. International Energy Affairs

The Office of International Energy Affairs (IEA) deals with general policy review and coordination of all FEA international activities, National Security Council matters, international agreements, multinational energy negotiations, transportation of energy from abroad, and liaison with defense and nuclear energy agencies. This includes the development of policy options for oil sharing, mandatory conservation, emergency supply, and encouraging multinational energy programs, and development and evaluation of United States export-import foreign policy and vice versa.

Resource requirements in Fiscal Year 1977 for this activity are 49 positions and $1,921,000 as compared to the 49 positions and $1,700,000 in the revised request for Fiscal Year 1976.

Summary

A summary comparison of the positions, man-years, and obligations for Fiscal Year 1975-77 is presented below:

Salaries and Expenses

Item	1975 Actual	1976 Estimate	Change Amount	Change %	1977 Estimate	Change Amount	Change %
Positions	3,245	4,030	+ 785	+24.2	3,594	- 436	-10.8
Man-Years	3,148	3,409	+ 261	+ 8.2	3,751	+ 342	+10.0
Obligations	126,871	159,800	+32,929	+26.0	193,157	+33,359	+20.9

Budget Justification by Program Activity

The detailed budget justification for each program activity follows this section beginning with Executive Direction and Administration and ending with International Energy Affairs. The budget justification for each budget activity includes:

- A comparison of positions, man-years, and obligations for FY 1975, 1976, and 1977.
- A statement of each organization's missions, accomplishments, and objectives.
- An analysis of requested contract authority for FY 1977.
- Obligations by object class for FY 1975, FY 1976 and FY 1977.

Summary of Positions, Man-Years and Obligations. On the following page is an analysis by budget activity of positions, man-years and obligations for fiscal years 1975, 1976 and 1977.

FEDERAL ENERGY ADMINISTRATION
Summary of Positions, Man-Years and Obligations
Fiscal Years 1975-77

	1975 Actual	1976 Estimate	1977 Estimate	Increase or Decrease (-)
		Positions		
Executive direction and administration	952	1,136	1,014	-122
Energy policy and analysis	401	469	467	- 2
Regulatory programs	1,287	1,766	1,483	-283
Energy conservation and environment	282	316	284	- 32
Energy resource development	282	294	297	3
International energy affairs	41	49	49	...
Total - Positions	3,245	4,030	3,594	-436
		Man-Years		
Executive direction and administration	982	1,019	1,055	36
Energy policy and analysis	366	402	470	68
Regulatory programs	1,220	1,395	1,595	200
Energy conservation and environment	255	287	286	- 1
Energy resource development	284	260	296	36
International energy affairs	41	46	49	...
Total - Man-Years	3,148	3,409	3,751	339
		Amount ($000)		
Executive direction and administration	44,580	32,300	31,554	-746
Energy policy and analysis	21,769	27,300	34,372	7,072
Regulatory programs	29,520	34,000	47,800	13,800
Energy conservation and environment	17,020	51,800	62,596	10,796
Energy resource development	12,691	12,700	14,914	2,214
International energy affairs	1,291	1,700	1,921	221
Total - Obligations	126,871	159,800	193,157	33,357
Unobligated balance lapsing	164			
Total Budget Authority	$127,035			

FEDERAL ENERGY ADMINISTRATION

Congressional Budget Submission
Fiscal Year 1977

EXECUTIVE DIRECTION AND ADMINISTRATION

(dollars in thousands)

Programs	FY 1975			FY 1976			T.Q.	FY 1977		
	Pos.	Man-Years	Amount	Pos.	Man-Years	Amount	Amount	Pos.	Man-Years	Amount
Administrator	70	74	9,526	72	72	1,946	545	72	72	1,694
General Counsel	92	71	1,723	206	145	3,712	1,545	195	201	4,518
Management & Administration	416	416	18,386	498	461	13,813	3,904	472	493	15,742
Communications & Public Affairs	139	137	2,550	122	122	3,342	964	70	70	3,253
Congressional Affairs	49	52	736	53	53	827	397	48	50	1,080
Private Grievances & Redress	85	75	832	93	87	1,583	697	70	80	1,926
Intergovernmental, Regional & Special Programs ...	83	83	12,274	71	79	7,077	544	66	68	2,759
Nuclear Energy Office.	...	...	...	21	...	...	...	21	21	582
Total, E D & A	934	908	46,027	1,136	1,019	$32,300	$8,596	1,014	1,055	$31,554

Justification

Executive Direction and Administration includes the responsibilities of the Administrator as well as the supporting services necessary to the proper execution of the Administrator's responsibilities. The Administrator, under responsibilities set forth in Public Law 93-275 of May 7, 1974, advises the President and the Congress with respect to the establishment of a comprehensive National Energy Policy and, in coordination with the Secretary of State, the integration of domestic and foreign policies relating to energy resource management. The Administrator further provides the leadership for energy programs mandated by the President and the Congress under the Energy Policy and Conservation Act (EPCA).

The supporting services necessary to the proper execution of the Administrator's responsibilities include legal, financial, personnel, organization management and procurement functions, as well as public affairs, congressional affairs, and maintaining relationships with the States on energy matters.

The major accomplishments for these supporting services in FY 1976 include:

- Provided "energy-wise" education to the American people concerning energy problems through an increased volume of speeches by the Administrator, two Deputy Administrators, and Assistant Administrators, who transmitted the Presidential direction for increased efforts in reaching consumer groups on conservation.

- Provided public affairs support to the Energy Resources Council, as well as the Federal Energy Administration.

- Maintained liaison with the Congress, and handled approximately 1,000 telephone inquiries per week.

- Conducted an extensive communications and public affairs program which included the management of a public reading room averaging 15-20 patrons per day; the handling of over 6,000 telephone inquiries per month; issuing 60 press releases per month; the preparation of an average of five briefing books per week; the drafting of speeches for the Administrator and Deputy Administrators on an average of one per working day.

- Created a greater degree of competition in FEA's procurement process, and increased minority and small business participation in the award of contracts.

- Provided the project management staff training necessary to improve project planning, direction and control.

- Provided legal support for FEA initiatives in the international area, and under Project Independence, in the areas of energy resource development, conservation, and the environment.

- Disbursed $5,000,000 to the States to fund State energy office programs; thereby ensuring their continued involvement in the development and implementation of national energy policy and programs.

- Developed recommendations on new or modified Federal, State, and local programs to alleviate the adverse effects of energy shortages on consumers, the poor, the elderly, and the handicapped.

- Provided the public with FEA decisions and policies, statistical, economic and general energy information regarding implementation of the EPCA.

- Provided staff work, including policy statements, for the Intergovernmental Coordinating Committee.

- Established an Office of Internal Review as an independent program

review activity. The primary objective was to ensure that internal controls over agency operations were communicated and followed. This permitted efficient, effective policies that were consistent with current laws, regulations, and rulings. The office reviewed internal operating and financial procedures within the agency and reported to executive management on recommendations to improve procedures.

The major FY 1977 objectives for the supporting services in Executive Direction and Administration include:

- Increase in program evaluation studies for better program control and direction, and to eliminate duplication of effort among the program areas.

- Continue the training of top management staff through executive development seminars.

- Continue to provide the public with FEA decisions and policies, statistical, economic and general energy information, and whatever other reports which are necessary to keep the public fully and currently informed of actions taken by the Executive Branch toward implementation of the Energy Policy and Conservation Act.

- Increase efforts to represent the views of small and minority businesses in the FEA policy process.

- Increase participation of consumers, low-income families and the aged in public hearings related to energy matters.

- Continue to respond to Congressional requests in developing all possible information of Congressional interest and activities in the field of energy.

- Continue to provide the special redress, relief, and extraordinary assistance function contemplated by Section 21 of the FEA Act of 1974.

- Develop a computerized property control system which will permit an evaluation of physical property inventory and staff requirements.

EXECUTIVE DIRECTION AND ADMINISTRATION

	1975 Actual	1976 Estimate	1977 Estimate
		Positions	
Administrator	70	72	72
General counsel	92	206	195
Management and administration	416	498	472
Communications and public affairs	139	122	70
Congressional affairs	49	53	48
Private grievances and redress	85	93	70
Intergovernmental, regional and special programs	83	71	66
Nuclear energy office	...	21	21
Total	934	1,136	1,014
		Man-Years	
Administrator	74	72	72
General counsel	71	145	201
Management and administration	416	461	493
Communications and public affairs	137	122	70
Congressional affairs	52	53	50
Private grievances and redress	75	87	80
Intergovernmental, regional and special programs	83	79	68
Nuclear energy office	...	...	21
Total	908	1,019	1,055
		Amount ($000)	
Administrator	$ 9,526	$ 1,946	$ 1,694
General counsel	1,723	3,712	4,518
Management and administration	18,386	13,813	15,742
Communications and public affairs	2,550	3,342	3,253
Congressional affairs	736	827	1,080
Private grievances and redress	832	1,583	1,926
Intergovernmental, regional and special programs	12,274	7,077	2,759
Nuclear energy office	...	...	582
Total	$46,027	$32,300	$31,554

EXECUTIVE DIRECTION AND ADMINISTRATION

Analysis of FY 1977 Contracts

Management and Administration	($000) Cost
. Program evaluation study with a view toward providing a formal centralized program evaluation providing the Administrator with an independent evaluation of proposed and on-going programs	200
. Collateral EEO investigations. With the phase-down of the allocation program, some employees will be involuntarily returned to their former agencies. In order to insure that re-employments are conducted as fairly as possible, funds must be available to permit an independent assessment of discrimination complaints that may result	20
. Auditing of potential contractors. Federal Procurement Regulations require that all cost plus contracts involving more than $100,000 will be audited prior to, or after, the award of the contract. These monies will permit adherence to that requirement and will allow auditing of other selected contracts	100
. Guard service for FEA buildings	400
. Health Units. Maintain health facilities for headquarters and regional personnel	196
. Seminars for executive development. Civil Service regulations require that executives in certain grade levels maintain their skills through attendance at executive development seminars	34
. Field investigation of employees. The updating of present clearances and the investigation necessary for the issuance of clearances to new employees will be obtained through collateral investigations by Civil Service Commission personnel	125
. Temporary Emergency Court of Appeals. Transfer of funds to the Temporary Emergency Court of Appeals	245
Subtotal - Management & Administration	$ 1,320
Communication and Public Affairs	
. Bi-Weekly "Energy Facts" for Radio, TV Stations, Newspapers: To provide steady flow of information to media, this program will consist of provocative facts about energy, fillers, and program ideas distributed nationwide	150

	($000) Cost
. "Energy Report" Newsletter: To present a unified Federal Energy message, this monthly publication shares energy information from all Federal (and other) sources, publicizes major Federal, State, and local energy programs. Handle printing and distribution on a monthly basis.....	80
. Evaluation & Analysis: Includes pre-testing educational and media materials, and evaluating and analyzing FEA multi-media information programs. Also pre-testing public awareness plans and resource development education programs	370
. School Film Loops: Original graphics will be developed as part of the school's curriculum on energy awareness and resource development. These single concept film loops cover such topics as oil, coal and other conventional energy sources, in addition to the development of alternate power sources for the future--such as solar energy and photovoltaic cells...	200
Subtotal - Communications & Public Affairs	$ 800
Intergovernmental, Regional and Special Programs	
. Contracts with the National Governors' Conference, the National Conference of State Legislatures, the National Association of Counties and the National League of Cities to collect information on energy programs, conducting analytical studies of energy activities, disseminating information on proposed Federal programs to the Governors, State legislators, etc., and to solicit their views	500
. Consumer Impact Analysis: Design Regional Utility Rate Structure Monitoring System; conduct cross-sectional Regional Income Distribution Studies of CA/SI Target Population; conduct Regional Surveys to Obtain Primary Energy Consumption Data to Supplement SHRDS Data Deficiencies; Special Impact Analysis: Assess impact of Resource Development Programs on Reservations; Consumer Conservation Programs: Develop pilot project to analyze energy consumption patterns of various lifestyle scenarios based on socio-economic matricies in order to determine impact of various conservation alternatives on different groups	300
Subtotal - Intergovernmental, Regional and Special Programs	$ 800
TOTAL - Executive Direction & Administration	$ 2,920

FEDERAL ENERGY ADMINISTRATION

EXECUTIVE DIRECTION AND ADMINISTRATION
OBJECT CLASSIFICATION (in thousands of dollars)

Identification code		1975 actual	1976 estimate	TQ estimate	1977 estimate
	Personnel compensation:				
11.1	Permanent positions	15,190	14,389	5,127	18,467
11.3	Positions other than permanent	1,294	98	...	44
11.5	Other personnel compensation	826	645	313	838
11.8	Special personal services payments				
	Total personnel compensation	17,310	15,132	5,440	19,349
	Personnel benefits:				
12.1	Civilian	1,537	1,309	476	1,720
13.0	Benefits for former personnel	1	...	...	...
21.0	Travel and transportation of persons	1,085	715	169	709
22.0	Transportation of things	307	25	7	97
23.0	Rent, communications, and utilities	8,916	4,751	1,355	3,646
24.0	Printing and reproduction	1,286	1,225	373	925
25.0	Other services	1,688	848	234	1,361
	Contracts	10,936	7,320	260	2,920
26.0	Supplies and materials	907	542	177	519
31.0	Equipment	603	433	105	308
32.0	Lands and structures				
33.0	Investments and loans				
41.0	Grants, subsidies, and contributions				
42.0	Insurance claims and indemnities	4	...	...	...
43.0	Interest and dividends				
44.0	Refunds				
99.0	Total obligations	44,580	32,300	8,596	31,554

Program	FY 1975 Pos.	FY 1975 Man-Years	FY 1975 Amount	FY 1976 Pos.	FY 1976 Man-Years	FY 1976 Amount	Tran. Qtr. Amount	FY 1977 Pos.	FY 1977 Man-Years	FY 1977 Amount
Administrator:										
Headquarters...	30	34	5,487	32	32	1,162	314	32	32	1,008
Regions.....	40	40	4,039	40	40	784	231	40	40	686
Total.....	70	74	$9,526	72	72	$1,946	$545	72	72	$1,694

Justification

General Statement

The Administrator advises the President and the Congress on programs relating to the achievement of the national energy policy, and in coordination with the Secretary of State, advises the President on the appropriate integration of domestic and foreign policies for energy resource management. He is Executive Director of the Energy Resources Council and his staff provides secretariat support to the Council for both policy and operational requirements. He also provides the executive direction for implementation of energy programs within the Federal Energy Administration including directive staffs in each of the ten regional offices.

The Administrator is the United States Chairman of the U.S.-U.S.S.R. Joint Energy Committee, responsible for the design and implementation of the energy information section of the agreement.

Advisory Committee Operations

Under Section 17 of the Federal Energy Administration Act, the Administrator has the authority to establish advisory committees to provide independent analysis of proposed energy policies and programs. The FEA currently has sixteen advisory committees that evaluate policies.

These committees bring together important and knowledgeable persons in various aspects of energy exploration, production and marketing. The Advisory Committee management staff schedules meetings, arranges for transportation and conference facilities, all funded from the Administrator's budget. The office coordinates the preparation of reports on each of the sixteen committees for the Office of Management and Budget.

The Advisory committees provide a vital link in policy analysis between the governmental sector and the private sector and ensure the consideration of impact of proposed policies on each significant sector. The support to these advisory committees in 1977 includes the direct costs of the Advisory Committee travel and perdiem costs and transcription costs of the minutes of the Committee meetings.

Resource Requirements

The Staffing in these areas include:

	FY 1976 Pos.	FY 1976 Amount	FY 1977 Pos.	FY 1977 Amount
Office of the Administrator.....	29	$ 732	29	$ 758
Advisory Committee.....	3	430	3	250
Regional Administrators' Offices.....	40	784	40	686

The number of 72 positions for headquarters and regions are necessary to maintain a sufficient level of service by the Administrator to the President and Congress.

Current Programs

Improved administrative planning prevented many of the unforeseen needs in the various program areas which had previously required immediate funding but for which funds were not budgeted. However, there were special projects which required action by the Administration and a contingency funding of $200,000 has been obligated in FY 1976.

These funds were also necessary to allow the Administrator and his key staff to hold public meetings and enabled the Administrator to meet his obligations for involvement with the International Energy Program. These funds were used for support requirements of Advisory Committees and Industry Meetings frequented by him in carrying out his responsibilities to provide exchange of information with diverse groups nationwide.

As Executive Director of the Energy Resources Council, many meetings were scheduled where policy issues relating to energy matters were examined and coordinated in order to avoid duplication of effort, and to discuss and resolve questions and problems relating to energy issues. The Council frequently meets with the President to discuss its activities.

As United States Chairman of the recently established U.S.-U.S.S.R. Joint Energy Committee, the Administrator is responsible for the design and implementation of the exchange of the energy information section of the agreement. He and his staff are responsible for hosting the Soviet delegation, and for the preparation of the many briefing books and back-up materials required for these meetings.

FY 1977 Objectives

- The Office of the Administrator with the cooperation of supporting services will continue to provide the public with FEA decisions and policies, statistical, economic and general energy information, and other reports necessary to keep the public fully and currently informed of actions taken by the Executive Branch toward formulation and implementation of a National Energy Policy.

- The Administrator's staff will continue to provide secretariat support to the Energy Resources Council for both policy and operational requirements.

- In coordination with the Secretary of State, the Administrator will advise the President on the appropriate integration of domestic and foreign policies for energy resource management.

FEDERAL ENERGY ADMINISTRATION

OFFICE OF THE ADMINISTRATOR

OBJECT CLASSIFICATION (in thousands of dollars)

		1975 actual	1976 estimate	TQ estimate	1977 estimate
	Personnel compensation:				
11.1	Permanent positions	4,599	1,179	391	1,241
11.3	Positions other than permanent	274	28	...	30
11.5	Other personnel compensation	108	33	15	35
11.8	Special personal services payments	...	...	...	...
	Total personnel compensation	4,981	1,240	406	1,306
	Personnel benefits:				
12.1	Civilian	456	107	36	113
13.0	Benefits for former personnel	...	...	...	...
21.0	Travel and transportation of persons	624	262	70	130
22.0	Transportation of things	29	6	1	2
23.0	Rent, communications, and utilities	2,571	7	1	51
24.0	Printing and reproduction	86	65	5	26
25.0	Other services	172	44	20	55
	CONTRACTS	289	200	3	...
26.0	Supplies and materials	150	4	1	8
31.0	Equipment	168	11	2	3
32.0	Lands and structures				
33.0	Investments and loans				
41.0	Grants, subsidies, and contributions				
42.0	Insurance claims and indemnities				
43.0	Interest and dividends				
44.0	Refunds				
99.0	Total obligations	9,526	1,946	545	1,694

FEDERAL ENERGY ADMINISTRATION
OFFICE OF THE ADMINISTRATOR

DETAIL OF PERMANENT POSITIONS

	1975 actual	1976 estimate	1977 estimate
Executive Level I	...	...	...
Executive Level II	1	1	1
Executive Level III	1	2	2
Executive Level IV	...	...	...
Executive Level V	1	1	1
Subtotal	3	4	4
GS-18	...	...	...
GS-17	...	...	...
GS-16	12	11	12
GS-15	8	8	8
GS-14	1	1	1
GS-13	1	1	1
GS-12	3	3	3
GS-11	4	4	4
GS-10	2	3	3
GS- 9	6	5	5
GS- 8	5	4	4
GS- 7	8	9	8
GS- 6	4	4	4
GS- 5	10	10	10
GS- 4	2	2	2
GS- 3	1	3	3
GS- 2		...	...
GS- 1		...	...
Subtotal	67	68	68
Ungraded	...	...	...
Total permanent positions	70	72	72
Unfilled positions, June 30	...	...	...
Total permanent employment, end of year	70	72	72

FEDERAL ENERGY ADMINISTRATION
Congressional Budget Submission
Fiscal Year 1977
GENERAL COUNSEL
(dollars in thousands)

Programs	FY 75 Pos	FY 75 Man-Years	FY 75 Amt	FY 76 Pos	FY 76 Man-Years	FY 76 Amt	Tran Qtr Amt	FY 77 Pos	FY 77 Man-Years	FY 77 Amt
I. Non-Regulatory Programs										
A. Headquarters	52	40	974	78	56	1552	650	78	78	1808
1. General Law	5	4	97	8	6	156	65	8	8	174
2. Legislation	4	3	73	10	9	234	85	10	10	222
3. ESECA Coal Conversion	5	4	97	12	7	204	80	12	12	264
4. Conservation & Environment	7	5	122	10	6	156	65	10	10	220
5. International & Energy Resource Development	7	6	146	13	8	284	117	13	13	378
6. General Litigation	8	6	146	10	8	206	89	10	10	220
7. Executive Direction & Administrative Support	16	12	293	15	12	312	149	15	15	330
B. Regions	--	--	---	20	26	427	175	20	20	440
II. Regulatory Programs										
A. Headquarters	40	31	749	63	30	996	416	57	60	1320
1. EPAA-Related Litigation	5	5	122	12	4	163	67	11	12	264
2. Compliance Programs	11	8	193	23	15	440	183	22	22	484
3. Price Regulation Development & Interpretation	12	9	217	16	6	220	91	14	15	330
4. Allocation Regulation Development & Interpretation	12	9	217	12	5	173	75	10	11	242
B. Regions	--	--	---	45	33	737	304	40	43	950
Headquarters Total	92	71	1723	141	86	2548	1066	135	138	3128
Regions Total	--	--	----	65	59	1164	479	60	63	1390
Grand Total	92	71	1723	206	145	3712	1545	195	201	4518

Justification

General Statement

The General Counsel serves as the chief law officer and general legal advisor to the Administrator and his staff in all matters of law and policy. In this capacity he is responsible for the preparation of opinions, reports, recommendations and other documents as required by the Administrator with regard to substantive and administrative law, policy and procedure relative to the statutes administered by the agency, its various activities and operations, and its proposed courses of action. Similarly he is responsible for the development, issuance, interpretation and revision of all regulations, rulings and orders, both procedural and substantive, promulgated by the Federal Energy Administration.

The General Counsel maintains a continuing legal overview of the agency's compliance and enforcement activities. He exercises final judgment as to the legal sufficiency of all administrative compliance actions, and he determines whether particular cases shall be recommended for prosecution or enforcement in the federal courts. Acting through the Attorney General, he represents and is the voice of the agency before the courts, where he has the responsibility of justifying, explaining and defending the decisions and policies of the Administrator. In addition, the General Counsel oversees the work of the Regional Counsels, with a view toward maintaining uniformity of legal procedure and interpretation and insuring the availability of high quality legal services to each Regional Administrator.

The General Counsel's total resource requirements for FY-1976, as expressed in the supplemental request necessitated by enactment of the Energy Policy and Conservation Act (the "EPCA"), the total resources requested herein, and the differences between these figures are broken down as follows:

	FY-76		FY-77		Change	
	Pos.	$(000)	Pos.	$(000)	Pos.	$(000)
Headquarters:						
Non-regulatory	78	1552	78	1808	0	256
Regulatory	63	996	57	1320	(6)	324
Totals	141	2548	135	3128	(6)	580

	FY-76		FY-77		Change	
	Pos.	$(000)	Pos.	$(000)	Pos.	$(000)
Regions:						
Non-regulatory	20	427	20	440	0	13
Regulatory	45	737	40	950	(5)	213
Totals	65	1164	60	1390	(5)	226
Grand Totals	206	3712	195	4518	(11)	806

The FY-1976 request was predicated on a continuation of existing programs plus increases that are the direct result of the significant increase in the General Counsel's responsibility caused by enactment of the EPCA. Under that Act, the agency's previous price and allocation control authority was extended on a mandatory basis for 40 months and on a discretionary basis thereafter until September 30, 1981. The EPCA also added substantial new responsibilities in the "non-regulatory" area (e.g., conservation and environment, coal conversion, strategic reserves, international programs).

This submission for FY-1977 assumes continuation of program activity and maintenance of required resources in the non-regulatory area at a constant level throughout FY-1977. The decreases in required resources shown in the table above are all in the "regulatory" area, (i.e., activities relating to the implementation and enforcement of the Emergency Petroleum Allocation Act of 1973 (the "EPAA")) and are projected because the FEA intends to eliminate price and allocation controls on certain segments of the industry and certain products. As decontrol is implemented, certain legal activities can be eliminated, as detailed below.

I. Non-Regulatory Programs

A. Headquarters

1. General Law. The General Law program provides the FEA Administrator and his staff with general legal advice and assistance with respect to such internal legal matters as personnel, contracts, conflicts-of-interest, Freedom of Information Act, etc. Since the EPCA will result in a general increase in the size of the agency, the number of outside contracts that will be let and the number of Freedom of Information Act requests received, there will be a commensurate increase during FY-1976 in the workload of the General Law program. In addition, the EPCA (Sec. 552) creates new conflict-of-interest restrictions that will be the responsibility of this program area. It is expected, however, that this additional activity can be handled through FY-1977 with the resources presently available, and therefore no increase is requested.

This program area will require resources as follows:

	FY-76 Available	FY-76 Revision	FY-77 Request	FY-77 Change
year-end positions	8	8	8	0
funds (000)	156	156	174	18

2. Legislation. The Office of Legislation serves as the focal point for all substantive legislative activity of the agency. The program includes responsibility for responding to requests for reports on legislation from Congress and OMB, providing enrolled bill memoranda for the President, preparing and reviewing FEA testimony for submission to congressional committees, clearing FEA legislative positions with OMB and providing drafting services to FEA program offices. The office represents the agency at meetings with other federal agencies and with congressional committees, as well as providing the FEA position on legislation, when requested, during mark-up sessions and committee meetings.

The EPCA provides for a number of programs and regulatory amendments that must be submitted to Congress under the procedures of Sections 551 and 552 and may therefore increase slightly the workload of this program area. Current FY 1976 resources levels will be adequate through FY 1977.

	FY-76 Available	FY-76 Revision	FY-77 Request	FY-77 Change
year-end positions	10	10	10	0
funds (000)	234	234	222	(12)

3. ESECA Coal Conversion. The EPCA (Sec. 101) extends and expands the recently expired coal conversion authorities contained in the Energy Supply and Environmental Coordination Act of 1974 ("ESECA"). It extends the period during which ESECA prohibition and construction orders may be issued (through June 30, 1977) and enforced (through December 31, 1984). The EPCA also broadens the FEA's order-issuing authority to permit the issuance of construction orders to major fuel burning installations and the issuance of prohibition orders to a larger category of installations, including powerplants and major fuel burning installations which have received or will receive construction orders.

This program area will require resources as follows:

	FY-76 Available	FY-76 Revision	FY-77 Request	FY-77 Change
year-end positions	8	12	12	0
funds (000)	156	204	264	60

4. Conservation and Environment. Prior to enactment of the EPCA, this program area was devoted principally to providing legal advice and assistance with respect to conservation, enhanced production and emergency curtailments of natural gas and otherwise providing general legal assistance to FEA's Office of Energy Conservation & Environment. Enactment of the EPCA will require that this program area shift its focus of primary attention to the following areas of responsibility.

First, the Act (Sec. 321, et seq.) institutes within FEA a new regulatory program regarding the energy efficiency of thirteen named categories or types of consumer products and provides authority for the inclusion of further products where appropriate. The new responsibilities require promulgation, by rule and under a mandatory time schedule, of product-specific test procedures for determining energy efficiency.

Second, the Act (Sec. 361, et seq.) creates a new program, including grant-making responsibility, to encourage the States to develop and implement energy conservation programs. New responsibilities include the promulgation, by rule and under a mandatory time schedule, of guidelines for the preparation of State conservation feasibility reports and related matters.

Third, the Act establishes numerous other miscellaneous energy conservation programs that will require legal support, including the development of one or more energy conservation contingency plans (Sec. 202), the administration of a program to promote increased energy efficiency in American industry (Sec. 371-375) and coordination and development of plans and programs to conserve energy within the Federal Government (Sec. 381).

Fourth, pursuant to the National Environmental Policy Act ("NEPA"), environmental assessments and, where appropriate, environmental impact statements will be required for many new programs under the EPCA. Compliance with NEPA will require major legal work.

As a result of these responsibilities, this program area will require resources as follows:

	FY-76 Available	FY-76 Revision	FY-77 Request	FY-77 Change
year-end positions	8	10	10	0
funds (000)	156	156	220	64

5. International and Energy Resource Development. This program area has been responsible for providing legal support to the development of and negotiations concerning the International Energy Program, to the oil import program and to FEA's Office of Energy Resource Development. In addition, in the past it has prepared regulations and is currently supplying substantial technical support to FEA's compliance personnel in connection with transfer pricing.

The EPCA creates several new responsibilities for this program area. First, in the international area, the Act (Sec. 252) establishes new criteria for developing and carrying out voluntary agreements to implement the allocation and information provisions of the International Energy Program. Legal responsibilities will include drafting of new agreements, monitoring of meetings, coordinating the many reports and approvals, etc. Other international authorities include development of an international oil allocation rule on a contingency basis (Sec. 251) and monitoring the exchange of information with the International Energy Agency (Sec. 254). New export control authority (Sec. 103) will also require some additional legal work, as will the continuation of the transfer pricing program as a result of the extension of the EPAA (Sec. 461).

Second, the EPCA (Sec. 151, et seq.) establishes a new program to establish and maintain a Strategic Petroleum Reserve of up to 1 billion barrels. Implementation of this program will require submission of Early Storage and Strategic Reserve Plans to Congress by dates certain within FY-1976 and FY-1977. Development of these plans will require heavy legal involvement, including, for the implementation of these plans, the drafting of regulations.

As a result of these existing and new responsibilities, this program area will require resources as follows:

	FY-76 Available	FY-76 Revision	FY-77 Request	FY-77 Change
year-end positions	7	13	13	0
funds (000)	156	284	378	94

6. General Litigation. This program area includes all litigation activities other than those arising under the EPAA.

The EPCA will cause a continuing high level of general litigation activity. Past experience indicates that the legality of virtually every new FEA program will be challenged extensively in the courts, often with the same issue being litigated in a number of different suits. Thus, as a direct result of the EPCA programs, increased litigation activity can be expected with respect to (1) the expansion and extension of coal conversion authority (Sec. 101); (2) materials allocation (if implemented) (Sec. 104); (3) the strategic petroleum reserve program (Sec. 151, et seq.); (4) consumer products efficiency standards and labeling (Sec. 321, et seq.); (5) industrial energy improvement programs (Sec. 371, et seq.); and (6) compliance of these programs with the provisions of NEPA. The increased activity from current levels is expected to be sustained throughout FY-1977.

This program area will require resources as follows:

	FY-76 Available	FY-76 Revision	FY-77 Request	FY-77 Change
year-end positions	8	10	10	0
funds (000)	182	206	220	14

7. Executive Direction and Administrative Support. This program area includes the General Counsel, the three Deputy General Counsels, the Special Assistant to the General Counsel and their respective clerical staffs, as well as the Administrative Officer and his staff. Although a general overall increase in the size of the General Counsel's staff will result because of increased responsibilities under the EPCA, it is not expected that an increase in the administrative support staff during FY-1977 will be required.

This program area will therefore require resources as follows:

	FY-76 Available	FY-76 Revision	FY-77 Request	FY-77 Change
year-end positions	15	15	15	0
funds (000)	312	312	330	18

B. Regions

The Regional Counsels provide the regional offices with general legal advice and assistance on personnel, contracts, the Freedom of Information Act, etc., similar to that provided by the General Law program in the Headquarters office (see item A-1 above).

It was determined in the FY-1976 Supplemental Request that the Regional Counsel's non-regulatory staff could be reduced from 30 to 20. This reduced staffing level established in the FY-1976 budget provides adequate resources for the Regional Counsel's non-regulatory functions throughout FY-1977.

This program area will require resources as follows:

	FY-76 Available	FY-76 Revision	FY-77 Request	FY-77 Change
year-end positions	30	20	20	0
funds (000)	537	427	440	13

II. Regulatory Programs

A. Headquarters

1. EPAA-Related Litigation. In the past, most litigation activities involved cases arising under the EPAA. Virtually every significant FEA regulatory program under the Act was challenged in the courts and some programs were challenged in several different cases. Moreover, as the FEA's regulatory program matured and its administrative processes have been completed in individual cases, an increasing amount of EPAA-related litigation has involved judicial reviews of individual adjudicatory actions by the agency. Finally, some of these cases have involved FEA-initiated enforcement suits, including suits for criminal penalties. Currently there are about 70 active EPAA-related cases.

The enactment of the EPCA will result in a substantial increase in EPAA-related litigation activity above current levels. It is expected that these programs will impose significant financial burdens on certain sectors of the industry and will therefore be vigorously contested.

The level of EPAA-related litigation activity reached is expected to diminish -- but only slightly by the end of FY-1977 -- as more products are decontrolled.

This program area will require resources as follows:

	FY-76 Available	FY-76 Revision	FY-77 Request	FY-77 Change
year-end positions	5	12	11	(1)
funds (000)	79	163	264	101

2. Compliance. This program area includes all legal support given to FEA's compliance and enforcement efforts. It has responsibility for reviewing and concurring in all compliance actions: (1) relating to programs, such as the entitlements and buy-sell programs, initiated at headquarters; (2) involving more than $500,000; (3) involving issues for which no clear precedent has previously been set; and (4) involving natural gas liquids. This program has responsibility for reviewing and referring to the Department of Justice all cases for the assessment of civil and criminal penalties, and in providing training to and supervising regional counsels.

It is expected that as more products are decontrolled during FY-1977, slightly less legal input will be required by the end of FY-1977, since training and policy guidance with regard to some areas will become unnecessary.

This program area will require resources as follows:

	FY-76 Available	FY-76 Revision	FY-77 Request	FY-77 Change
year-end positions	17	23	22	(1)
funds (000)	368	440	484	44

3. Price Regulation Development and Interpretation. This program area is responsible for the development, drafting and interpretation of all FEA regulations regarding the pricing of crude oil and refined petroleum products. The EPCA will require a continued high level of activity in this program area. Among other things, the Act mandates the continuation of existing controls on refined petroleum products (Sec. 461) and requires new controls on crude oil that will be substantially more complex than the existing regulations (Sec. 401). Regulations will have to be developed and implemented to achieve a weighted average crude oil price of $7.66 and to increase gradually that price over 40 months. Other revisions in the regulations, such as changes in the banked cost and allocation of cost rules (Sec. 402), are also mandated by the Act. While many of these initial revisions will be made during FY-1976, the Act requires

that those regulations be reviewed and revised if necessary every six months to insure that the maximum weighted average is being achieved (Sec. 401).

Moreover, the Act gives increased flexibility in gradually decontrolling refined products at the refiner, wholesale and retail levels, subject to submission to the Congress, either House of which can disapprove them by majority vote (Sec. 455). The President has announced that he intends to take full advantage of this authority. Thus, a substantial amount of time will be necessary to develop such decontrol proposals and present them to Congress with the necessary findings.

Moreover, substantial refinement of the existing regulations, particularly those relating to the refiners and natural gas liquids, will be necessary because of the extension of the Act. Finally, staff will be required to respond to requests for interpretation relating to the new and existing regulations.

The level of activity of this program area will increase substantially during FY-1976 and is expected to remain constant through much of FY-1977. However, by the end of FY-1977, as more products are decontrolled, it is anticipated that a slightly lower resource level will be required. This program area will require resources as follows:

	FY-76 Available	FY-76 Revision	FY-77 Request	FY-77 Change
year-end positions	2	16	14	(2)
funds (000)	52	220	330	110

4. Allocation Regulation Development and Interpretation. This program area is responsible for the development, drafting and interpretation of all FEA regulations regarding the allocation of crude oil and refined petroleum products. It too will require substantial resources as a result of the enactment of the EPCA.

First, because the EPAA has been extended (Sec. 461), this program area continues to have the responsibility of developing and modifying aspects of the allocation and entitlement programs, including providing guidance to national and regional staffs, formulating interpretations and rulings on all allocation matters, and reviewing decisions of the Office of Exceptions and Appeals.

Second, the EPCA will impose a significant workload with respect to reviewing and revising current regulations to reflect changed conditions and new provisions in the legislation and to providing internal guidelines to the Operations Division of the Office of

Regulatory Programs. This program area will be required to issue regulations and hold hearings concerning the need for product entitlements or other modifications of existing regulations to reduce price disparities resulting from the elimination of supplemental oil import fees when the EPCA was enacted, the entitlement program under a three-tier price system (Sec. 401), the small refiner exemption (Sec. 403), the exemption of any product from controls (Sec. 455), inventory controls (Sec. 458) and hoarding of products (Sec. 459), the allocation of propane resulting from curtailment of natural gas, etc. This program area will also participate in the development of standby programs for any decontrolled product. Agency contingency planning for either allocation or rationing will involve significant workload (Sec. 203). There will also be a need for interpretation of existing and former regulations involving complex compliance matters. As decontrol of certain products is accomplished in FY-1977, it is anticipated that by the end of the fiscal year, a reduced resource level will be adequate.

This program area will require resources as follows:

	FY-76 Available	FY-76 Revision	FY-77 Request	FY-77 Change
year-end positions	2	12	10	(2)
funds (000)	53	173	242	69

B. Regions

The majority of the resources of the Regional Counsels' office is devoted to the compliance function, which will require a substantially increased effort throughout most of FY-1977 as a result of enactment of the EPCA. Producer and refiner compliance activities will be greatly increased in scope and complexity. This will require greater Regional Counsel activity at earlier stages of compliance investigations. Moreover, as a result of the increased penalties imposed by the Act (Sec. 452), there will be greater emphasis in the regions on obtaining substantial civil penalties, in which undertaking Regional Counsel will play a significant role.

It is anticipated that in this program area some reduction in activity will occur by the end of FY-1977 resulting from the decontrol of various products and segments of the industry.

The resources required to this program area are as follows:

	FY-76 Available	FY-76 Revision	FY-77 Request	FY-77 Change
year-end positions	32	45	40	(5)
funds (000)	581	737	950	213

FEDERAL ENERGY ADMINISTRATION

General Counsel

OBJECT CLASSIFICATION (in thousands of dollars)

		FY 75 actual	FY 76 estimate	TQ estimate	FY 77 estimate
	Personnel compensation:				
11.1	Permanent positions	1387	2714	1240	3405
11.5	Other personnel compensation	96	108	55	112
	Total personnel compensation	1483	2822	1295	3517
	Personnel benefits:				
12.1	Civilian	112	249	115	290
21.0	Travel and transportation of persons	39	128	22	175
22.0	Transportation of things	-	4	1	4
23.0	Rent, communications, and utilities	10	223	64	241
24.0	Printing and reproduction	4	21	6	13
25.0	Other services	11	38	7	110
26.0	Supplies and materials	23	61	11	48
31.0	Equipment	41	166	24	120
99.0	Total obligations	1723	3712	1545	4518

Includes Regions except for 1975

FEDERAL ENERGY ADMINISTRATION

General Counsel

DETAIL OF PERMANENT POSITIONS

	1975 * actual	1976 estimate	1977 estimate
Executive Level I			
Executive Level II			
Executive Level III			
Executive Level IV			
Executive Level V	1	1	1
Subtotal	1	1	1
GS-18	1	-	-
GS-17	2	3	3
GS-16	6	6	6
GS-15	15	31	31
GS-14	16	34	32
GS-13	14	36	33
GS-12	3	15	12
GS-11	5	11	11
GS-10	1	3	3
GS- 9	3	5	5
GS- 8	6	12	12
GS- 7	12	30	28
GS- 6	5	17	16
GS- 5	2	2	2
GS- 4	-	-	-
GS- 3	-	-	-
GS- 2	-	-	-
GS- 1	-	-	-
Subtotal	91	205	194
Ungraded			
Total permanent positions			
Unfilled positions, June 30	92	206	195
Total permanent employment, end of year	92	206	195

* Regional positions not available

FEDERAL ENERGY ADMINISTRATION

Congressional Budget Submission
Fiscal Year 1977

MANAGEMENT AND ADMINISTRATION

(dollars in thousands)

	FY 1975			FY 1976			Tran. Qtr.	FY 1977		
Programs	Pos.	Man-Years	Amount	Pos.	Man-Years	Amount	Amount	Pos.	Man-Years	Amount
A. Executive direction .	7	7	586	9	9	303		9	9	303
B. Equal opportunity ...	6	6	124	6	6	158		6	6	181
C. Internal review	..	..	..	26	21	583		26	26	742
D. Planning & evaluation	..	..	..	10	5	235		10	10	235
E. Program management ..	17	17	425	22	18	476		22	22	551
F. Financial management.	55	55	1,264	63	56	832		56	62	909
G. Administrative management	133	133	10,830	131	122	6,095		136	136	6,084
H. Personnel management.	75	75	1,826	75	75	1,454		67	74	1,425
I. Regional management .	123	123	3,331	156	149	3,677		140	148	3,812
J. Logistic support	..	..	..	..	..	..		..	..	1,500
Total	416	416	$18,386	498	461	$13,813	$3,904	472	493	$15,742

Justification

General Statement

The Assistant Administrator for Management and Administration (M&A) is the principal advisor to the Administrator on matters relating to the organization and management of the Federal Energy Administration. He is responsible for developing and instituting procedures which will maximize available personnel and material resources to ensure that the missions of the Agency are accomplished within the time frames established by the Congress or by the President. His responsibilities encompass a wide range of activities including program support, financial support, personnel support, administrative support, internal reviews of Agency operations, planning and evaluation of Agency organization and program development, regional support and fostering equal opportunities for FEA personnel. In addition, M&A has overall responsibility for the FEA Project Review Board to insure that procurement requests of the Agency are conducted in an efficient, economic, and legal manner.

In FY 1977 the Assistant Administrator for Management and Administration will continue to be responsible for the overall direction and control of management efforts. He will assist the Administrator in streamlining the

organization, functions and staffing of the Agency and providing objective analyses of organizational and program performance. The office will also enhance overall effectiveness of the Agency through good management practices and being responsive to the administrative needs of organizations. The Freedom of Information Office, as well as other administrative operations functions, are being transferred to M&A from Communications and Public Affairs in FY 1977.

In addition to the above specific programs, the Assistant Administrator for Management and Administration maintains continuous liaison with the Congress, Office of Management and Budget, the General Accounting Office, General Services Administration, Civil Service Commission and other Federal Agencies.

The enactment of the Energy Policy and Conservation Act (EPCA) requires additional personnel in addition to a substantial increase in the contracting authority of the Agency plus grant and loan guarantee authority. This will impose many additional and/or new support responsibilities upon the Assistant Administrator for Management and Administration.

Current Program

Office of Equal Opportunity

Current Program

- In accordance with Public Law 92-255, the Equal Opportunity (EO) Office established the Employee Assistance Program to provide counseling and referral services for employees with alcohol and drug abuse problems.

- The Upward Mobility Program was created to evaluate Agency needs and goals regarding upward mobility.

- Supervisory and non-supervisory training/technical assistance visits by the Employee Assistance Program Coordinator have been strategically planned for each Regional Office and implementation was begun in November 1975.

- It is expected that in FY 1976, eighty employees will have been counseled by the Employee Assistance Program Coordinator and approximately 20 employees referred to community medical/rehabilitative centers for more extensive professional diagnosis/treatment.

- Discrimination complaint processing is carried out by the EO staff in accordance with Civil Service Commission (CSC) regulations.

- EO staff provides input for the preparation of Agency Directives concerning FEA employees and proper representation for women and minorities.

- The Federal Women's Program Coordinator (FWPC) established the FEA Federal Women's Program Advisory Council in May 1975.

- The EO Office, in conjunction with the Office of Data Services, Policy and Analysis, established the FEA Minority Group Designation File (MGDF) in accordance with the Federal Personnel Manual (FPM) Chapter 713, Subchapter 3.

- A policy statement regarding the Spanish-Speaking Program was distributed to all employees on March 5, 1976.

- Trips are made to each Region for the purpose of reviewing the Regional EO Program and providing technical assistance to the Regional EO Specialists.

FY 1977 Objectives

- Continue the Employee Assistance Program at a similar or higher level of achievement.

- Develop and implement a positive and effective Upward Mobility Program Agencywide.

- Continue efforts in the counseling of employees whenever the need arises.

- Continue the provision of technical advice and assistance to EO officials Agencywide.

- Continue to increase acceptance and responsiveness to special emphasis programs, i.e., Federal Women's Program and Spanish-Speaking Program.

- Participate in intra-agency programs beneficial to both FEA and its employees.

- Continue the development of policies and directives that will further enhance our area of responsibilities.

Office of Internal Review

Current Program

The Office of Internal Review will complete an extensive review of all ten Regions in FY 1976. Almost all employees present for duty in the Regions will be interviewed during the 2-week review periods.

Regional reviews are independent appraisals of each Region's operations. The results of each review were furnished to the Administrator and Deputy Administrator as well as to the Regional

66-307 O - 76 - pt. 5 -- 46

Administrator concerned. The Office of Internal Review ensures that corrective actions are taken to the satisfaction of the Deputy Administrator when deficient conditions are found.

All employees are free to bring forth allegations in confidence that would bear on the integrity and efficiency of FEA operations and personnel. All allegations are inquired into, and if warranted by the evidence,are investigated. Other investigations are made at the direction of the Administrator and Deputy Administrator.

Audits are made of procurement procedures and contract awards, travel activities, financial management and reporting systems, and strategic storage development plans.

FY 1977 Objectives

Areas to be stressed by the Internal Review function in FY 1977 include coverage of all FEA field activities. All Regions will be reviewed at least once. Emphasis on integrity awareness will be continued to assure a positive and effective program. More effective use of resources will be achieved through expanded use of survey techniques and tests of the more sensitive FEA programs.

With the additional manyears requested, Internal Review will be able to independently evaluate and inspect all Headquarters program functions. Staff sections will be reviewed at least once during the year, with the results being reported directly to the Administrator and to the major activity director responsible for required corrective actions. Audits will be made of procurement and contract awards, payroll operations, and financial operations and accounting. Strategic storage will be monitored, Agency contact with GAO will be maintained, and the effectiveness of the Agency's execution of the EPCA will be reviewed.

Internal Review will provide investigatory services to provide top management with a sound basis for just and logical actions on any alleged improprieties.

The Office of Internal Review will continue to safeguard the integrity of the Federal Energy Administration through investigation of allegations that employees have violated criminal statutes or FEA Regulations.

Office of Planning and Evaluation

Current Program

- Analyzes basic organizational changes needed to implement the Energy Policy and Conservation Act (EPCA).
- Coordinates EPCA program development.
- Initiates Program Development Process.
- Initiates FEA/ERDA staff coordination.
- Participates in the budget review and formation process.

FY 1977 Objectives

- Refine the Program Development Process Directive.
- Manage the Program Development Process to assure that FEA programs are properly designed and supportive of Agency objectives.
- Organization and staffing of FEA/ERDA Planning and Steering Group.
- Monitor programs to assure administration consistent with program and general Administration energy policy.
- Analyze Agency issues presented to M&A for recommendations.
- Perform special projects for Deputy Administrator and Assistant Administrator for Management and Administration.
- Participate in the budget review and formation process.
- Participate in Special Task Force efforts to improve Agency-wide operations.

Office of Program Management

Current Program

- Develops and implements the Energy Policy and Conservation Act Implementation and Monitoring System.
- Develops and implements the Federal Energy Administration operational plans for both Headquarters and Regional Offices.

- Reviews major organizational changes and participates in the establishment of task forces designed to address specific energy-related issues.

- Determines program priorities and allocates Agency resources as necessary.

- Monitors program progress through continuous liaison with Agency implementing managers.

- Reviews contract proposals for substance in order to eliminate duplicate contracting within FEA and other Federal Agencies and increase the specificity of completed projects and to enhance the participation of minority businesses in the contracting process.

- Conducts major ADP systems studies including participation in the development of Regional data programs and subsequent resolution of operational problems. Manages processes for establishing ADP system priorities.

FY 1977 Objectives

- Continue providing in-house management consulting services, operational surveys and organizational analysis; systems design and analysis; and special services.

- Continue the planning, development and coordination of the newly established EPCA Implementation and Monitoring System.

- Assist in identifying and evaluating progress towards the achievement of overall Agency objectives.

- Design procedures to review and evaluate information requirements, formats and schedules.

- Review and assess the requirements for personnel allocations and the validity of the request in light of program goals and objectives.

- Continue to review organizational and functional alignments to ascertain their suitability to the execution of assigned or projected responsibilities and workloads, and recommend appropriate adjustments, reassignments, and innovations.

- Develop and monitor the performance of systems related to management processes, such as those governing policy and issues development and decisionmaking, rulemaking, delegations of authority, reporting relationships among and between Headquarters and Regional Offices, legislation development and information management.

- Continue reviewing contract proposals to insure contract resources are allocatedpriority projects, and provide greatest possible competition for contracts while assuring access to minority enterprises.

Office of Financial Management

Current Programs

- Develops and implements the financial operating plan for FEA.
- Implements GAO approved fund control system.
- Maintains accounting system for oil and gas import licensing fees, price violation compromise settlements and Freedom of Information fees and charges.
- Establishes special investment account per court order for investing oil import fees.
- Implements automated filing system for payroll files and T/A cards, thereby improving productivity.
- Responsible for Agency "Accounting Principles and Standards" which were approved by GAO.
- Maintains FEA payroll user system, accomplishing the pay and leave records for all FEA personnel.
- Implements automated contract commitment system for reporting purposes.
- Has prepared 9 separate budget justifications for FY 1976.
- Implements automated budget and execution system in order to facilitate better financial planning.
- Implements man-year tracking system for use in monitoring allotment holder man-year usage.
- Implements personnel compensation computation system for use in conjunction with man-year tracking system to monitor obligation rates of allotment holders.
- Implements microfilm use of biweekly payroll reports and microfiche use of detailed accounting reports to reduce filing requirements.

FY 1977 objectives

- Further enhance the overall effectiveness of the Agency in the area of Financial Management.
- Develop program/accounting system.
- Implement automated fund allocation process with constant tracking capability.
- Prepare accounting users manual.
- Update and maintain existing financial management manuals.
- Review and analyze feasibility of direct input for payroll data.

Office of Administrative Management

Current Programs

Procurement:

- Has reversed the trend of contract solicitations from 68% sole source in FY 1974 to 80% competitive in FY 1975, and a goal of 90% competitive awards in FY 1977.
- Has expanded the minority business enterprise source lists by 270%.
- Has increased participation by minority small business in FEA procurements.
- Has established a goal of $800,000 for minority small business "8a" programs in conjunction with the Small Business Administration.
- Has awarded $500,000 contract to a minority firm to study significant energy-intensive small business sectors.
- Will have issued 200 cooperative agreements in FY 76 to support rate-making and load management projects, and energy conservation and management programs.
- Will have issued 500 contracts in FY 76 with the volume concentrated in the offices of Policy and Analysis and Conservation and Environment.

Administrative Programs:

- Implements an agencywide property management system.

- Manages 400,000 square feet of office space; arranged renovations and acquired additional space as needed.

- Produces in-house or through the Government Printing Office printed material and arranges for its distribution.

- Prepares and issues internal FEA Directives on travel policies, telecommunications practices, and vehicle energy conservation, and monitors these activities to insure compliance.

- Provides mail, messenger, motor pool, laboring, repair, supply, travel, teletype, and telephone services to FEA Headquarters personnel.

- Maintains and updates the three-volume "Federal Energy Guidelines" Manual through a contract with the Commerce Clearing House.

Security and Safety:

- Implements security procedures for the Administrator.

- Has relocated and secured 4.8 billion gasoline rationing coupons from five storage sites to one site.

- Conducts security investigations of all FEA personnel holding sensitive positions (E.O. 10450 and FPM 736).

- Conducts security update, Critical Sensitive positions (FPM 736).

- Screens requests for access to classified material (E.O. 11652).

- Requests and reviews suitability investigations of all FEA personnel (FPM 731) as required.

- Conducts security education programs for all FEA personnel holding sensitive positions (E.O. 11652).

- Maintains effective classified document control.

- Ensures that information in the custody of industrial contractors is protected in accordance with pertinent Department of Defense directives.

- Conducts internal investigations regarding FEA property, contracts, and programs to ensure integrity and security of FEA.

Directives and Publications

- Designs a unified delegation of authority system and directive.
- Designs and standardized filing and records disposition system.

Training and Development

- Facilitates training in supervision, labor relations, instructor training, legal and financial analysis, technical specialities and equal employment opportunity.
- Publishes the following: Training Directive, Directory of Training Sites, FEA Employee Handbook and the FEA Supervisory Handbook.
- Manages, controls and monitors all Agencywide training facilities.

FY 1977 Objectives

Procurement:

- Decentralize grants administration to Regional Offices.
- Quadruple the number and dollar volume of minority small business contracts.
- Continue emphasis on increasing competitive versus sole source contracts.
- Effectively administer a quantum increase in number and dollar volume of procurement actions as a result of EPCA.
- Issue policies and procedures for award of architect and engineering contracts.
- Strengthen post-award administration; establish greater working relationship between Contracting Officers and Technical Project Officers.
- Institute and implement a decentralized FEA Regional grant program which vests responsibility for energy conservation in the States.
- Strengthen accounting and business system audits by Defense Contract Audit Agency.
- Increase efforts to perform written evaluations of all FEA contracts and contractual performance.

Administrative Programs:

- Expand office space and services as required to administer EPCA.
- Participate in on-site Headquarters audits of administrative operations in the Regions, with the goals of standardizing procedures, solving problems, and reducing costs.
- Direct and implement the conversion of all Headquarters telephones to the Treasury Centrex II system.

Security and Safety:

- Develop and implement physical security plans for strategic petroleum reserves sites.
- Develop and implement an effective employee safety program.
- Conduct security inspections of FEA's Regional Offices and Headquarter's offices.

Directives and Publications:

- Assist organizational elements in the inventory process and schedule procedures for all Agency records' destruction/ retention by the National Archives.
- Publish appropriate directives to make the Agency's operating techniques more visible to the public.
- Conduct an analysis of paperwork management in FEA.

Training and Development:

- Continue FY 76 activities after evaluation of their effectiveness.
- Facilitate training in labor relations (advanced), project management, grants management, energy technology, effective briefing techniques and technical report writing.
- Install and implement an individual learning center.
- Develop an Agency orientation program.
- Initiate a training information system.

Office of Personnel Management

Current Program

- Improves accuracy and timeliness of recruitment and placement actions to respond to an approximate 40% turnover of Agency personnel.
- Promptly classifies positions to meet organizational needs; conducted classification desk-audit surveys of 10% of all FEA positions and a documentary review of all position descriptions; promptly adjudicates employee classification appeals as they arose.

- Staffs executive positions through effective recruitment, referrals, orientations and executive development programs for incumbents of executive positions.

- Develops the timely and effective submission of Supergrade and Schedule C requests to Civil Service Commission (CSC); maintains and administers the Expert and Consultant program; provides executive services for appointment to Executive Level positions.

- Develops personnel management directives on: grievances and appeals; reduction-in-force; position and pay management; labor-management relations; and provided training on personnel management directives and procedures.

- Develops and issues monthly employee (news) bulletin.

- Provides reports to top management, outside control Agencies and the Congress as required based on updated Departmental Integrated Personnel/Payroll System, (DIPS), data base.

- Administers the conflict of interest/financial statement program.

- Conducts an ongoing program review in conjunction with the CSC.

FY 1977 Objectives

- Continue desk-audit surveys of FEA positions.

- Update Agency applicant supply file.

- Continue policy development in such areas as grievances and appeals, conduct and discipline, adverse actions, position and pay management, labor-management relations, job classification appeals and merit promotion plan.

- Continue to prepare documentation for submission of supergrade and Schedule C requests to CSC while maintaining liaison with CSC and processing the approved actions.

- Continue to administer the program for employment of experts and consultants from initial candidate review through hiring procedures, conducting quarterly audit review and maintaining regulations and policy guides.

- Continue to process appointment actions for Executive Level positions and identify, interview, evaluate and present executives against current FEA vacancies.

- Continue to provide personnel services in anticipation of a 700 increase in hiring to achieve the employment ceiling under EPCA.

Regional Management

The Program Management activities in the Regional offices are similar to those conducted in Headquarters. The Program Management responsibility in the Regional offices is to provide a focal point for the development of Regional goals and objectives with respect to Headquarters formulated policy, identifying strategies for accomplishing these objectives, developing and monitoring the implementation of program plans, coordinating reporting systems concerned with program accomplishments, and evaluating program activities in relation to defined objectives.

FEDERAL ENERGY ADMINISTRATION

Congressional Budget Submission
Fiscal Year 1977

MANAGEMENT AND ADMINISTRATION

Analysis of FY 1977 Contracts

	($000) Cost
. Program evaluation study with a view toward providing a formal centralized program evaluation to the Administrator with an independent evaluation of proposed and on-going programs	200
. Collateral EEO investigations. With the phase-down of the compliance program, some employees will be involuntarily returned to their former Agencies. In order to insure that reemployments are conducted as fairly as possible, funds must be available to permit an independent assessment of discrimination complaints that may result	20
. Auditing of potential contractors. Federal Procurement Regulations require that all cost plus contracts involving more than $100,000 be audited prior to, or after, the award of the contract. These monies will permit adherence to that requirement and will allow auditing of other selected contracts	100
. Guard service for FEA buildings	400
. Health Units. Maintain health facilities for Headquarters and Regional personnel	196
. Seminars for executive development. Civil Service regulations require that executives in certain grade levels maintain their skills through attendance at executive development seminars	34
. Field investigation of employees. The updating of present clearances and the investigation necessary for the issuance of clearances to new employees will be obtained through collateral investigations by Civil Service Commission personnel	125
. Temporary Emergency Court of Appeals. Transfer of funds to the Temporary Emergency Court of Appeals ...	245
Total	$1,320

FEDERAL ENERGY ADMINISTRATION

MANAGEMENT AND ADMINISTRATION
OBJECT CLASSIFICATION (in thousands of dollars)

		1975 actual	1976 estimate	TQ estimate	1977 estimate
	Personnel compensation:				
11.1	Permanent positions	6,080	5,927	1,747	8,715
11.3	Positions other than permanent	587	...	...	...
11.5	Other personnel compensation	439	325	92	293
	Total personnel compensation	7,106	6,252	1,839	9,008
	Personnel benefits:				
12.1	Civilian	675	562	165	803
13.0	Benefits for former personnel	1	...	...	...
21.0	Travel and transportation of persons	268	132	39	142
22.0	Transportation of things	277	4	1	36
23.0	Rent, communications, and utilities	6,268	4,444	1,278	3,100
24.0	Printing and reproduction	897	115	34	116
25.0	Other services	1,347	660	194	852
	CONTRACTS	575	1,110	169	1,320
26.0	Supplies and materials	643	400	146	313
31.0	Equipment	325	134	39	52
42.0	Insurance claims and indemnities	4	...	...	...
99.0	Total obligations	18,386	13,813	3,904	15,742

FEDERAL ENERGY ADMINISTRATION

MANAGEMENT AND ADMINISTRATION

DETAIL OF PERMANENT POSITIONS

	1975 * actual	1976 estimate	1977 estimate
Executive Level I	...	...	...
Executive Level II	...	...	...
Executive Level III	...	...	...
Executive Level IV	1	1	1
Executive Level V	1	1	1
Subtotal	2	2	2
GS-18	...	...	...
GS-17	1	1	1
GS-16	1	3	3
GS-15	16	16	16
GS-14	26	31	31
GS-13	30	51	52
GS-12	24	58	52
GS-11	19	59	53
GS-10	3	11	5
GS- 9	20	45	41
GS- 8	12	14	16
GS- 7	42	58	56
GS- 6	13	32	34
GS- 5	27	52	46
GS- 4	15	33	33
GS- 3	21	11	10
GS- 2	5	...	...
GS- 1	2	...	...
Subtotal	277	475	449
Ungraded	21	21	21
Total permanent positions	300	498	472
Unfilled positions, June 30	7	...	...
Total permanent employment, end of year	293	498	472

*Regional information not available

FEDERAL ENERGY ADMINISTRATION

Congressional Budget Submission
Fiscal Year 1977

OFFICE OF COMMUNICATIONS AND PUBLIC AFFAIRS

(dollars in thousands)

Programs:	FY 1975			FY 1976			Tran. Qtr.	FY 1977		
	Pos.	Man-Years	Amount	Pos.	Man-Years	Amount	Amount	Pos.	Man-Years	Amount
A. Office of the Director	6	6	129	6	6	160	40	5	5	142
B. Freedom of Information	7	7	130	8	8	152	38	...	...	...
C. Media Relations	20	20	330	15	15	362	127	7	7	367
D. Visual & Electronic Communications	18	18	350	15	15	617	200	15	15	1,019
E. Publications & Public Inquiries	32	32	543	30	30	625	193	16	16	760
F. Community Relations	17	17	340	11	11	360	90	...	...	...
G. Administrative Operations	22	20	388	13	13	400	100	5	5	392
H. Editorial Projects	17	17	340	14	14	320	80	12	12	358
I. Regional Operations	...	...	...	10	10	346	96	10	10	215
Total	139	137	$2,550	122	122	$3,342	$964	70	70	$3,253

Justification

General Statement

The basic mission of the Office of Communications and Public Affairs (C&PA) of the Federal Energy Administration is to make public, FEA decisions and policies, statistical, economic and general energy information, and whatever reports are necessary to keep the public fully and currently informed of actions taken by the Executive Branch of government toward formulation and implementation of a national energy policy and realization of the goal of energy independence.

The Office of Communications and Public Affairs prepares and disseminates information on the issues, developments and accomplishments involving all agency functions; supports the FEA Administrator in his added role as Executive Director of the Energy Resources Council (ERC); and supports the

White House Press Office on energy-related public affairs programs. The increase in funds requested for FY 1977 results from proposed contracts to support nationwide energy awareness programs and implementation of EPCA.

Program Justification

In Fiscal Year 1976, the Office of Communications and Public Affairs (C&PA) supported all FEA programs, including those mandated by the Energy Policy and Conservation Act signed by the President on December 22, 1975, performing activities to insure the free flow of information to the public, news media, consumer and industry groups, government agencies (Federal, State and local), as well as internal, community and youth education audiences. C&PA stimulates public awareness of all energy policies and FEA activities, especially the need to conserve energy and to increase energy supplies.

C&PA's primary functions include: media relations, response to public correspondence and inquiries, speech and article writing, arts and graphics, motion pictures, coordination of public appearances for the Administrator and Deputy and Assistant Administrators, research/briefing books preparation, and liaison with regional public information officers.

In addition to functions required of the Office of Communications and Public Affairs under the Emergency Petroleum Allocation Act of 1973 and the Federal Energy Administration Act of 1974, among others, recent enactment of the Energy Policy and Conservation Act of 1975 has increased the work load and variety of tasks required of this office. For the past several months, a substantial amount of time has been devoted to filling requests for information on the highly complex new structure that controls oil prices.

Direct relations with the public will continue to be accomplished through the following functions.

A. Office of the Director

The Office of the Director will continue during FY 77 to provide overall program formulation, direction, evaluation and coordination for FEA Public Affairs activities. It will also maintain and reinforce public affairs programs and liaison with the national media; the White House Press Secretary and the Communications Office of the President; the Congress; OMB and other Federal agencies; private industry; public interest groups; and the general public.

Because of the nature of the assignments of this office (to direct the activities of the Office of Communications and Public Affairs) major responsibilities remain basically the same from one Fiscal Year to the next. These functions require the Director's Office to : serve as principal advisor on public affairs aspects of FEA's activities and programs to senior staff; represent the Administrator and FEA in daily interaction with the press, television, radio, and other media; and coordinate activites with the

Deputy and Assistant Administrators to adequately report all FEA activities to the public. In addition, this office works directly with public affairs officers of other Federal agencies, state and local governments, trade associations and consumer organizations to help respond to their need for energy information. A staff of five is required to carry on the objectives of the Director's Office.

B. Freedom of Information

The functions and personnel of the Office of Freedom of Information will be transferred to other program areas in FY 1977.

C. Media Relations

The basic function of the Media Relations Office is to report and explain accurately and quickly all major FEA programs and activities, and national energy policy to the media and ultimately the public; to immediately and accurately respond to all media inquiries; to initiate and coordinate personal dialogue between FEA officials and the media to promote better public understanding of FEA programs and national energy policy; and to keep constant liaison with regional PIO's on national programs and policy. The functions include but are not limited to: issuing press releases and fact sheets; writing and distributing to weekly newspapers an Administrator's byline column; publishing the FEA Highlights (an energy news letter); preparing Spanish columns, special releases written in Spanish, and radio spots spoken in Spanish; publishing a Black NEWS Notebook directed at black readers; conducting major news conferences and news briefings featuring the FEA Administrator and/or other FEA officials; setting up interviews for the Administrator and FEA officials with individual reporters; answering telephone and walk-in queries; and providing media support to top agency officials on out-of-town trips.

A staff of seven is necessary to fulfill these requirements.

D. Visual and Electronic Communications

The Visual and Electronic Communications Division is responsible for the development and implementation of public awareness programs using an effective mix of communications media - audio-visual programs, still and motion photography, and graphic arts—to present FEA programs and policies to the American public.

The Graphic Arts Branch tasks include the physical production and/or control of more than 3,000 pieces of art and other visual aids per month, including: charts, vu-graphs, slides, photographs, conference material, whole publications, photo feature strips, exhibits and displays, TV art, posters, kits, agency identity material, etc.

The Visual Projects Branch is divided into three sections: (1) Motion

Picture, Radio and Television Programs - is responsible for the production and distribution of motion pictures, filmstrips, slideshows, television public service announcements, news documentaries, and other special material for use by the Agency, its program areas, the news media and the public to stimulate awareness and improve understanding of the National energy situation; (2) Radio NEWS/Spotmaster Programs - writes, announces, records, produces, and distributes a daily news program, monthly public service spots and a weekly news feature program for use by a network of 6,500 radio stations nationwide; (3) During FY 76, the Energy Ant Program was distributed to children across the U.S. to visually convey energy awareness messages. The program includes the design, production and distribution of education materials from school books and posters to applied learning systems.

In order to provide timely, efficient, effective and economical visual and electronic support to all offices of the Agency, a staff of 15 people is required in FY 1977.

E. Publications and Public Inquiries

Publications

The functions and personnel of the Publications Division will be transferred to other program areas in FY 1977.

Public Inquiries

Public Inquiries prepares accurate and responsive replies to correspondence received from the general public as well as controlled correspondence requiring immediate answers, both from the Congress and the White House. These functions include final typing and proofreading. Written research on individual responses, utilizing sources throughout the FEA and other Government agencies, is also required.

The office also performs special tasks such as addressing labels, typing speeches and letters for the signature of the Administrator, handling mass mailings for Congressional Affairs and assisting in other ad-hoc situations.

To stay abreast of the incoming mail, 16 staff positions are essential.

F. Community Relations/Education

The functions and personnel of the Office of Community Relations/ Education will be transferred to other program areas in FY 1977.

G. Administrative Operations

The Office of Administrative Operations provides administrative and general services support for the staff of the Office of Communications and Public Affairs. It is divided into two sections: Administrative Management and the Press Room.

The functions of Administrative Management cover all areas of administration and support for C&PA program offices and include: providing executive direction and coordination for all administrative policy and implementing special program and Headquarters and Regional Operational Plans. The staff conducts studies and recommends necessary administrative changes to the Director and staff. In this division is vested overall responsibility for C&PA fiscal policy and operations including management, formulation and review of the working budget and operational plans, as well as staffing, contract and expenditure decisions.

Press Room functions include but are not limited to: providing the timely distribution of public information materials, managing, stocking and operating a press room; coordinating all printing needed to support the press release operation; fulfilling requests for press releases and FEA publications in response to walk-in requests and telephone calls; maintaining a computerized subject index designed to provide rapid information on all energy topics; providing all in-house duplicating services for the Office of Communications and Public Affairs.

A staff of five is required to perform administrative and press room functions in FY 1977.

H. Editorial Projects Division

The Editorial Projects Division provides responsive support to the Administrator and Senior Staff by supplying them with: speech texts, talking points, briefing books, backgrounders, articles, and educational pieces to be published under the Administrator's byline; and by handling the details of invitations, regrets, and travel plans in connection with requests for public appearances by the Administrator and other Agency spokesman.

These work requirements, which can be projected into FY 1977, necessitate a staff of twelve people.

I. Regional Operations

At a time when increased energy awareness is essential, the role of regional Public Information Officers must be reviewed with the goal of increased effectiveness in disseminating energy information and fostering public understanding.

Because Regional Office cities, almost without exception, are also media centers serving multi-state areas, the efforts of the Regional PIO can have important results in reaching millions of citizens with the energy message. The regional PIO's fulfill information needs of local media by interpreting the effects of national decisions at regional, state and local levels. They also prepare and distribute localized public awareness materials to interested persons.

Ten Regional Public Information Officers are required to carry out these functions effectively.

Office of Communications and Public Affairs

Analysis of FY 1977 Contracts

	($000) Cost
1. Bi-Weekly "Energy Facts" for Radio, TV Stations, Newspapers: To provide steady flow of information to media, this program will consist of provocative facts about energy, fillers, and program ideas distributed nationwide	$150
2. "Energy Reporter" Newsletter: To present a unified Federal Energy message, this monthly publication shares energy information from all Federal (and other) sources, publicizes major Federal, state and local energy programs. Handle printing and distribution on a monthly basis	80
3. Evaluation & Anlysis: Includes pre-testing educational and media materials, and evaluating and analyzing FEA multi-media information programs. Also pre-testing public awareness plans and resource development education programs	370
4. School Film Loops: Original graphics will be developed as part of the school's curriculum on energy awareness and resource development. These single concept film loops cover such topics as oil, coal and other conventional energy sources, in addition to the development of alternate power sources for the future -- such as solar energy and photovoltaic cells	$200
TOTAL	$800

FEDERAL ENERGY ADMINISTRATION
OFFICE OF COMMUNICATIONS AND PUBLIC AFFAIRS

OBJECT CLASSIFICATION (in thousands of dollars)

Identification code	1975 actual	1976 estimate	TQ estimate	1977 estimate
Personnel compensation:				
11.1 Permanent positions	1,490	1,400	488	1,011
11.3 Positions other than permanent	138			
11.5 Other personnel compensation	108	102	43	86
11.8 Special personal services payments				
Total personnel compensation	1,736	1,502	531	1,097
Personnel benefits:				
12.1 Civilian	138	120	46	95
13.0 Benefits for former personnel				
21.0 Travel and transportation of persons	66	60	10	53
22.0 Transportation of things	1	10	2	44
23.0 Rent, communications, and utilities	48			89
24.0 Printing and reproduction	289	1,000	323	800
25.0 Other services	121	25	5	157
Contracts	73	510	12	800
26.0 Supplies and materials	60	50	16	71
31.0 Equipment	18	65	19	47
32.0 Lands and structures				
33.0 Investments and loans				
41.0 Grants, subsidies, and contributions				
42.0 Insurance claims and indemnities				
43.0 Interest and dividends				
44.0 Refunds				
99.0 Total obligations	2,550	3,342	964	3,253

FEDERAL ENERGY ADMINISTRATION

OFFICE OF COMMUNICATIONS AND PUBLIC AFFAIRS

DETAIL OF PERMANENT POSITIONS

	1975 actual	1976 estimate	1977 estimate
Executive Level I			
Executive Level II			
Executive Level III			
Executive Level IV			
Executive Level V	1	1	1
Subtotal	1	1	1
GS-18	...	...	...
GS-17	...	...	...
GS-16	...	1	1
GS-15	5	5	3
GS-14	5	4	3
GS-13	5	20	11
GS-12	13	7	6
GS-11	9	14	7
GS-10	...	...	...
GS- 9	17	19	10
GS- 8	4	4	2
GS- 7	27	15	9
GS- 6	3	11	6
GS- 5	22	9	5
GS- 4	9	8	4
GS- 3	10	2	1
GS- 2	6	...	...
GS- 1	...	...	...
Subtotal	135	119	68
Ungraded	3	2	1
Total permanent positions	139	122	70
Unfilled positions, June 30			
Total permanent employment, end of year	139	122	70

FEDERAL ENERGY ADMINISTRATION

Congressional Budget Submission
Fiscal Year 1977

OFFICE OF CONGRESSIONAL AFFAIRS

(dollars in thousands)

Programs	FY 1975			FY 1976			Tran. Qtr.	FY 1977		
	Pos.	Man-Years	Amount	Pos.	Man-Years	Amount	Amount	Pos.	Man-Years	Amount
A. Congressional Affairs	49	52	$736	53	53	$827	$397	48	50	$1,080

Justification

General Statement

The Office of Congressional Affairs provides policy guidance on Congressional activities for the Agency, is totally responsive to Congressional requests, develops all possible information on Congressional interest and activities in the field of energy, and provides the one source of reference for Congressional relations for the Federal Energy Administration.

As energy continues to be one of the principal National issues, the workload for this office is growing. Due to the long-term nature of the problem, it is clear that this workload will not abate in fiscal year 1977. Accordingly, the underlying assumption of this Budget Request is a continued Congressional interest at or above levels shown in fiscal year 1976. It also assumes that Congress will continue to have over 33 full committees and 65 subcommittees dealing with some form of energy legislation or investigatory oversight. Additionally, it is expected that nearly 2,000 energy-related bills will be introduced in Congress during the 1977 fiscal year.

The regional Congressional contacts are responsible for maintaining contact with the Congressional district offices and to aid the headquarters, FEA Congressional Affairs Office, in dealing with Congressional inquiries dealing with specific cases within the regions.

Program Justification

The present level of Congressional interest in the activities of the Federal Energy Administration and the energy field in general is extremely high. This will continue in 1977.

The Office of Congressional Affairs averages approximately 600 calls per week with an average of about 30 minutes to complete action thereon.

There are an average of about 25 Congressional hearings per week on energy or energy related matters which must be covered and reported on. The Office provides the FEA Senior Staff and the White House Legislative Division with a written summary of each energy related hearing by 8:30 A.M. the following morning.

The Office of Congressional Affairs also has the mandate to perform the effective interchange of information between the Members of Congress, and/or Congressional staff members in explaining the Administration's multifaceted energy programs and FEA programs, plans, regulations, and policies. The Office is responsible for liaison with 100 Senators and 435 Congressmen.

For fiscal year 1977 it is expected that Congress will be in session over 180 days. During this time FEA will present a witness or witnesses on over 140 occasions. Approximately 25,000 bills will be introduced in Congress during the fiscal year.

It is expected that over 8,000 written communications from the Congress will be received by the Federal Energy Administration in fiscal year 1977. All Congressional correspondence is routed and answers are coordinated in the Office of Congressional Affairs.

The number of 43 headquarters positions are required in order to maintain a sufficient level of service to the Congress by FEA. The extraordinarily high number of hearings that require coverage necessitate the maximum resources of the Office. As energy is expected to remain a major issue, there is no expectation of a decreased interest -- for that matter, the more the Congress gains the expertise on the subject, the greater the demands.

The Regional Congressional Contact Officers are responsible for liaison with the District Offices of Senators and Congressmen. In addition, as most allocation questions are dealt with on a regional basis, it is necessary to have a highly knowledgeable individual in each region respond to the oral and written inquiries from the Congress. Five positions allowed in the Regions are to be combined with ten regional positions for public affairs and 30 for intergovernmental/consumer affairs and distributed as necessary among regional offices.

FEDERAL ENERGY ADMINISTRATION
OFFICE OF CONGRESSIONAL AFFAIRS

OBJECT CLASSIFICATION (in thousands of dollars)

Identification code		1975 actual	1976	1/ TQ estimate	1977 estimate
	Personnel compensation:				
11.1	Permanent positions	579	696	334	883
11.3	Positions other than permanent	15		.	
11.5	Other personnel compensation	30	13	11	25
	Total personnel compensation	624	709	345	908
	Personnel benefits:				
12.1	Civilian	50	58	29	78
21.0	Travel and transportation of persons	10	15	3	39
22.0	Transportation of things	.	1	1	.
23.0	Rent, communications, and utilities	3	.	.	24
24.0	Printing and reproduction	5	9	3	10
25.0	Other services	4	13	1	15
26.0	Supplies and materials	23	.	.	3
31.0	Equipment	17	22	15	3
99.0	Total obligations	736	827	397	1,080

FEDERAL ENERGY ADMINISTRATION

OFFICE OF CONGRESSIONAL AFFAIRS

DETAIL OF PERMANENT POSITIONS

	1975 actual	1976 estimate	1977 estimate
Executive Level II	.	.	.
Executive Level III	.	.	.
Executive Level IV	.	.	.
Executive Level V	1	1	1
Subtotal	1	1	1
GS-18	.	.	.
GS-17	1	1	1
GS-16	4	4	4
GS-15	3	3	3
GS-14	4	4	3
GS-13	4	5	5
GS-12	4	4	4
GS-11	4	4	4
GS-10	.	.	.
GS- 9	4	4	4
GS- 8	7	7	7
GS- 7	4	5	3
GS- 6	2	2	2
GS- 5	2	4	3
GS- 4	4	4	3
GS- 3	1	1	1
GS- 2	.	.	.
GS- 1	.	.	.
Subtotal	48	52	47
Ungraded	.	.	.
Total permanent positions	49	53	48
Unfilled positions, June 30	2	.	.
Total permanent employment, end of year	44	53	48

FEDERAL ENERGY ADMINISTRATION

Revised Budget Request
for Fiscal Year 1977

Office of Private Grievances and Redress
(dollars in thousands)

Program	FY 1975			FY 1976			Tran. Qtr.	FY 1977		
	Pos.	Man-Years	Amount	Pos.	Man-Years	Amount	Amount	Pos.	Man-Years	Amount
Office of Exceptions & Appeals	55	45	832	68	60	1,208	450	60	60	1,700
Regional Exceptions Activities	30	30	...	25	27	375	247	10	20	206
TOTAL	85	75	832	93	87	1,583	697	70	80	1,926

Justification

General Statement

The Office of Private Grievances and Redress has been formed to combine under one administrative framework the independent regulatory functions administered by the Office of Exceptions and Appeals and the special redress relief and extraordinary assistance function specified in Section 21 of the Federal Energy Administration Act of 1974.

The Director of the Office of Private Grievances and Redress reports to the Administrator and has general administrative responsibility over the operations of the Office. The Director of the Office of Private Grievances and Redress is also directly responsible for issuing orders in connection with the functions performed by the Office of Special Redress Relief.

Office of Exceptions and Appeals

The Office of Exceptions and Appeals is responsible for receiving, evaluating, and deciding all applications for exceptions, exemptions, and appeals filed with the FEA from any regulatory or other mandatory requirement or program administered by the FEA. The Office is headed by a Director who is authorized by the Administrator to sign all Decisions and Orders approving or denying applications received by the Office following the submission of the matter to an inter-office review committee.

Appeals

All appeals from any order issued to any business or other entity by a National FEA official are analyzed and decided by the Office of Exceptions and Appeals. The Office is also responsible for deciding appeals from all Interpretations issued by the FEA General Counsel or a Regional Counsel, and appeals filed under the Freedom of Information Act and the Privact Act of 1974 (Pub. L. 93-579, 5 U.S.C. 552(a)). The Decision and Order issued on an appeal by the Office of Exceptions and Appeals is the FEA's final administrative determination in the matter. Any further review can only be sought from a Federal court.

As is the case with a judicial decision, each Decision and Order issued by the Office of Exceptions and Appeals discusses in detail the application of the FEA regulations to given factual situations and provides essential guidance to FEA officials throughout the country as well as to any firm affected by FEA requirements. A Decision issued by the Office of Exceptions and Appeals also constitutes a binding precedent.

Exceptions

The exceptions process has been established to afford appropriate relief to firms that may be experiencing a serious hardship as a result of the application of the general FEA requirements. In administering this process, the Office of Exceptions and Appeals analyzes claims that the continued existence of a particular firm has been placed in serious jeopardy by the general programs authorized by the Congress and administered by the FEA and that exception relief is essential to mitigate the burden.

Exception relief may also be granted on a showing of gross inequity. Exception applications submitted on the basis of this criterion allege that unless exception relief is granted, a firm's productive capacity or operations will be subject to severe distortions; that various classes of consumers will experience severe adverse economic consequences or that significant segments of the country's productive capacity will be obstructed in a manner wholly unintended by the applicable statutes and regulations.

The type of entity that seeks exception relief ranges from small minority owned business enterprises to independent marketers and refiners to major integrated oil companies with assets of several billion dollars. Other entities that seek exception relief include public utilities, transportation systems, and county, state and local governments.

Oil Import Matters

The Office of Exceptions and Appeals is responsible for receiving, analyzing and deciding exceptions and appeals with respect to the Mandatory Oil Import Program which was established under Presidential Proclamation 3279, as amended by Presidential Proclamation 4210.

Office of Special Redress Relief

The Office of Special Redress Relief is responsible for receiving and resolving grievances in connection with matters within the jurisdiction of the FEA for which a specific regulatory process does not exist. The Office therefore, performs a general ombudsman function within FEA, handling those matters for which an appropriate regulatory process does not exist and those matters in which the regulatory process has failed to operate as envisioned by the Federal Energy Administration Act of 1974.

Relationship with Regional Offices

The Office of Exceptions and Appeals has delegated to each Regional Office the authority to decide certain types of exceptions and appeals. However, any exception application or appeal which presents issues of national importance or involves issues of major economic consequences is forwarded to the National Office of Exceptions and Appeals for analysis and decision. In addition to receiving certain significant appeals from initial decisions made by Regional Office officials, the Director of the Office of Exceptions and Appeals also exercises general supervisory authority over the exceptions and appeals functions performed by the FEA Regional Office,establishes the criteria applied by the Regional Offices in deciding exceptions and appeals and generally guides and assists the regions in the exercise of their exceptions and appeals responsibilities.

Public Docket Room

In accordance with Section 205.15 of FEA regulations, a public docket room has been established in the Office of Private Grievances and Redress. This room contains copies of all Decisions and Orders of the Office of Exceptions and Appeals and those issued under the Oil Import Appeals Program. The public docket room also maintains copies of all filings made with any component of the Office of Private Grievances and Redress subsequent to March 1, 1975.

Program Justification

In considering the budget request of the Office of Private Grievances and Redress, it is essential to keep in mind the statutory obligations which the Office is required to fulfill. In enacting the Energy Policy and Conservation Act, the Congress imposed a broad and far reaching regulatory program which affects almost every producer, refiner, marketer and user of petroleum products. In doing so the Congress recognized however that any such program will adversely affect a number of firms and other organizations to an inordinate degree and that prompt effective relief must be provided if the entire system is to remain viable. The Congress therefore expressly provided in Section 523(a)(4) of the Energy Policy and Conservation Act and in Section 7(i)(1)(D) of the Federal Energy Administration Act that the FEA shall receive, consider and decide applications for exceptions and appeals from the general regulatory requirements. Since applications for exception allege that a firm is or will incur an immediate serious hardship or gross inequity, due process requirements necessitate that these applications be decided in a prompt and effective manner. Appeals from any adverse action taken by an FEA official, which are also within the function responsibilities of the Office of Private Grievances, must also be decided effectively and promptly if the FEA regulatory system is to be implemented in a fair and lawful manner.

The FY 1977 budget submission anticipates that changes in price regulations will be less frequent thereby producing fewer price exception cases and that there will be a very significant reduction in the number of allocation cases which are filed with the Office of Exceptions and Appeals.

FEDERAL ENERGY ADMINISTRATION

OFFICE OF PRIVATE GRIEVANCES & REDRESS

OBJECT CLASSIFICATION (in thousands of dollars)

Identification code		19 75 actual	19 76	19 TQ estimate	19 77 estimate
	Personnel compensation:				
11.1	Permanent positions	849	1,173	552	1,304
11.3	Positions other than permanent	.	70	.	.
11.5	Other personnel compensation	90	35	73	198
11.8	Special personal services payments				
	Total personnel compensation	939	1,278	625	1,502
	Personnel benefits:				
12.1	Civilian	79	102	52	160
13.0	Benefits for former personnel	.			
21.0	Travel and transportation of persons	29	40	6	50
22.0	Transportation of things	.	.	1	.
23.0	Rent, communications, and utilities	47	58	6	68
24.0	Printing and reproduction	.	7	.	.
25.0	Other services	44	48	1	64
26.0	Supplies and materials	17	22	2	47
31.0	Equipment	20	28	4	35
32.0	Lands and structures				
33.0	Investments and loans				
41.0	Grants, subsidies, and contributions				
42.0	Insurance claims and indemnities				
43.0	Interest and dividends				
44.0	Refunds				
99.0	Total obligations	1,175	1,583	697	1,926

FEDERAL ENERGY ADMINISTRATION

OFFICE OF PRIVATE GRIEVANCES & REDRESS

DETAIL OF PERMANENT POSITIONS

	19 75 actual	19 76 estimate	19 77 estimate
Executive Level I	.	.	.
Executive Level II	.	.	.
Executive Level III	.	.	.
Executive Level IV	.	.	.
Executive Level V	.	.	.
Subtotal	.	.	.
GS-18	.	.	.
GS-17	.	1	1
GS-16	1	2	2
GS-15	5	6	4
GS-14	6	8	5
GS-13	7	12	10
GS-12	9	12	10
GS-11	12	14	12
GS-10	.	.	.
GS- 9	6	11	8
GS- 8	1	2	.
GS- 7	4	8	6
GS- 6	3	5	4
GS- 5	1	9	7
GS- 4	.	3	1
GS- 3	.	.	.
GS- 2	.	.	.
GS- 1	.	.	.
Subtotal	55	93	70
Ungraded	.	.	.
Total permanent positions	55	93	70
Unfilled positions, June 30	.	.	.
Total permanent employment, end of year	55	93	70

FEDERAL ENERGY ADMINISTRATION

Congressional Budget Submission
Fiscal Year 1977

OFFICE OF INTERGOVERNMENTAL, REGIONAL & SPECIAL PROGRAMS

(dollars in thousands)

Programs	FY 1975			FY 1976			Trans. Qtr.	FY 1977		
	Pos.	Man-Years	Amount	Pos.	Man-Years	Amount	Amount	Pos.	Man-Years	Amount
A. Executive Direction	6	6	161	6	6	135	40	6	6	178
B. Field Operations										
Headquarters	17	17	10,385	14	15	5,811	170	14	14	915
Regions	38	38	1,165	25	35	555	164	20	22	594
C. Consumer Affairs/ Special Impact										
Headquarters	12	12	281	12	12	267	80	12	12	655
Regions	10	10	282	10	10	221	64	10	10	297
D. Small Business	...	...	...	4	1	88	26	4	4	120
Total, Headquarters ..	35	35	$10,827	36	34	$6,301	$316	36	36	$1,868
Total, Regions	48	48	$ 1,447	35	45	$ 776	228	30	32	$ 891
Total, IRSP	83	83	$12,274	71	79	$7,077	$544	66	68	$2,759

Justification

General Statement

The Office of Intergovernmental, Regional and Special Programs (IRSP) directs FEA's relations with State and local governments, oversees the direction of FEA's regional offices, handles all matters relating to consumer affairs and special impact groups, such as the poor, the elderly and the handicapped, and assists small businesses impacted by the energy shortage. This includes the development and implementation of effective arrangements for the participation of State and local governments in the development and implementation of national energy policy in accordance with Section 20 of the FEA Act, the evaluation of the impact of energy policies on consumers and low income families and the performance of industry analyses to determine the effects of energy problems and policies on small business. The FY 1977 request for 66 positions and $2,759,000 is required to accomplish these missions.

Program Justification

Current Program

The Intergovernmental Coordinating Committee of the Energy Resources Council (ERC) was created in December, 1975, and the Director of IRSP was appointed as Chairman. This Committee, a staff working group of the ERC, is charged with the responsibility to involve State and local governments in the development and implementation of national energy policy decisions; to provide a clearinghouse for information on agency policies and programs related to Federal and State energy policy; and to assure uniform communication and coordination of ERC policies and programs. A series of task forces composed of representatives of Federal agencies was developed to involve the States early in the decision making process for major issues such as coal development, energy conservation programs, and commercialization of synthetic fuels. Each of these task forces work closely with corresponding task forces composed of state officials and coordinated meetings and interactions between the governors and the ERC.

During FY 1976 this office is working with the Regional Offices and the FEA program offices to implement the State Reimbursement Program. This program provides a strong incentive for the States to develop and implement a wide range of energy programs in the areas of energy management, energy conservation, resource development and allocation.

This office also works very closely with the Office of Conservation and Environment on developing the State Energy Conservation program under the EPCA, helping to develop program guidelines and to get valuable State input to implement that program.

FEA has been made a formal member of the Federal Regional Council and has been given the lead role on energy projects. This office has the responsibility to coordinate and direct FEA activities in the FRC system at both the national and regional levels.

At the national level, the office maintains a continuing close working relationship with the National Governors' Conference and other associations of State and local officials to provide FEA with expert representation from State and local governments. To enable these groups to develop their own expertise, this office develops, coordinates and monitors contract energy projects with four of the major associations.

This office assists the Administrator in establishing, coordinating and communicating the agency's policies on Regional activities. The office maintains a headquarters/field communications system, solicits and coordinates regional comments on FEA policy issues and serves as a clearance office for Regional activities.

66-307 O - 76 - pt. 5 -- 48

The Office of Small Business was established in October, 1975, with two principal missions: (1) to insure that the interests of small and minority businesses are considered in the formulation and implementation of Federal energy policies and programs and (2) to ease the impact of energy related problems by facilitating the delivery of assistance and information to small and minority business. The most important effort in FY 1976 has been the initial development of the Small Business Energy Cost Reduction Program (see description in FY 77 plans).

The Office of Consumer Affairs/Special Impact was established to assume that the interests of consumers and special impact groups such as the poor, elderly and handicapped are considered and reflected in Federal energy policies and programs and to transmit information about those policies and programs to the target population. To accomplish those goals, the following activities are being undertaken during FY 1976, in addition to the normal office activities which are outlined in the mission statement: drafting of the Consumer Representation Plan and Guidelines for the implementation of that Plan, ensuring that consumer/special impact interests are considered by all FEA offices; holding monthly meetings of the Consumer Affairs/Special Impact Advisory Committee to advise the Administrator of consumer concerns; holding a series of Consumer Energy Workshops in cities throughout the country to increase consumer energy awareness; development of the first stages of the Comprehensive Human Resources Data System (CHRDS) to assist in the analysis of energy consumption patterns as they relate to socio-economic level; development of a clearinghouse for information concerning consumer utility activity; and development, through the Regional Consumer Affairs/Special Impact staff, of a national directory to assist in the solving of consumer energy complaints and emergencies.

FY 1977 Objectives

The need for additional and intensified coordinating activities with the States and other Federal agencies occasioned by enactment of the EPCA will continue through FY 1977.

The Intergovernmental Coordinating Committee functions will continue and expand during FY 1977. The Committee plans to examine and explore the intergovernmental implications of ERC decisions; prepares briefings and background papers for the ERC on emerging problems of the State and local governments in the energy area; coordinate ERC policy with the national associations of State and local governments and prepare staffing papers as necessary for ERC meetings.

The efforts with the Federal Regional Councils, the Governors' Conference and the other national associations of State and local officials will continue in FY 1977. We will also continue to work

directly with the State and local governments through our representatives in the regional offices. One of the major projects will be to work with the Office of Conservation and Environment to implement the State Conservation Program.

In FY 1977 the Office of Small Business plans to provide information and assistance to small and minority businesses through a variety of channels, the most important of which will be the Small Business Energy Cost Reduction Program. This program is being designed to provide practical "dollars and cents" measures to conserve energy and reduce energy costs. During FY 1977, seven sectors of small business will be studied and non-technical Energy Cost Reduction Guides produced for small businessmen. These guides will be disseminated through the FEA Regional Offices, State Energy Offices, trade associations, the Small Business Administration and the Office of Minority Business Enterprise. The Office will also work closely with members of the small business community to assure that its interests are properly represented in the FEA policy process.

During FY 1977, the Office of Consumer Affairs and Special Impact will continue and expand those activities implemented in FY 1976. In addition, State and local consumer workshops will be held by regional Consumer Affairs/Special Impact staff on conjunction with local private and non-profit groups; a computerized consumer complaint/correspondence handling system will be developed to facilitate the use of information from citizens in the FEA policy and decision-making process; a Regional Utility Rate Structure Monitoring System will be designed; a Special Impact Analysis will be performed to assess the impact of resource development on Indian reservations; and regional surveys will be made to obtain primary energy consumption data to supplement data deficiencies present in CHRDS.

FEDERAL ENERGY ADMINISTRATION

Congressional Budget Submission
Fiscal Year 1977

OFFICE OF INTERGOVERNMENTAL, REGIONAL AND SPECIAL PROGRAMS

Analysis of FY 1977 Contracts

	($000) Cost
Contracts with the National Governors' Conference, the National Conference of State Legislatures, the National Association of Counties and the National League of Cities to collect information on energy programs, conducting analytical studies of energy activities, disseminating information on proposed Federal energy programs to the Governors, State legislators, etc., and to solicit their views	500
Consumer Impact Analysis: Design Regional Utility Rate Structure Monitoring System; conduct cross-sectional Regional Income Distribution Studies of CA/SI Target Population; conduct Regional Surveys to Obtain Primary Energy Consumption Data to Supplement CHRDS Data Deficiencies; Special Impact Analysis: Assess impact of Resource Development Programs on Reservations; Consumer Conservation Programs: Develop pilot project to analyze energy consumption patterns of various lifestyle scenarios based on socio-economic matricies in order to determine impact of various conservation alternatives on different groups	300
Total	$ 800

FEDERAL ENERGY ADMINISTRATION

INTERGOVERNMENTAL, REGIONAL & SPECIAL PROGRAMS
OBJECT CLASSIFICATION (in thousands of dollars)

		19 75 actual	19 76 estimate	19 TQ estimate	19 77 estimate
	Personnel compensation:				
11.1	Permanent positions	1,670	1,300	375	1,496
11.5	Other personnel compensation	107	29	24	87
	Total personnel compensation	1,777	1,329	399	1,583
	Personnel benefits:				
12.1	Civilian	146	111	33	141
21.0	Travel and transportation of persons	257	78	19	100
22.0	Transportation of things	...	...	...	5
23.0	Rent, communications, and utilities	14	19	6	50
24.0	Printing and reproduction	8	8	2	20
25.0	Other services	37	20	6	40
	Contracts	9,999	5,500	76	800
26.0	Supplies and materials	10	5	1	10
31.0	Equipment	26	7	2	10
99.0	Total obligations	12,274	7,077	544	2,759

FEDERAL ENERGY ADMINISTRATION

OFFICE OF INTERGOVERNMENTAL, REGIONAL, AND SPECIAL PROGRAMS

DETAIL OF PERMANENT POSITIONS

	1975 actual	1976 estimate	1977 estimate
Executive Level I	.	.	.
Executive Level II	.	.	.
Executive Level III	.	.	.
Executive Level IV	.	.	.
Executive Level V	1	1	1
Subtotal	1	1	1
GS-18			
GS-17	1	1	1
GS-16	2	2	2
GS-15	3	4	4
GS-14	6	6	6
GS-13	22	21	21
GS-12	10	10	10
GS-11	8	6	6
GS-10	.	.	.
GS- 9	10	8	8
GS- 8	.	.	.
GS- 7	6	7	5
GS- 6	2	3	2
GS- 5	7	2	.
GS- 4	4	.	.
GS- 3	1	.	.
GS- 2	.	.	.
GS- 1	.	.	.
Subtotal	82	70	65
Ungraded	.	.	.
Total permanent positions	83	71	66
Unfilled positions, June 30	.	.	.
Total permanent employment, end of year	83	71	66

FEDERAL ENERGY ADMINISTRATION

Congressional Budget Submission
Fiscal Year 1977

OFFICE OF NUCLEAR AFFAIRS
(dollars in thousands)

Program	FY 1975			FY 1976			Tran. Qtr.	FY 1977		
	Pos	MY	Amt	Pos	MY	Amt	Amt	Pos	MY	Amt
Office of Nuclear Affairs..	..	..	..	21	...	...	$126	21	21	$582

Justification

General Statement

In accordance with the FEA legislated mandate "to promote the expansion of readily usable energy sources, and to assist in developing policies and plans to meet the energy needs of the nation," Section 2(a) of Public Law 93-275, the office has been charged with the responsibility of advising the Administrator of the Federal Energy Administration on nuclear power problems, policies, decisions and actions necessary to facilitate needed expansion of nuclear energy facilities on a time scale consistent with energy independence goals. To this end there will be a continuation of efforts begun in Fiscal Year 1976 with further in-depth studies into problems facing the nuclear industry and recommendations made for developing initiatives for remedy. Additionally, new programs will be begun in data collection; industry capability to support projected nuclear build rates; cost studies related to capital financing, electrification and uranium yellow cake; and international impacts of domestic nuclear policy decisions.

Program Justification

Program areas of the Office of Nuclear Affairs (ONA) will coincide with the organizational units of the office as follows:

A. Resource Development and Utilization. The Fiscal Year 1976 studies of the capability of various segments of the nuclear industry to support projected capacity requirements will be continued, with the focus shifting towards development of policies and actions needed to prevent shortfalls in capabilities projected in earlier studies.

B. Regulatory Analysis. In Fiscal Year 1976, a survey will be made to determine general requirements in the states for licensing nuclear facilities and more detailed studies of State requirements for licensing of nuclear facilities will be begun. During Fiscal Year 1977, analyses of these studies will be extended to form a basis for model cooperative agreements and protocols for combined State-Federal action to insure orderly, efficient licensing of nuclear facilities, with meaningful public participation. These studies will also form the basis for model legislation to improve nuclear licensing.

C. Policy Evaluation. This unit will continue to develop coordinated multi-agency plans, policies and actions based on the results of studies done in 1976 to assure proper timing and quantities of needed nuclear power as defined by refined Project Independence Evaluation System analyses. It will assess the impact of international nuclear policies on domestic policy and help coordinate the two. It will monitor progress toward nuclear energy goals established by the Administration, identifying new problems and proposing corrective actions or policy modifications or new policies as required. It will formulate policy recommendations and action plans from the results of studies made and evaluated by the other two ONA units.

OBJECT CLASSIFICATION (in thousands of dollars)

Identification code	19 75 actual	19 76 estimate	19 TQ estimate	19 77 estimate
Personnel compensation:				
11.1 Permanent positions	.	.	111	516
11.3 Positions other than permanent	.	.	3	14
11.5 Other personnel compensation	.	.	.	2
11.8 Special personal services payments				
Total personnel compensation	.	.	114	532
Personnel benefits:				
12.1 Civilian	.	.	12	50
99.0 Total obligations	.	.	126	582

DETAIL OF PERMANENT POSITIONS

	19 75 actual	19 76 estimate	19 77 estimate
Executive Level I	.	.	.
Executive Level II	.	.	.
Executive Level III	.	.	.
Executive Level IV	.	.	.
Executive Level V	.	1	1
Subtotal	.	1	1
GS-18	.	1	1
GS-17	.	2	2
GS-16	.	.	.
GS-15	.	8	8
GS-14	.	1	1
GS-13	.	.	.
GS-12	.	.	.
GS-11	.	3	3
GS-10	.	1	1
GS- 9	.	.	.
GS- 8	.	3	3
GS- 7	.	.	.
GS- 6	.	.	.
GS- 5	.	1	1
GS- 4	.	.	.
GS- 3	.	.	.
GS- 2	.	.	.
GS- 1	.	.	.
Subtotal	.	20	20
Ungraded			
Total permanent positions	.	21	21
Unfilled positions, June 30	.	.	.
Total permanent employment, end of year	.	21	21

FEDERAL ENERGY ADMINISTRATION

Congressional Budget Submission
Fiscal Year 1977

POLICY AND ANALYSIS

(dollars in thousands)

Programs	FY 1975			FY 1976			Trans. Qtr	FY 1977		
	Pos.	MYS	Amount	Pos.	MYS	Amount	Amount	Pos.	MYS	Amount
A. Energy Forecasting & Statistical Analysis	148	135	5,094	162	149	6,321	1,750	162	162	7,367
B. Economic Impact Analysis	40	36	1,708	63	50	2,492	770	63	63	3,327
C. Energy Policy Development	48	45	1,057	48	46	1,305	400	48	48	1,600
D. Data Services Support	146	133	12,464	183	143	16,704	4,890	181	184	21,218
E. Executive Direction	19	17	1,446	13	14	478	190	13	13	860
TOTAL	401	366	21,769	469	402	27,300	8,000	467	470	34,372

Justification

General Statement

This office is responsible for the analysis of energy related legislation and programs which will culminate in a national plan to meet the energy needs of the Nation. To achieve this objective, the office's primary activity is the review, evaluation and coordination of energy policies and programs. Through the quantitative analysis of various policy alternatives and the assessment of the economic and social impacts of those alternatives, it provides statistical and analytical studies on which to base the formulation and evaluation of energy policy. This office therefore is responsible for developing a family of econometric models to perform impact analysis, analyzing long-term energy supply and demand and producing short-term and long-range energy forecasts. To support these efforts, this activity also includes all data collection, processing and ADP systems design for all of FEA. The office also serves as the national energy data clearinghouse for State and Federal Government agencies, for Congress and the general public.

FY 1977 Request

The total request for Policy and Analysis is 467 positions and $34,372,000 which includes $22,300,000 in contracting authority. This is 2 positions below the requested FY 76 level but $7,072,000 above the total funds

for FY 76 including an increase of $4,900,000 in contracting authority. The increase is directly attributable to the implementation of the Energy Policy and Conservation Act (EPCA) which was begun in the last quarter of FY 76 and whose full cost, on an annual basis, appears in FY 77.

Justification

The level of resources requested in this submission is consonant with the FY 76 supplemental request and provides for the continuation of the activities of the Federal Energy Administration Act as well as the implementation of the requirements of the EPCA, particularly with the oil pricing, regulatory and conservation stipulations of the Act, and to a lesser degree with the supply availability and emergency measures of the Act.

A detailed justification for each of the major activities in Policy and Analysis follows:

A. Forecasting and Statistical Analysis.....page H-3
B. Economic Impact Analysis.....page H-9
C. Energy Policy Development.....page H-14
D. Data Services Support.....page H-16
E. Executive Direction and Support.....page H-22

Analysis of FY 1977 Contracts.....page H-23

A. ENERGY FORECASTING AND STATISTICAL ANALYSIS

The Office of Data and Analysis is responsible for all statistical and forecasting analysis functions in support of energy policy and program development. The Office formulates and directs statistical programs designed to assemble and validate energy data collected by other Federal and private agencies; identifies necessary data not provided by these sources, participates in the development and implementation of new data collection systems, develops data bases and analyzes energy data, evaluates policy and program requirements for energy data, and prepares and disseminates statistical reports. It develops, applies and maintains advanced econometric and process models of the energy system required for analysis of policy issues; prepares short and long range forecasts of energy supply/demand distribution and the relationships between energy and economic factors; coordinates long range energy forecasts of the Federal government; and assesses international and regional factors affecting energy supply and demand.

FY 1977 Request

The FY 1977 request is for 162 positions and $3,167,000 in contracting authority which is the same level of positions but an increase of $304,000 in contract authority compared to FY 1976. The additional funds in contracts are principally needed for the annualized implementation of the state conservation programs required by the EPCA and begun in late FY 76.

Justification

The major activities of this office are:

1. Short-Term Forecasting

Provide short-term forecasts of supply and demand for petroleum, coal, natural gas, and electricity and applies these forecasts to the analysis of energy policy options.

- Development of a petroleum model operated on a regional basis and extended forecasts to include substitution between fuels.
- Development of a natural gas forecasting system to evaluate alternatives on a regional basis in order to respond to policy options.
- Development of price modeling and forecasting capabilities for crude petroleum and petroleum products.
- Initial development of a basic electric utility and coal forecasting model.
- Publishing of quarterly demand forecasts by region for the various fuels.
- Conducting numerous analyses of energy policy options under consideration by the Administration and by Congress such as short-run impacts of decontrol of oil and gas, potential import quotas, seasonal fuel shortages and support of emergency embargo contingency planning.

2. Long-Range Forecasting

Provide long-range forecasts of supply, demand and prices for crude oil, refined petroleum products, natural gas, coal, and electricity, and applies these forecasts to the analysis of energy policy alternatives.

- Refinement and updating of the revised Project Independence long-term energy forecast through 1990 and preparation of the National Energy Outlook for submission to the Congress.
- Development of a sector-specific, region-specific model of the fuel and power demands for energy which can be used to forecast energy demands through 1990 as a function of prices and other economic variables.
- Development of a structural model of the demand for fuels in the transportation sector. This model allows analysis of many energy conservation options applied to the transportation sector.
- Initiated the development of a model of energy demand in the household sector with sufficient structure to allow analyses of the demand impacts of conservation options in this sector.
- Revision and updating of the oil and gas supply model to include the effects of removal of the oil depletion allowance and the new USGS reserve estimates.

- Participated in cost-effectiveness and feasibility analysis of special policies which affect long-term supply and demand, including

  - Strategic Storage Program for Petroleum
  - Synthetic Fuels Commercialization

- Initiated the development of a detailed coal model which is sensitive to policies affecting supply, demand and price.

3. International Modeling and Forecasting

Provide forecasting capability for international supply, demand, and pricing for energy by region, product and sector, to permit detailed analysis of the international impacts of energy policy decisions. This activity also interfaces with and supports international energy forecasts in support of United States participation with the International Energy Agency (IEA).

- Completion of and documentation of a price-sensitive, region-specific, sector-specific international energy demand model and integration of this system into the annual FEA energy report.

- Development of an international energy model to integrate supply and demand estimates and forecast international energy trends in the 1980-1990 time frame.

- Preparation of international supply and demand forecasts to predict the demand for OPEC crude oil as a function of its price.

- Operation of the international energy model to support analysis of IEA operations and policy studies.

- Development of preliminary versions of dynamic market models to predict the supply of OPEC oil and the world oil prices over time under several basic assumptions of cartel behavior.

- Examination of the impact of domestic policy options on international crude prices and import costs. Domestic policy options include:

  -Strategic storage facility development
  -Import quotas
  -Natural gas demand curtailments

4. Statistical Analysis

Assemble , validate and interpret energy statistical data for application in analyses of energy policy alternatives and prepare major recurring reports and special studies for periodic distribution and special submission as mandated by law.

- Monthly Petroleum Reporting providing current statistics of refined petroleum products.
- The Monthly Petroleum Market Shares Report showing monthly sales by various classes of sellers in comparison to historical data.
- Monthly Energy Review which provides statistical context developments and trends of all energy forms.
- Monthly Petroleum Statistics Report showing month by month movements in prices, supplies and demand.
- The Congressionally mandated Quarterly Report on Energy Information.
- Merged current FEA and Bureau of Mines petroleum supply information systems into an integrated comprehensive system that would improve data quality, reduce reporting lag as well as lessen the reporting burden.
- Developed a data reporting system to provide United States energy data to the International Energy Agency.
- Analyze oil and gas reserves for size and availability.
- Provided cost and price movements of petroleum products at all levels of the distribution system on a regional basis.
- Monitor development in power plant construction.
- Semi-annual survey of changes in the solar collector manufacturing industry.

In FY 1977 the functions of Data and Analysis will be organized under four Offices. Policy and program issues which can be segregated by type of energy source are assigned to the Office of Oil and Gas Analysis or the Office of Coal, Nuclear, and Electric Power Analysis. Issues which require an integrated assessment of the energy system are divided functionally between the Office of Energy Systems Data and the Office of Energy Systems Modeling and Forecasting.

1. Energy Systems Data

In fy 77 this office anticipates a number of major on-going projects whose scope and content are expected to expand. Among the projects in this category are energy data base development and publications.

Specific areas of data/information systems for which FY 77 funding will be required are to: develop those data bases to support analysis of international energy issues; support of the International Energy Agency; provide data for planning and evaluating state conservation efforts; specify and use detail in developing consumption data base; maintain the National Energy Accounts and incorporate new consumption sectors; and, finally, identify new data bases related to facility siting, storage, and general energy resource development.

The preparation of new data requirements is conducted simultaneously with the maintenance and improvement of the major data bases supporting the large analytical framework of the Project Independence Evaluation System (PIES) and an annual update of the National Energy Outlook.

Periodic reporting of statistical information as required by legislation will continue such as the Quarterly Report to Congress, the Monthly Energy Review, and the Weekly Energy Highlights. Finally, energy data maintenance through validation and rigorous statistical quality control are necessary on-going activities of this office.

2. Office of Coal, Nuclear and Electric Power Analysis

In FY 1977, this office will refine and extend statistical forecasting and analysis for these energy sources. Coal efforts will include periodic forecasts of national coal production and consumption, electric utility coal consumption trends, economic analysis and current monitoring statisitics, coal demand forecasts by state for four end uses, analysis of affects on coal production and prices of alternative demand assumptions and the analysis of flexibility of short-term coal production. Nuclear goals include forecasts of power plants on line by 1985 (by year), annual and lifetime fuel cycle requirements for alternative nuclear power growth scenarios, forecasts of powerplant fuel and capital costs, plant reliability, analysis of fossil fuel replacement value of existing solar heating systems (by system, by region), current statistical monitoring, examination of life cycle costs of home heating conservation alternatives and improved forecasts of cycle costs. Electric Power efforts include; forecasts of electric power supply, demand and financial variables; data and statistical support for an economic analysis of electric power to provide input to PIES and the National Energy Outlook ; and special studies of issues related to peak-load growth, fuel adjustment clauses, power plant capital costs, fuel conversion to achieve mid-term goals, and general periodic reports mandated by law.

3. The Office of Energy Systems Modeling and Forecasting

The Office of Energy Systems Modeling and Forecasting is responsible

for analytical studies, model development, application and forecast preparation for issues covering all energy systems. In FY 77 this includes managing the revision of the National Energy Outlook, all model validation, documentation and quality control, and maintaining the integrating analytical framework for studies required by the FEA program issues process. This last activity will include evaluation of pipeline proposals, disposition of Alaskan oil supply, regional facility siting, evaluation of strategic storage options, analysis of regional coal development possibilities, and analysis of the economics of nuclear power.

These domestic studies will be complemented by a range of international evaluations for OPEC dynamics, world price behavior, economic incentives, international sharing agreements and world supply security. Domestic studies will be enhanced further by state level forecasts in support of state energy conservation programs.

4. The Office of Oil and Gas Analysis

The Office of Oil and Gas is responsible for statistical forecasting and analytical functions for oil and gas issues. In FY 1977, the office plans include price reporting, strategic storage data and analytical support, estimates and reports of oil and gas reserves, maintaining the FEA/BOM petroleum data system, and continuing periodic reports such as the Monthly Petroleum Statistics and contributions to the Monthly Energy Review.

Major FY 77 initiatives include expansion and consolidation of the pricing systems, implementation of the Financial Reporting System, improvements to the natural gas curtailment survey, and the development of leading indicators for oil and gas production, such as drilling developments and capital expenditures.

Modeling and forecasting capabilities for short-term petroleum supply and demand as well as for long-term oil and gas supply will be applied to the issues of crude oil pricing, natural gas regulations, and product decontrol options. Finally, as the primary energy sources currently in use, the oil and gas statistics and analysis of this office are essential to the improvement and revision of the National Energy Outlook.

B. ECONOMIC IMPACT ANALYSIS

This activity provides assessments of the state of the economy and analyses of the impact on the economy of changes in energy supply and demand, and energy-related policy proposals to achieve energy independence. The activity provides the major portion of economic analyses for FEA in support of policy formulation and the economic assessment of energy actions. Studies include those mandated by Congress and Executive Order (the Federal Energy Administration Act of 1974 and E.O. 11821) such as macroeconomic and socioeconomic studies, inflation impact statements, analysis of constraints on energy resource development, regional impacts of energy policies, impact of regulations and prices on market structure, energy producing and energy conversion industries.

FY 77 Request

In FY 77 this activity will require 63 positions and $1,647,000 in contract support. This request provides for the same number of positions as in FY 76 and an increase of $402,000 in contract funds over last year's level.

Justification

The FY 77 request will support three major areas of economic analysis: analysis of competition, market structures, and regulation; analysis required by the FEA Act of 1974, the EPCA of 1975, and Executive Order; and analysis performed to support other programs. The major portion of the increase will be devoted to inflation impact evaluations required by legislation and Executive Order 11821 and is explained in detail below.

1. Analysis of Competition, Market Structure, and Regulations

Major activities are:

- Conduct market structure and price impact studies of basic energy producing industries (petroleum, natural gas, coal, nuclear) and the major energy conversion industry (electric utilities).

- Complete operational data bases on Market Shares. Develop indices of market concentration, horizontal concentration and vertical integration.

- Develop statistical models relating time series and cross section data measures of competition. Analyze the impact of competition (industry structure and performance) on the development, production, and distribution of energy resources.

- Analyzed the impact of government policies on competition. Developed the capability to analyze the impact of energy policy on investment behavior, capital formation and finance behavior within energy producing industries.

In FY 77 further development of these capabilities and continued analysis will require 21 positions and $400,000 in contract funds. This is an increase of $25,000 in contract funds over FY 76. Specific products in FY 77 will include models linking macroeconomic forecasting models to the financial behavior, investment behavior, and capital formation of energy producing industries. Models will also be developed to link the pricing and production behavior of energy producing industries back to macroeconomic forecasting models. These models will thus permit the Government to use the major FY 76 analysis of competitive behavior within the energy industry to analyze the impact of changing energy policies on the economy as a whole.

In FY 77, the Energy Policy and Conservation Act requires the following activities:

- Continued reporting requirement of aggregate changes in market shares through the end of FY 77 to continue through FY 1980.

- Continued analysis of the impact of programs implemented by the Administrator on competition in petroleum and energy industries.

- Continued application of the competition base line and monitoring changes in competitive structure of energy industries.

- Continued analysis of the effect on the economy of the regulatory structure within energy producing industries to assess changes in regulations.

2. Analysis Required by Legislation and Executive Order

Major activities are:

- Perform inflation impact evaluations of proposed energy legislation and rules changes and promulgations in support of Executive Order 11821 for all energy policies and programs presented in FY 76.

- Develop the report to Congress on the effect of energy policy on employment and the economy as required under Section 18(d) of the FEA Act of 1974.

- Increase the capability to analyze the effect of energy-related events and energy policy on the economy consistent with the FEA Act of 1974.

- Increase the capability to analyze the regional impacts of energy policy by developing a state of the art regional economic impact model and by acquiring more energy policy sensitive data on specific regions.

- Develop the capability to provide information and analyses of the impact of energy developments on low and middle income families.

- Integrate the industry and regional analyses into a macro-econometric forecasting framework to better estimate the impact of energy policies on the consumer, industries, and the economy.

In FY 77 an increase is requested of $348,000 in contract funds over the FY 76 level of $648,000 in contract authority. Requirements under Executive Order 11821 and Section 18(a) of the FEA Act of 1974 will consume a major portion of the increase over FY 76 in order to support inflation impact evaluations and more detailed economic impact analyses in support of national energy policies proposed by the President and Congress. Macroeconomic models will be expanded to include energy as an essential factor in determining industry pricing and output behavior on a national and regional basis and to provide the impact of this behavior, as energy developments occur, on the economy on a regional, state and socioeconomic basis.

Economic analysis to support programs identified in the EPCA requires the following explicit economic impact analysis:

- Analysis of price regulations including the continued analysis of the effects of price policy and energy related events on future energy prices including a report to Congress (Title IV, Section 401 (f)) on economic impacts.

- Continued analysis of the impact of profits in the oil industry on capital investment.

- Supporting analysis of the effect and cost of a strategic storage program including the impacts on the oil industry, impacts on the national budget, and impacts on the expected costs of future embargoes.

- Continued analysis of economic effects of severe energy supply interruptions and the effects of alternatives (including gasoline rationing and conservation measures) for dealing with the interruptions.

- Additional inflation impact evaluations required to amend through the end of FY 77 those regulations needed to be altered.

3. Economic Analysis Support to Other Programs

Current activities include:

- Economic impact analyses in support of the Natural Gas Curtailment Task Force and the proposed policies of old oil decontrol and natural gas deregulation.

- Resource assessments, financial capital requirements, industrial impacts specifically in the area of materials and equipment, macroeconomic impacts (regional and national) and socioeconomic impact of the alternative scenarios in the Project Independence evaluation revision.

In FY 77, $29,000 in contract funds are requested over FY 76 levels of 20 positions and $222,000 because policies and programs developed to meet anticipated energy supply disruptions (including contingency planning activities) will require continued monitoring and support to determine possible economic impact on consumers, industry, and the economy. International energy developments will require a moderately expanded examination of the international dimension of domestic energy resource availability, focusing on balance of payments impacts and vulnerability to embargoes of vital imports.

General economic impact analysis support will be required for the various programs and program offices within FEA as well as for general regulatory and planning activities.

- Analysis of the effects of the Canadian crude oil cutoffs and and the economic effects of alternatives for dealing with the situation.

- Analyze the effects on the U.S. economy of voluntary international oil allocation agreement which was allowed by the bill which may be entered into by the oil companies.

- Analysis of the economic impacts of alternative coal conversion orders and possible new legislation on consumers and U.S. industry.

- Analysis of the economic effects of guarantee loans to develop coal mines.

- Economic analysis of the effects of potential export controls on energy and related material equipment.

- Analysis of the economic effects of alternative industry energy conservation plans on specific industries and consumers.

- Economic analysis of the impact of specific energy resource development projects on communities and regions affected.

C. ENERGY POLICY DEVELOPMENT

This activity has the primary responsibility for the review, evaluation and integration of all energy related programs, policies and legislation in the FEA. The scope of this activity ranges from providing primary staff support to the Energy Resources Council, including development of the energy portion of the President's State of the Union message, to evaluating policy options and program strategies on all elements of the energy problem handled within the Federal Energy Administration.

FY 1977 Request

The FY 77 request is for 48 positions and $400,000 in contract authority which is the same level of positions as in FY 76 and an increase of $200,000 in contracting authority over last year. The increase in contracting authority is a result of the significant increase of work in evaluating regulatory options, particularly in pricing and incentives policy.

Justification

In FY 76 the major achievements of this office included coordinating and developing policy concerning allocation, decontrol, and natural gas contingency planning as well as supporting contingency plans for the emergency storage program and nuclear power development, OCS and LNG. The office supported policy developments in the International Energy Agency proposal and directed the policy coordination of the Project Independence follow-on analysis and revision which was published as the National Energy Outlook.

As the central policy development and coordination center for FEA, continued demands are anticipated in FY 77 to provide expeditious and expert policy analysis and development in response to changes in energy policies. Based on FY 76 experience, numerous proposals will be developed both within the Executive Branch and Congress that will need evaluation and coordination.

As a result of the Energy Policy and Conservation Act (EPCA), the Office of Policy will have a greatly increased workload in several areas.

In the past year, many regulatory and pricing policy issues were not brought up due to the planning assumption that FEA's authorities would expire in August, 1975. Some of these issues are much more crucial under a longer term (40 month) regulatory environment. Further, the exceptions and appeals process, which often results in policy decisions, becomes a more important part of the Office of Policy's activities under EPCA.

The most resource consuming efforts in the Office of Policy under EPCA are the analysis of a number of major new policy issues. For example, some of the important policy issues include the determination of the structure of and escalation factors associated with the $7.66 per barrel composite price; a strategy to provide maximum incentives to increase production during the 40 month period; determination and justification for findings concerning the production incentive factors; Alaskan oil pricing and possible exclusion from the composite; possible change in entitlements program; possible decontrol of down-

stream price and allocation controls; and revisions to the mandatory oil import program.

In addition to regulatory issues, the EPCA places additional requirements on the Office of Policy in the areas of strategic reserves, contingency planning, appliance labeling, state conservation plans, and other new areas in the bill. In particular, the strategic reserves program will require policy decisions concerning regional reserves, drawdown, strategy in the cost-benefit analysis, etc.

D. OFFICE OF DATA SERVICES

The Office of Data Services has sole responsibility within FEA for the design, development, and operation of all data collection and data processing systems supporting the Federal Energy Administration, as well as for administration of the National Energy Information Center, the single federal clearinghouse for energy data. The functions of this Office encompass all headquarters activities and all regional data requirements.

FY 1977 Request

The requirements cited herein for FY 77 data services support are considered the absolute minimum essential resources necessary to support the FY 77 programs of FEA's data services users.

The FY 1977 request is 181 positions and $16,586,000 in contract authority which is a decrease of 2 positions and an increase of $3,581,000 in contract authority compared to the FY 1976 requested level. The decrease of 2 positions will be made in agency wide administrative data services support. The increase in contracting authority is principally in support of conservation and energy resource development programs with the major portion of the remaining funds going to the support of regulatory programs as outlined below.

Justification

1. Support for National Energy Information Center

In FY 76 the National Energy Information Center (NEIC) continued to expand the scope and depth of its information bank. The Federal Energy Information Locator System was modified to provide a quick access source of information on a broad range of energy issues. In addition, an in-house, on-line information storage and retrieval system was initiated in order to make more extensive use of available data bases. Standard terms and methods for energy-oriented vocabulary control and indexing were developed; and a national referral system was initiated. The NEIC also was assigned the lead for all functions of the Interagency Council on Energy Information.

In FY 77, greater utilization of the expanding capabilities of the NEIC by the Congress, the public, and both Federal and State agencies necessitates a continuation of contract support for basic NEIC functions such as the bibliographic data base, the Federal Energy Information Locator System, the technical reference collection, and the Federal-State clearinghouse service, as well as the archival functions supporting those activities. In addition, the FEA

program offices responsible for conservation and environment and for energy resource development are initiating programs in information exchange and technology transfer, which will require substantial data base management, principally through the medium of the NEIC. The FY 77 request reflects the functional transfer of three positions from Communications and Public Affairs to NEIC.

2. Support for Data Analysis, Economic Impact, and Policy Development

In FY 76, this activity operated major data systems including Pricing, Profits, Petroleum Reporting, Market Shares, Oil and Gas Reserves and Resources, and developed data bases on coal production and patterns of past energy consumption. Support was also provided to forecasting and economic analyses needed for the Project Independence Evaluation Revision and to the development of models displaying petroleum flow from producers to consumers, oil and gas production, energy supply and demand, electrical generation and distribution, international flows, and refiner capacity utilization. Support of the competition task force was also initiated.

FEA has initiated the first phase of a comprehensive Petroleum Reporting System which is to combine the reporting requirements of the Bureau of Mines and FEA. The data base will include the types of data collected, collection frequencies, and report elements related to the petroleum industry. Subsequent growth will include increased elements and a greater range within the industry.

Increased support activities in FY 77 will require an additional increase of $43,000 of contract authority above the FY 76 requested level.

In FY 77, it is anticipated that legislatively mandated, recurring and special reports will continue to require extensive ADP support on weekly, monthly, and quarterly cycles. Such reports relate to energy indicators, support of retail gasoline gallonage sales, the prices of domestic and imported crude, gasoline, heating oils, propane/butane, and market shares. In addition, FFA is responsible for new data systems supportive of such other legislative requirements as those concerning natural gas curtailment surveys, world energy resources studies, and the like. Each of these systems is expanding rapidly and requires extensive ADP support.

All of the foregoing requirements are impacted by the EPCA, particularly insofar as economic impact analyses and in-depth supply and demand forecasting are concerned.

3. Support to Regulatory Programs

This activity supports regulatory programs primarily concerning mandatory oil imports, compliance, standby allocations, and contingency planning. Implementation of the EPCA will require the development

or expansion of twenty-one major data collection and processing systems.

FY 1977 data services will require an increase of $834,000 contract authority above the FY 1976 requested level for this activity.

The following systems or support existing in FY 1976 for this activity must be maintained and improved. Systems supporting the Office of Oil Imports require revisions to the data base, improvement of the efficiency of the license validation subsystem, improvement to the audit trail procedures, and program security enhancements. Support to Compliance Program area consists primarily of system requirements identification, data source and collection methods research and functional specification and design documentation; improvement to existing systems are to be developed to enhance the effectiveness of field auditors and improve the perception of the industry and the public that violators of the regulations are identified quickly. Support for Standby Allocations consists of improving systems for the allocation of propane, monitoring the energy situation with respect to standby allocation programs, improving existing standby allocation systems, and supporting the regulation development function with specialized studies and analyses. Systems support contingency planning process consists of participation in the development, review, and approval of plans and functional requirements specifications and systems design documentation. For certain long lead-time subsystems developments, actual implementation and testing may be necessary to reduce the risk associated with the occurrence of a particular contingency.

In FY 77, new data systems must be established to monitor product entitlements on imports, Canadian crude oil entitlements, crude oil pricing at the point of first sale, targeting of refiners engaged in exchange agreements, and refinery yield. The development of a de-control schedule, a financial reporting system, and a contingency plan will also be required. Some of this work was initiated during FY 76, but all of the systems will require extensive support during FY 77.

The extension of the EPAA for forty months will necessitate the continuation and expansion of major systems which had been scheduled for phasedown in late FY 77. The revision of definitions under the Crude Oil Entitlements Program, extension of the Market Shares System to state and regional levels, and revision of the propane/butane, crude oil buy/sell, mandatory oil imports, crude oil pricing, refinery cost pass through, transfer pricing, propane pricing, and heating oil programs will require greatly increased data support.

4. Support to Conservation & Environmental Programs

This activity supports conservation programs at the federal, state, and industrial levels, as well as projects concerned with utility operation, environmental assessments, consumer product labeling, transporation efficiency, industrial monitoring, marketing and education, and federal-state coordination.

FY 1977 data services support will require an increase of $1,200,000 contract authority above the FY 1976 requested level for this activity.

The specific activities for which data services support is required include conservation analyses, industrial conservation programs for the ten most energy consumptive industries (using SIC), implementation of the 10 year program designed to reduce Federal energy consumption to a level in 1985 of 75 percent of that used in 1973, public education, technology transfer efforts to disseminate specific information to industries and governmental units affecting industry, and programs designed to reduce natural gas usage. The EPCA also requires increased conservation efforts in such areas as appliance labeling and conservation programs at the federal, state, and industrial levels, all of which efforts have significant data support requirements. Funds for these EPCA efforts of appliance labeling and state conservation programs are budgeted in the Office of Conservation and Environment but will be implemented with the assistance of Policy and Analysis.

5. Support to Energy Resource Development Programs

This activity supports programs concerned primarily with expanding domestic production of energy services and with developing energy resource and support facilities. Extensive inventory maintenance is involved, as are information systems by which to monitor development, production, and reserve conditions on a region-by-region basis.

FY 1977 data services support will require an increase of $1,291,000 contract authority above the FY 1976 requested level for this activity.

The Office of Energy Resource Development has responsibility for five major programs requiring extensive ADP support under the Energy Policy and Conservation Act. The revised coal conversion legislation will require expansion and continuation of the major fuel burning installation system and the development and implementation of a similar system for power plants.

In FY 1977, the provisions governing the recycling of used oil and use of recycled oil will require an ADP system to monitor the extent to which the program is effective and a materials allocation system must be established. In addition, a comprehensive data system to support the acquisition and storage of strategic oil reserves must be implemented. These systems alone will require a level of support above the originally planned for the Office of Energy Resource Development. In addition, data support must be provided for financing incentives, fossil fuel development, nuclear facility construction and operation, utility utilization, energy facility siting and expansion, support of national resource policy evaluation, environmental impact studies, alternative resource planning, and included program management and resource assessment.

6. Support to International Programs

This activity supports programs concerned with establishing and maintaining bilateral and multilateral relationships with foreign countries and firms with the conduct of analyses and studies necessary for the evaluation of international energy resource supply and demand and for the formulation of U.S. policies relative thereto.

FY 1977 data services support will require an increase of $64,000 contract authority above the FY 1976 requested level for this activity.

The Energy Policy and Conservation Act provides for the establishment of an international data interchange program, in the event of a severe energy shortage or interruption. In FY 1977, this will require extensive modification to current energy data systems to allow the access to certain information by authorized persons while protecting the release of confidential data or access by unauthorized persons. In addition, continued data support is required for programs concerned with establishing and maintaining bilateral and multilateral relationships with foreign countries and firms and with the conduct of analyses and studies necessary for the evaluation of international energy resource supply and demand and for the evaluation of U.S. policies relative thereto.

7. Support to Other FEA Offices

This activity provides all ADP and related support to the "nonprogram" offices of FEA. Included in this category of users are Management and Administration, Exceptions and Appeals, Congressional Affairs, Intergovernmental, Regional and Special Programs, General Counsel, and Public Affairs.

FY 1977 data services support will be decreased by 5 positions and increased by $149,000 contract authority compared to the FY 1976 requested level for this activity.

Support for other FEA offices during FY 77 will include servicing the payroll and personnel systems and other administrative systems which are essential to the effective and efficient management and operation of the agency, as well as specialized systems such as the Comprehensive Human Resources Data System (CHRDS), and those systems supporting public affairs, intergovernmental relations, private grievances and general counsel. In addition, the impact of the Privacy Act will also require a substantial level of data services support in FY 77.

E. EXECUTIVE DIRECTION AND SUPPORT

This activity includes the immediate office of the Assistant Administrator who is responsible for the overall direction and management of the Office of Policy and Analysis as well as a small unit which acts in a staff capacity to the Assistant Administrator for Personnel management and manpower planning, financial management, contract administration, and budget and program planning.

Request 1977 Request

In FY 77 this office will require a total of 13 positions and $500,000 in contract authority. This represents a decrease of one man year over FY 76 levels and an increase of $413,000 in contracting authority.

Justification

In order to support the anticipated increases in personnel, contract support and program management analyses in FY 77, it will be necessary to maintain the FY 76 staff level of 13 positions. The increase in contract authority is necessary to respond to the known but specifically unpredictable requirements of Section 18a and Section 13 of the FEA Act which mandates analyses and evaluation, and economic and environmental impact assessments of policy options. These funds are supplemental funds above those alloted to program offices in order to respond to the additional ad hoc demands of the Energy Resources Council. In FY 75, the actual contract expenditures of this office was $820,000.

FEDERAL ENERGY ADMINISTRATION

Congressional Budget Submission
Fiscal Year 1977

POLICY AND ANALYSIS

Analysis of FY 77 Contracts

A. Energy Forecasting and Statistical Analysis	($000) Cost
Modeling of State detail to include the following:	
Interfuel substitution	150
Model simulation to project regional refinery capacity and energy supply availability	265
Computer simulation model projecting demand by product, in state detail by month	150
Computer simulation model projecting demand for electric, natural gas and heating oil in the residential sector (1976-1990)	150
National Energy Outlook (PIES) modeling revision, extension and documentation	130
Improve and extend model to calculate materials, manpower, water, and capital required for construction and operation of energy production facilities	175
Improve, test and validate new oil and gas supply model	150
Extend and update factor cost data for varying sizes and types of coal mines	100
Construct and maintain energy data base for OECD nations	100
International modeling of refinement capacity and substitution and evaluation of responsiveness	220
Data validation to validate statistical data series, assumptions and data used in modeling, analysis and regulation. Develop data validation procedures for FEA	250
Development of a comprehensive financial information system for analysis of energy industry profitability and other aspects of industry response to energy policy	175

	($000) Cost
Development of a comprehensive natural gas monitoring system covering production, prices, demand, and shortages.....	200
Develop structural model of oil market to analyze short-run price effects.....	130
Extension to current work in developing coal data base to support modeling and forecasting and conduct additional work on coal financial data, coal consumption and coal exports.....	200
Data development on capital stock.....	172
Data/analysis on nuclear industry.....	150
Oil and Gas Reserves Study including study sampling techniques versus census reporting.....	300
Subtotal	$3,167
B. Economic Impact Analysis	
Impact consumption and price changes in energy by socio-economic class - regional income distribution.....	150
Integration of three distinct econometric models to combine impact assessments of energy policies on the household sector with urban/rural breaks.....	200
Update data bases and provide systems assistance for analyses of impacts on regional earnings, state and local government fiscal integrity.....	100
Develop and improve industry input/out models at state and regional levels.....	150
Quick response capability (assistance with inflation impact statements).....	200
Impact of alternate forms of regulation on the price of energy.	200
Analysis of profits and investments in coal industry.....	150
Developing specific energy content of macro model to assess impacts, particularly on regional unemployment.....	200
Subscription to proprietary macroeconomic services with associated data base computer access.....	297
Subtotal	$1,647

	($000) Cost
C. Energy Policy Development	
Group of policy development contracts to further goals of energy independence in the following areas: conservation, nuclear and coal programs, OCS, LNG, electric utilities and international policy	275
Group of contracts to support development and evaluation of regulatory and pricing policy, particularly Alaskan oil prices, old oil decline curves, production incentive factors, natural gas liquids costs, and enhanced recovery potential	125
Subtotal	$400
D. Data Services Support	
1. National Energy Information Center	
NATIONAL TECHNICAL INFORMATION SERVICE: Support of NEIC with periodical printing and distribution, document processing and announcements, and the development and maintenance of the FEA Directory. Also, the NTIS prints and distributes special FEA energy study reports	304
2. Economic Analysis and Policy Analysis	
ADP FACILITY OPERATION AND MANAGEMENT: Policy development, statistical and economic analysis support for operation and maintenance of data collection and processing efficient, industry source data preparation devices, computers, peripherals, terminals, micrographics and communications interfaces, and of associated software	3,496
DATA ENTRY SUPPORT: Preparation, transcription, verification of input data to support policy development, statistical and economic analysis	400
FEA/BOM MONTHLY REPORTING SYSTEM: Increase data elements and range within the industry combining the reporting requirements of the Bureau of Mines, FEA and FPC	180
MARKET SHARES: Increased collection and analysis of data to monitor and understand changes in competition in the petroleum industry	140
PROFITS: Design and implementation of a system to monitor petroleum industry profits	300

	($000) Cost
PRICING SYSTEMS: Revision and expansion of petroleum cost and pricing systems to include processing of monthly reports from over 10,000 firms	580
PETROLEUM REPORTING SYSTEM: Completion of programming and implementation of PRS subject to new and expanded requirements in data elements and compliance interface	400
Policy and Analysis ADP Support	$ 5,800
3. Regulatory Programs	
ADP Facility Operation and Mangement	1,475
Data Entry Support	225
Develop and implement improvement to propane information system	150
Develop and implement non-utility residual fuel information system	100
Develop and implement improvements to utility residual fuel information system	80
Develop and implement enhancement ot refinery yield model	55
Develop and implement system to support allocation of Alaskan crude oil	75
Develop and implement improvements to middle distillate fuel oil information system	85
Develop and implement improvements to motor gasoline information system	50
Develop and implement improvements to aviation fuels information system	55
Develop enhancement to mandatory oil imports accounting system.	110
Implement modification to audit target ranking system responsive to program changes	95

	($000) Cost
Develop and implement long lead data system to support priority contingency plans	100
Crude entitlements	100
Product entitlements	100
Refinery cost pass through	50
Crude oil pricing	100
Compliance targeting	130
Transfer pricing	100
Disaggregated cost and price	100
Crude oil exchange	100
Heating oil	50
Financial reporting	80
Regulatory ADP Support	$ 3,565
4. Conservation and Environment	
ADP facility operation and management	1,372
Data entry support	275
Automotive efficiency	47
Conservation analysis	23
Industrial conservation	140
Technology transfer	35
Electric utility demonstration	95
Natural gas	40

	($000) Cost
Interagency	50
Marketing research	10
Technology assessment	25
Resource policy	10
Data acquisition	50
Cross sectoral	25
Program coordination	15
Utilities Programs evaluation	288
Conservation and Environment ADP Support	$ 2,500
5. Energy Resource Development	
ADP facility operation and management	837
Data entry support	304
Coal conversion	114
Financing incentives	101
Fossil fuels	66
Nuclear facilities	81
Strategic oil reserves	10
Utility support	136
Facility siting	96
Environmental impact	76
Alternate energy	41
Program management	40
Loan guarantees study	90
Recycled oil	10

66-307 O - 76 - pt. 5 -- 50

	($000) Cost
Materials Allocation study	20
Energy Resource Development ADP Support	$ 2,022
6. International Energy Affairs	
ADP facility operation and management	40
Data entry support	110
International data base development	450
International Energy Affairs ADP Support	$ 600
7. Other FEA Offices	
ADP facility operation and management	1,180
Data entry support	415
Management and Administration	314
Intergovernmental, Regional and Special Programs	40
Communications and Public Affairs	20
Private Grievances and Redress	50
General Counsel	20
Congressional Affairs	10
Regional support	50
Other FEA Offices ADP Support	$ 2,099
Subtotal - ADP Support for FEA	$16,586
E. Executive Direction and Support	
Group of contracts to meet requirements of Sec. 18a. and Sec. 13 of FEA Act for analysis and evaluation, and economic and environmental assessment of energy policy options	500
POLICY AND ANALYSIS FY 77 CONTRACT TOTAL	$22,300

FEDERAL ENERGY ADMINISTRATION

Policy and Analysis

OBJECT CLASSIFICATION (in thousands of dollars)

Identification code	FY 75 actual	FY 76 estimate	TQ estimate	FY 77 estimate
Personnel compensation:				
11.1 Permanent positions	6,123	7,106	2,141	8,606
11.3 Positions other than permanent				
11.5 Other personnel compensation	805	707	219	880
11.8 Special personal services payments				
Total personnel compensation	6,928	7,813	2,360	9,486
Personnel benefits:				
12.1 Civilian	544	665	200	804
13.0 Benefits for former personnel				
21.0 Travel and transportation of persons	194	206	64	259
22.0 Transportation of things	57	23	7	30
23.0 Rent, communications, and utilities	319	484	152	612
24.0 Printing and reproduction	279	180	55	228
25.0 Other services	115	169	52	211
Contracts	12,986	17,400	5,000	22,300
26.0 Supplies and materials	237	265	81	326
31.0 Equipment	110	95	29	116
32.0 Lands and structures				
33.0 Investments and loans				
41.0 Grants, subsidies, and contributions				
42.0 Insurance claims and indemnities				
43.0 Interest and dividends				
44.0 Refunds				
99.0 Total obligations	21,769	27,300	8,000	34,372

DETAIL OF PERMANENT POSITIONS

	1975 actual	1976 estimate	1977 estimate
Executive Level I	...	...	...
Executive Level II	...	...	...
Executive Level III	...	...	...
Executive Level IV	1	1	1
Executive Level V	...	...	...
Subtotal	1	1	1
GS-18	3	...	...
GS-17	...	4	5
GS-16	9	13	12
GS-15	64	66	60
GS-14	54	61	63
GS-13	45	52	53
GS-12	39	45	45
GS-11	35	42	42
GS-10	...	...	...
GS- 9	30	35	36
GS- 8	15	16	16
GS- 7	53	63	63
GS- 6	23	29	29
GS- 5	19	24	24
GS- 4	8	13	13
GS- 3	3	5	5
GS- 2	...	...	...
GS- 1	...	...	...
Subtotal	400	468	466
Ungraded	...	...	...
Total permanent positions	401	469	467
Unfilled positions, June 30	7	...	...
Total permanent employment, end of year	394	469	467

FEDERAL ENERGY ADMINISTRATION

Congressional Budget Submission
Fiscal Year 1977

OFFICE OF REGULATORY PROGRAMS

(dollars in thousands)

Program	FY 1975			FY 1976			Tran. Qtr.	FY 1977		
	Pos.	Man Years	Amount	Pos.	Man Years	Amount	Amount	Pos.	Man Years	Amount
			$			$	$			$
A. Compliance:										
Headquarters.....	59	59	2,815	162	85	4,731	1,501	162	160	7,067
Regions.....	784	784	20,227	1,164	1043	18,379	6,056	1,164	1134	31,233
B. Operations:										
Headquarters.....	110	120	2,474	129	44	2,103	1,100	35	103	1,703
Region.....	205	205	3,762	163	73	2,551	1,199	0	61	2,497
C. Contingency Planning...	0	0	0	24	23	2,011	483	24	24	2,036
D. Regulation Development.	71	67	1,790	57	64	2,476	661	40	60	1,325
E. Administration.....	40	32	629	37	37	866	318	31	33	873
F. Data Support.....	25	18	435	30	26	883	282	27	20	1,066
Total, Headquarters..	305	296	8,143	439	279	13,070	4,345	319	400	14,070
Total, Regions.....	989	989	23,989	1,327	1116	20,930	7,255	1,164	1195	33,730
Total, ORP.....	1294	1285	$ 32,132	1,766	1395	$ 34,000	$ 11,600	1,483	1595	$ 47,800

Justification

General Statement

The mission of the Office of Regulatory Programs is to execute the regulation development, allocation, compliance and contingency planning responsibilities of the Federal Energy Administration. These responsibilities are derived from the Energy Policy and Conservation Act (EPCA) as it amends the Emergency Petroleum Allocation Act of 1973 (EPAA), the FEA Act of 1974, and the on-going provisions (i.e., coal allocation and compliance responsibilities) of the Energy Supply and Environmental Coordination Act (ESECA) of 1974, as amended. Overall FY 77 program activities follow.

Compliance

The FY 77 budget request presumed a "wrap-up" program aimed at eliminating an existing backlog of essential audit work required to complete audits of all the largest refiners and NGL processors, and a large

fraction of crude producers and small refiners and NGL processors, and a small fraction of wholesalers and retailers (those determined by targeting system to be most likely to be in violation). This FY 77 budget submission is tailored to the needs of an ongoing compliance effort.

FEA's Compliance program involves:

- o Developing and promulgating enforcement policies, plans and audit guidelines to regions;
- o Developing, scheduling, and supervising training for auditors, investigators, and program managers;
- o Providing technical assistance and supervision in conduct of audits and investigations;
- o Providing technical assistance and supervision and securing required legal support in the formal resolution of cases involving violations;
- o Maintaining continuous monitoring of all compliance activities, preparing required reports, and providing required management direction to regions;
- o Carrying out field audits and investigations and completing formal action on all cases. (This function is executed by regional personnel).

Except for wholesale and retail levels for fuels other than propane, EPCA results in additional major compliance responsibilities by imposing more restrictive regulatory requirements on crude producers and refiners. The following compliance programs are required by EPCA for at least the next 40 months:

- o Importers (crude and product) other than refiners: 598 firms.
- o Gathering systems between crude producers and refiners: 200 firms.
- o Independent crude producers: 15,000.
- o Major refiners (also, some crude producers and NGL processors): 30.
- o Small refiners (also, some crude producers and NGL processors): 110.
- o Natural gas liquid (propane/butane) firm/plants: 123/709 [processors 123.]
- o Wholesalers (resellers) other than propane: 26,000.
- o Wholesalers (resellers) of propane: 2,000.
- o Retailers other than propane: 268,000.
- o Retailers of propane: 8,000.

For continuing programs except major refiners, who are to be audited continuously, our compliance strategy (see Chart 1) is to maximize the degree of voluntary compliance while assuring effective compliance over most of volume sold by:

- o Auditing every other year the small number of firms that are largest ones in sector and account for most of the volumes involved.

- o Auditing less frequently the small firms that account for a lesser percentage of total volume in a given sector. Again, specific firms would be selected on basis of likelihood of being in violation.

This approach gives every firm a strong probability of being audited during or soon after the 40-month life of the program while conserving manpower and focusing it on those firms most likely to be in violation.

Providing continuous planning, management, technical assistance and support for this strategy is the function of the National Office of Compliance. Except for two programs slated for decontrol, FEA has has the much larger job of a continuing compliance effort plus an effort in each program to work off the existing backlog.

Operations

This office currently operates the following allocation programs:

- o Crude Oil Entitlements Program
- o Domestic Crude Oil Allocation Program (Buy/Sell)
- o Canadian Crude Oil Allocation Program
- o Refinery Yield Program
- o Mandatory Oil Imports Program
- o Propane/Butane and Other Products Allocation Program
- o Motor Gasoline Allocation Program*
- o Middle Distillate Allocation Program*
- o Aviation Fuels Allocation Program*
- o Residual Fuels Allocation Program (Utilities)*
- o Residual Fuels Allocation Program (Non-Utilities)*
- o Regional Assistance Program*

EPCA will require Domestic Crude Oil Allocation Program to include all domestic crude since all will be subject to price controls; heretofore, non-price controlled crude has been free of allocation controls.

The Canadian Crude Oil Allocation Program of January 1, 1976, is required because of accelerated reduction in Canadian crude exports to U. S. Entitlements program must be expanded to a three-tier program (two for domestic crude and one for imported) and possibly must encompass product import entitlements as well.

Programs targeted for decontrol in FY 76/77 have been phased down from end FY 76 levels to end FY 77 in anticipation of decontrol and in recognition of reduced workload because of plentiful product supplies.

Contingency Planning

This office is responsible for discharging the functions required by Sections 201-203 of EPCA. These require transmission to Congress conservation contingency plans and a rationing plan for gasoline and diesel fuel. Plans require statements as to their potential effects on several areas. The applicable sections impose restrictions on contingency plans (e.g., no fee or tax, etc.) and, because they will have the status of standby legislation, will, according to the Office of General Counsel, require an environmental impact statement in addition to economic impacts specified in the EPCA.

Regulation Development

This office is responsible for development of required regulations; management of the regulatory development process, to include developing findings required to convert to standby status; and modification of any regulations as required to assure that they continue to achieve objectives of the Act as relevant conditions change.

*The Enactment of Section 454, EPCA of 1975, is assumed to result in the phase-out of these programs in FY 77 due to the exemption of specified allocated petroleum products from the provisions of Section 4(a), EPAA of 1973, at the wholesale and retail levels.

Principal functions in FY 77 will be to:

- o Amend refiner and crude prices and crude allocation regulations required to reflect current market conditions;
- o Conduct studies and analyses required to determine impact on crude production of crude pricing regulations;
- o Formulate changes in other regulations required as a result of comprehensive review performed in FY 76;
- o Continue work on findings required to support decontrol below refinery level; and,
- o Monitor activity in decontrolled sectors to assure that EPAA objectives are being met, and propose any remedial action required under standby authorities.

On the assumption of complete decontrol of most products below refinery level during FY 77, a minimum of effort is programmed for modification of regulations applicable to the products/sectors involved. The surge in workload for the last half of FY 76 and first half of FY 77 is to be handled by a combination of detailing qualified regional staff and using extensive contract support for one-time requirements. By shifting positions from program areas to be decontrolled to new requirements imposed by the Act, an essentially constant level of staffing from FY 75 is to be maintained through FY 77.

Administration

This office provides executive direction and administrative services to include budget formulation and execution. It also provides essential supporting services (mail, messenger, telecommunications, space management, office supplies and equipment, etc.) to all FEA elements located at 2000 M Street, N.W.

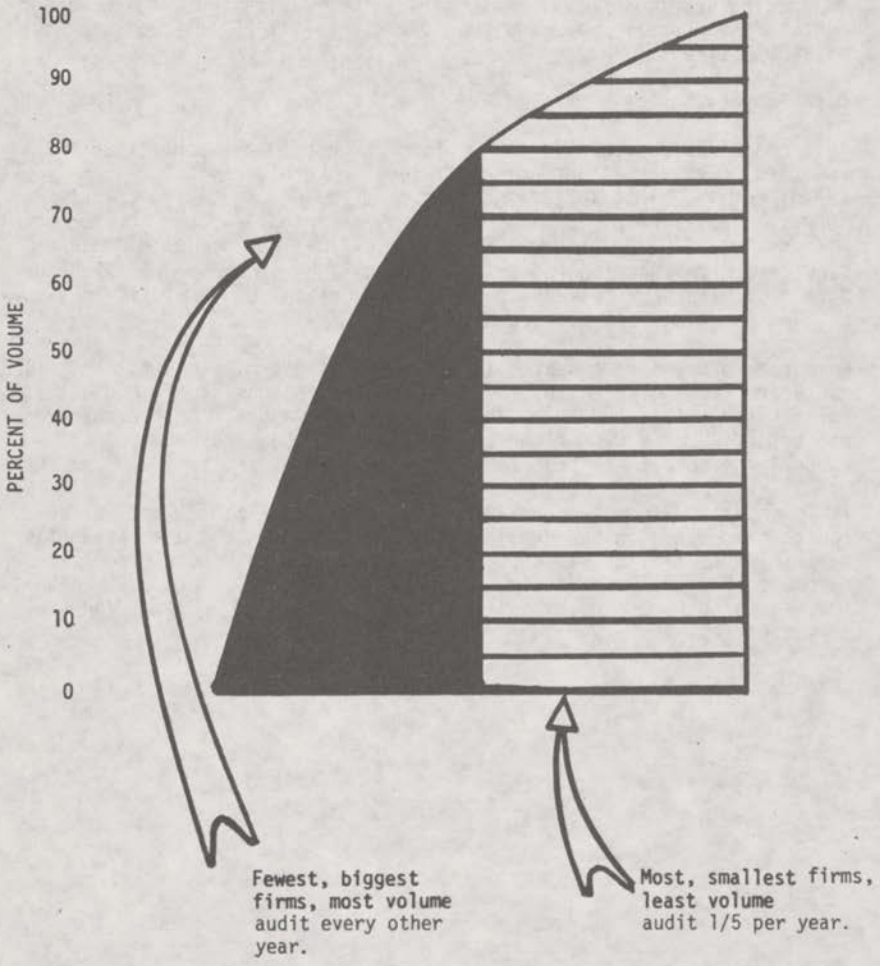
Data Support

This office is responsible for performing those data support functions assigned to the Assistant Administrator for Regulatory Programs by FEA directive. This includes development and documentation of data support requirements, forms development, technical support to program offices, and liaison between RP program offices and Office of Data Services. The functions of this office have been coordinated with the Office of Data Services and the Office of Oil and Gas Analysis to assure that no functions are duplicated.

Resources presently requested to accomplish these missions total 1,595 man years and end strength at end FY 77 of 1,483 positions, and a total dollar cost of $47,800,000. The overwhelming majority of the resources requested, $38,300,000 of the total of $47,800,000 are required to support the compliance program.

It is important to note, however, that the initial FY 77 level of resources requested in the President's budget was based on an assumption of total decontrol of all crude oil and petroleum products effective November 15, 1975. Obviously, this total decontrol budget is inadequate to meet the new responsibilities imposed by the Energy Policy and Conservation Act.

COMPLIANCE STRATEGY FOR ONGOING PROGRAMS
(Except Major Refiners)*



*All major refiners will be audited annually.

A. COMPLIANCE - NATIONAL OFFICE

General Statement

This office develops, executes, monitors and evaluates national policies, strategies and programs for obtaining compliance with and enforcement of the allocation, distribution, pricing and conservation rules, regulations and policies for all forms of energy to assure consistent equitable and uniform application and to: conduct investigations, audits and inspections; collect and/or verify energy data pursuant to Section 13 of the FEA Act and the Energy Policy and Conservation Act. The total requirements for the office are 162 positions. Contract dollars in the amount of $500,000 are also being requested.

Program Justification

a. Program Authority

Initial authority comes from the Emergency Petroleum Allocation Act of 1973 (EPAA), which requires regulations for mandatory allocation of crude oil, residual fuel oil, and each refined petroleum product at specified amounts and prices. [Section 4(a)]. The EPAA has been amended by the Energy Policy and Conservation Act (EPCA), which adopts most of the provisions of the EPAA, and adds new provisions as well.

The authority to enforce such regulations as promulgated under Section 4(a) of the EPAA is contained in Section 5. Additionally, Section 4(g)(1) of the EPAA provides for the continuance of any action or proceeding, civil or criminal, not finally determined on the date of expiration of the Act. It also provides for the initiation of proceedings based on any act committed prior to the termination of the EPAA.

Compliance responsibilities are expanded under the EPCA. While carrying forward the regulations first promulgated under the EPAA, the EPCA requires a new price system and price adjustment provisions for crude oil (Section 401). The new pricing formula for crude oil will include oil produced from stripper leases, which were formerly exempt from price controls under the EPAA. The EPCA extends the authority of the FEA granted under the Energy Supply and Environmental Coordination Act of 1974 (ESECA) to direct powerplants and other major fuel burning installations to

A. COMPLIANCE - NATIONAL OFFICE

Program Justification

a. Program Authority (Continued)

convert to the use of domestic coal. (Section 101) The FEA is also authorized to require importers and refiners to store in readily available inventories, as reserves, up to three percent of their imports or throughputs for the previous calendar year. (Section 156) FEA's Compliance activities will, therefore, need to be maintained at the FY 76 level in order to respond to all of the above requirements mandated by the EPCA.

b. Resources Required

1. Field Review Division

This division conducts on-site visits twice yearly to each of FEA's 10 Regions. It conducts comprehensive evaluations of all compliance activities and provides on-site assistance to correct deficiencies. Visits are designed to assure that regions comply with FEA's policies and procedures in a uniform manner and to identify shortcomings in National Office support and direction to regions. Finally it makes recommendations to correct any deficiencies identified.

2. Compliance Policy and Planning

In FY 77 the Office of Policy and Planning will initiate compliance programs, up-date existing programs, and provide working guidelines with reference to compliance priorities through functional planning support (data analysis). Training manuals, training programs, and instructional courses will be devised and executed from this office; also, the office will operate a computerized compliance targeting system, and the development of statistical sampling systems. Policy and Planning is also responsible for overseeing the Regional Workplans which schedule the Compliance workload for each Region.

Specific goals and objectives for FY 77 include:

- Continuous refinement of the targeting system for propane retailers, resellers, small refiners,

A. COMPLIANCE - NATIONAL OFFICE

Program Justification

b. Resources Required (Continued)

2. Compliance Policy and Planning (Continued)

gathering systems, importers and crude producers. Selection of firms will be from among the over 300,000 firms comprising the petroleum industry.

- o Close scrutiny of applicable regulations and their changes which still apply from the EPAA and the modification of audit guidelines for each marketing level.
- o Continuous updating of the Compliance Manual to correspond with the current regulations and current audit guidelines.
- o Organizing, coordinating and monitoring training classes for approximately 200 newly-hired personnel and 800 experienced personnel. Maintaining Programs of Instruction to correspond to the regulations and to the Compliance Manual.
- o Maintenance of the Compliance Regional Workplan, which is refined each quarter, with minor revisions during each quarter. Ensure that manpower is allocated among the Regions and market levels to correspond to changing Compliance priorities.

3. Compliance Operations

In FY 77 this office will be responsible for assuring the effectiveness of the compliance effort through the continuous review of operating procedures, recommending priorities for regional efforts, and maintaining field audit and investigative efforts. Inquiries, complaints, and correspondence dealing with compliance matters are processed at both the constituent and congressional levels within this office. Other functions include field liaison, a coordination effort between national, interregional, and field activities. A special program and review section [processes company reports], manages special projects, conducts pilot programs, and reviews audit and investigative reports.

In addition, the Energy Policy and Conservation Act requires:

Program Justification

b. Resources Required (Continued)

3. Compliance Operations (Continued)

- o Changes in pricing of crude be passed through to all levels of the marketing chain. This will require continuous monitoring and data verification in the wholesale/retail section after price and allocation controls are lifted.

- o Establishment of National strategic petroleum reserves. This will require monitoring of wholesale/retail purchasing, storage and selling practices.

- o Establishment of several contingency plans affecting all levels of petroleum production, refining, and marketing.

4. Compliance Case Resolution

In FY 77 Compliance Case Resolution will have the continuing responsibility for the complete development and resolution of National Office cases. This includes performing data verification from any source, evaluating in-house FEA data, and holding conferences with complainants or potential violators. It has responsibility for technical assistance and guidance of case resolution issues and questions raised by regional offices. In addition, it has responsibility for maintaining inventory of all pending and completed General Counsel decisions on issues and formal actions relating to Compliance or enforcement matters.

In FY 77 manpower must be sufficient to allow Case Resolution to adequately respond to all workloads and functions performed in FY 76 because those same functions and workloads will be applicable to its responsibilities for FY 1977 under the Congressional mandates set forth by the Energy Policy and Conservation Act.

5. Compliance Information

Sufficient manpower is required for FY 77 to allow the Office of Information to respond in a timely and accurate manner to all requests for Compliance information. The requested staff is needed to provide support for new programs and to modify and update the information systems in order to maintain a high level of timeliness and accuracy. Additional reports will be required as new programs are implemented and requests made pursuant to the Freedom of Information and the Privacy Act will undoubtedly increase.

A. COMPLIANCE - REGIONS

General Statement

FEA's Regional Offices are responsible for the actual implementation of the Compliance program, including conducting investigations to determine whether companies have complied with FEA's regulations. The Regional Offices also undertake the institution of formal enforcement actions such as the issuance of Notices of Probable Violation, Remedial Orders, Consent Orders, and compromises of civil penalties. In certain cases having multi-regional impact or cases of significant national impact, the regions are required to secure the concurrence of the National Office before pursuing formal enforcement action.

Regional Compliance coverage includes ten programs as follows: Importers, Gathering Systems, Independent Crude Producers, Major Refiners, Small Refiners, Natural Gas Liquids, Resellers (less propane), Propane Resellers, Retailers (less propane) and Propane Retailers.

The positions required for a continuing program as set forth by the EPCA were determined for the most part on a product volume handling basis so that FEA would audit/investigate those firms having the greatest volume (the largest firms) yearly and those firms responsible for the remaining volume over a greater period of time. Since relatively few firms are generally responsible for the bulk of the volume in most industry levels, this method allows FEA to get maximum results with a minimum amount of manpower.

In addition to an ongoing program, FEA is committed to bring the Compliance program up-to-date under the EPCA.

b. Resources Required

Importers - Authority for this program is derived from Title IV of the EPCA.

Any firm that owns at the first place of storage a covered petroleum product brought into the United States is an importer. These firms perform as resellers and importers. In the latter capacity, the import regulations must be applied as well as entitlement transfers. In addition, the importers become involved in domestic/international exchanges. Audits are required for each of these areas. Price increases must be reviewed to assure proper license and supplemental fees. Compliance with pricing regulations must be determined. There are approximately 598 importers.

Program Justification

b. Resources Required (Continued)

Gathering Systems - Authority for this program is derived from Title IV of the EPCA.

These firms are usually the first purchasers of crude oil subject to price rules. Gathering systems include collection of crude oil by tank, truck unit, train, barge, tanker or pipelines. Companies taking title to purchased crude must obtain an old oil certification from the seller. In addition to equitable pricing, the pass through of old oil certifications must be equally applied. Each of these areas must be examined by FEA. FEA activities include audit/investigation of documents, receipt accounts and inventory accounts, including run statements, purchaser summary, exchange status, processing agreements, production requisition, etc.

Independent Crude Producers - Authority for this program is derived from Title IV of the EPCA.

An independent crude producer is a firm or that part of a firm primarily involved with obtaining (drilling) crude petroleum from the ground or which owns crude petroleum when it is produced. Under the present two-tier pricing system, determination must be made of whether producers have properly measured and priced old, new, released and stripper well crude oil for the purposes of price, allocation and entitlements programs.

There are about 15,000 independent crude producers; production by refiners is audited under the refinery program. Producers/operators are targeted from complaints, FEA forms, or link-audit clues - especially from gathering systems. Audits include a statistical sampling of properties and an examination of crude oil pricing from September 1973 to the month of audit. Refunds and penalties are effected where warranted. The refunds generally go to refiners and gathering systems. The crude program is more complex under EPCA due to the multi-pricing of new, released and stripper oil and because of the elimination of the stripper exemption.

Program Justification

b. Resources Required Continued)

Major Refiners - Authority for this program is derived from Title IV of the EPCA.

The 30 largest refiners in the United States have been designated "major" for compliance purposes. All have refining capacity in excess of 75,000 barrels per day. In the aggregate they control 70 percent of the total domestic refining capacity. Most also have extensive overseas exploratory development, crude production and refinery operations. Compliance is achieved by exploring the regulations governing allocation, allowable cost pass through and consistent marketing business practices. Because major refiners are, for the most part, completely and thoroughly integrated, the compliance effort includes work in all areas from crude production through refinery operation and the marketing chain. To date most audit coverage has been directed to known or potential areas with probable violations at each company. The recent adoption of the quarterly workplan and the assignment of priorities for covering specific areas will eventually lead to the coverage of an area of operations on a nation-wide rather than company-oriented basis of selection.

66-307 O - 76 - pt. 5 -- 51

Program Justification (Continued)

b. Resources Required (Continued)

Small Refiners - Authority for this program is derived from Title IV of the EPCA.

All other refiners not included in the 30 majors are considered to be small refiners. They range in size from refiners with a capacity of 150 barrels a day to refiners whose capacity is on a par with the smallest of the major refiners. In the aggregate they control only about 15 percent of the total U.S. refining capacity. Small refiner compliance is achieved by enforcing regulations governing allocations, allowable cost pass through and consistent marketing business practices. Teams visit each small refiner periodically to review records and related reports. The thrust of coverage of small refiners has been primarily towards identified actual or potential problems. Before this problem area oriented coverage can be effectively extended, additional improvements in filing and analysis of small refiners' cost pass through reports and additional feeder information are required.

Natural Gas Liquids - Authority for this program is derived from Title IV of the EPCA.

This category consists of 709 plants controlled by 123 firms. Firms who are actual gas processors or who hold an interest in gas plant production are audited. Such firms maintain the records for one or more gas plants in which they are either the operators, or they participate as one of the partners holding an interest in the production of any given gas plant. Twenty-three of such firms are the major refiners at which (RARP) audit residences are maintained. The other 100 are either small refiners or independent gas processors.

Audits include a sampling of appropriate records at gas plants in which the firm holds an interest in order to validate the pricing of natural gas liquids, and/or natural gas liquid products during the period from August 1973 to the month of audit. Inasmuch as the regulations in this area have recently been clarified, many of the required

Program Justification (Continued

b. Resources Required (Continued)

audits will have just begun in FY 76.

Resellers (less propane) - Authority for this program derived from Title IV of the EPCA.

Resellers include terminal operators, storage facilities, importers, multi-state marketers, jobbers, brokers, and product pipeline operators. There are approximately 26,000 firms (less propane) which operate as resellers of petroleum products. About 30% of the firms account for 70% of the volume. Targets are essentially selected from complaints and this process will be augmented through implementation of a computerized targeting system. Audits measure compliance with pricing and allocation regulations. Of primary concern are maximum selling prices and proper determination of class of purchaser between industrial, state and local government, and residential customers.

Propane Resellers - Authority for this program derived from Title IV of the EPCA.

Propane resellers are targeted by both the National Office and the Regions from analysis of the marketing chain and from complaints. Investigations and audits determine compliance with pricing and allocation rules. Both areas are especially significant in this product as propane is the best alternate fuel for natural gas. Projected to be in short supply, resultant price and supply pressures offer substantial inducement for violations of FEA regulations. Although there are 2,000 wholesalers, 10% of national marketers account for 70% of sales.

Retailers (less propane) - This program is being phased down in anticipation of decontrol. A residual force of positions will be required over a period of one and a half years as a wrap-up program and to respond to any consumer complaints during its limited control period.

Retailers Propane - Authority for this program is derived from Title IV of the EPCA.

There are approximately 8,000 firms which act as retail outlets of propane. Propane retailers will be selected by a computerized targeting system and the use of forms. Audits iclude an examination of propane pricing for November 1973 to month of audit. Of primary concern are the calculation of maximum authorized selling prices and the proper determination of class of purchaser within industrial users, state and local government and residential customers. This program also monitors prices and supply levels to agricultural users who have no substitute fuel available to dry and process crops, raise broilers, and heat rural residences.

B. OPERATIONS

General Statement

The Office of Operations is responsible for the accomplishment of the operational mission set forth in the Emergency Petroleum Allocation Act of 1973, as amended by the Energy Policy and Conservation Act of 1975. Specifically, this responsibility encompasses the following programs and activities: the planning, direction, execution, and operation of the Mandatory Petroleum Allocation Program to insure equitable and efficient distribution of available crude oil and propane, particularly in the event of disruptions in petroleum imports; the alleviation of the impact of disruptions in energy supplies by minimizing the dislocation of supplies and reducing the impact of shortages on the domestic economy and the people, particularly in localized areas; the management of fuel in a surplus environment; and maintenance of the viability of the independent sector of the petroleum industry. The Office of Allocations Operations is further responsible for the planning and direction of the Oil Imports Program as mandated by Presidential Proclamation.

In FY 77 this office will be responsible for managing and operating the following programs:

- o Crude Oil Entitlements Program
- o Crude Oil Allocation Program (Buy/Sell)
- o Crude Oil Allocation Program (Canadian)
- o Mandatory Oil Imports Program
- o Propane/Butane and Other Products Allocation Program

A total of 35 positions and 164 staff years are requested for FY 77. The reduction in positions, reflected from FY 76, is based on the assumption of deallocation accomplishments during FY 77 and assumes a total phase out of Operations staffing in the regions.

Program Justification

1. Office of General Fuels

a. Program Authority

Authority for the General Fuels Allocation Programs (Motor Gasoline, Middle Distillates and Aviation Fuels) is contained in paragraph 4 of the Emergency Petroleum Allocation Act of 1973, as amended by the Energy Policy and Conservation Act of 1975 and, as implemented in parts 205 and 211 (subparts F, G, and H, respectively) of the Mandatory Petroleum Allocation Regulations.

b. Resources Required

During FY 76, General Fuels accomplished the following with respect to the allocation of Aviation Fuels, Motor Gasoline, and Middle Distillate products in accordance with the EPAA of 1973:

- o Acted on supplier petitions relative to the redirection of product and supply imbalances; to include suppliers with multiple allocation fractions, market areas withdrawals and to correct supply disruptions resulting from refinery peroblems.

- o Processed applications for assignment and adjustments for U. S. and foreign registered civil air carriers.

- o Provided technical assistance to other offices at the National Headquarters and furnished policy guidance and procedural direction to Regional Offices. (e.g., Compliance and Enforcement, Exceptions and Appeals and Regulations Development).

Under the assumption that deregulation of all General Fuels allocation programs will be accomplished during FY 76/77 General Fuels staffing requirements will be zero for year end FY 77. However, a total of 7 staff years will be required to support the phase down period beginning June 30, 1976. Phase down activities for the national office include:

- o Establishing a General Fuels standby and monitoring capability.

B. OPERATIONS

1. Office of General Fuels

b. Resources Required (Continued)

- o Assistance in handling General Fuels supply problems on a voluntary basis.
- o Support of Compliance activities in post-regulatory program actions.
- o Support of development for possible future implementation of the "Drawdown and Distribution" portion of the Strategic Petroleum Reserve Plan.
- o Post-regulatory clean-up and disposition of General Fuels matters including petitions, cases, files, historical summaries; and refinement, for future use, of an on-the-shelf allocation program.

2. Office of Specialty Fuels and Products

a. Program Authority

The Office of Specialty Fuels and Products operates and manages the Mandatory Petroleum Program for propane, under the allocation authority of the Emergency Petroleum Allocation Act of 1973 (EPAA) as amended by Title IV of the Energy Policy and Conservation Act of 1975. Industry developments are monitored and policies and programs are developed and implemented to minimize supply disruptions as required by the Federal Energy Administration Act of 1974 (FEAA). The Office of Specialty Fuels and Products further maintains the capability to implement the standby provisions of the EPCA of 1975.

b. Resources Required

The major accomplishments of the Office of Specialty Fuels and Products during FY 76 are as follows:

- o Operated and manged the allocation programs for middle distillate fuel to electric utilities; residual fuel oil; propane, butane, natural gasoline and other products; and all petroleum fuels required in support of Department of Defense programs.

B. OPERATIONS

2. Office of Specialty Fuels and Products (Continued)

b. Resources Required

- o Acted for FEA on matters pertaining to the FEA/DOD/SBA interface for the 8(a) program for disadvantaged-owner concerns, as sponsored by the Small Business Administration; which requires the assignment of suppliers and product to minority owned business firms.

- o Developed and implemented guidelines for the allocation of propane and other fuels in natural gas curtailment situations; determined availability of alternate fuels required to offset natural gas curtailment.

- o Acted on petitions for the assignment of suppliers and base period volumes of feedstocks for synthetic natural gas plants.

During FY 77, a total of 23 staff years will be required to continue the management and operation of the propane program and support of those actions required in the phase out of allocations programs not completed in FY 76. The assumption is made that, due to the criticality of propane to historic users, there will be an overriding need to continue the current propane program, to include use restrictions and constraints for the use of propane by other than non-traditional users such as gas utilities, synthetic natural gas plants and industries. Without such allocation controls, the probability is high that the trational users of propane will be unable to obtain their propane requirements, or obtain propane at reasonable prices.

In addition, phase down activities for the exempted mandatory allocation programs will require the staff years requested for purposes of developing standby and monitoring capability, support of compliance efforts, and post-regulatory clean up of specialty fuels matters for residual fuels, middle distillate fuel oil for electric utilities, butane, natural gasoline, petrochemical feedstocks for synthetic natural gas plants, and other products.

B. OPERATIONS

Program Justification (Continued)

3. Crude Oil Operations

a. Program Authority

Authority for the Crude Oil Operations Programs, which include Crude Oil Allocation ("Buy/Sell" and Canadian Allocation), the Entitlements Program, and the Refinery Yield Program is contained in Section 4(a) - (c) of the EPAA of 1973, as amended by the Energy Policy and Conservation Act of 1975, requiring the equitable distribution of suitable type of crude oil to all refiners at equitable prices. Additional specific authority for Entitlements is detailed in Sections 403 and 455 of the EPCA of 1975, and specific authority for the Refinery Yield Program is derived from Section 14 of the EPCA of 1975.

b. Resources Required

The original embargo derived crude allocation program, the "Buy/Sell" program, has allocated 750 million barrels valued at approximately $9 billion to small and independent refiners. The program represents a major source of feedstock for the non-major refining segment, a great portion of which indicate they would be forced to shut down without the current program which provides oil sharing in landlocked crude short regions.

The Entitlements Program has prepared and issued entitlement notices from November 1974 through January 1975, resulting in the transfer of approximately $1.75 billion from refiners with lower crude costs to refiners with higher crude costs.

The Refinery Yield Program has initiated the development of computer models for the simulation of refinery operations in the United States, establishing detailed technical data on 280 refineries in order to provide the capability required to adjust refinery operations under the EPCA of 1975.

B. OPERATIONS

Program Justification (Continued)

3. Crude Oil Operations

b. Resources Required

The"Buy/Sell" Program will continue through FY 77. A new crude allocation (Canadian Allocation) program designed to permit Northern Tier U. S. refiners the maximum lead time necessary to replace oil lost due to Canadian Government export phase-outs was implemented in January, 1976. Without such a program, certain refiners located in the states of Montana, Minnesota, Wisconsin and Michigan could not operate their plants after 1976, seriously impacting industries and consumers in these areas.

In FY 77, the Entitlements Program will continue and must be altered to reflect the multi-tier pricing structure established in FY 76.

Also, the Refinery Yield computer models and procedures will be structured and tested, with the initial project to be completed in FY 77.

Crude Oil Operations will require a total of 35 staff years in FY 77 in order to meet the requirements cited above, imposed by the EPAA of 1973, and the EPCA of 1975.

4. Oil Imports

a. Program Authority

The Mandatory Oil Import Program (MOIP) was established on March 10, 1959, by Presidential Proclamation No. 3279 (as amended) under authority of the Trade Agreements Act. Authority for the MOIP now resides in the Trade Expansion

B. OPERATIONS

Program Justification (Continued)

4. Oil Imports (Continued)

a. Program Authority (Continued)

Act of 1962, the successor to the Trade Agreements Act. Further authority is derived from Sections 156 and 162 of the EPCA of 1975.

b. Resources Required

Prior to May 1, 1973, oil imports were controlled by a strict quota system and quota allocations were given to qualified applicants in accordance with certain criteria. On May, 1973, Presidential Proclamation 3279 was amended to abandon the quota, phase out the free allocations by 1980, and allow unlimited imports over and above the free allocations upon payment of an import fee. Consequently, the Office of Oil Imports, in parallel, maintains all elements of the free-allocation program and accounts for imports made pursuant to import fees.

During the latter part of FY 1975 and the first six months of FY 1976, Oil Imports, with the assistance of FEA's Office of Data Services developed and implemented a computerized system for controlling allocations and licenses issued pursuant to the MOIP and for accounting for all fees and supplemental fees due.

The impetus for computerization was supplied by imposition of the supplemental fees in February, 1975. However, computerization was long overdue to provide proper control over oil imports and removal of the supplemental fees has not materially affected the workload of running the program.

A total of 38 staff years will be required by FY 77.

5. Regional Operations

a. Program Authority

Authority for Regional Operations is contained in paragraph

B. OPERATIONS

Program Justification (Continued)

5. Regional Operations

a. Program Authority

4 of the Emergency Petroleum Allocation Act of 1973 as amended by the Energy Policy and Conservation Act of 1975 and as implemented in parts 205 and 211 (sub-parts F, G, and H, respectively) of the Mandatory Petroleum Allocation Regulations, in order to provide for the equitable distribution of fuels and fuel products.

b. Resources Required

During FY 76, the Regional Operations Offices have had responsibility for the direction, execution and operation, of the Mandatory Petroleum Allocation Program for each of the ten Federal Regions for the following programs:

- o Motor Gasoline
- o Middle Distillate
- o Aviation Fuels (non-commercial)
- o Residual Fuels (non-utility)
- o Propane

Historically, these offices have processed an average of 1,500 to 2,000 allocation cases a month. Under the assumption that deregulation of all allocation programs will be effected by the end of FY 77, the Regional Office operations staffing requirements will be totally phased out. Propane allocation programs will ultimately be transferred to the national office for implementing.

However, continued program implementation must be performed during the second half of FY 77 until deregulation of certain products is achieved. In addition, substantial support and assistance must be provided in the development and implementation of deregulation procedures. Section 454 of the EPCA of 1975 requires that the continuing need for allocation under Section 4(a) of the EPAA be examined and a determination of the necessity for continuing such program be made.

B. OPERATIONS

Program Justification (Continued)

5. Regional Operations (Continued)

b. Resources Required (Continued)

A total of approximately 61 staff years will be required in FY 77 to phase out the programs for exempted products from the provisions of the allocation regulations. These functions will include:

- o The conversion to a standby and monitoring capability;
- o Assistance in handling supply problems on a voluntary basis;
- o Support of Compliance and Enforcement in post-regulatory program actions;
- o Support of development and implementation, if required, of the "Drawdown and Distribution" portion of the Strategic Petroleum Reserve Plan;
- o Post-regulatory clean-up and disposition of allocation matters to, including petitions, cases, files, historical summaries.

C. CONTINGENCY PLANNING

General Statement

The Office of Contingency Planning develops and updates comprehensive energy shortage contingency plans and supporting documentation, monitors state contingency plans for funding approval, makes performance evaluations of the capabilities of headquarters and regional elements required by contingency plans and prepares plans for Congressional approval.

Program Justification

1. Office of Contingency Planning

a. Program Authority

The requirement for Contingency Planning and supporting functions is clearly defined in the Federal Energy Administration Act of 1974 (FEAA) and the Energy Policy and Conservation Act of 1975 (EPCA).

The FEAA (Section 5(b) Subparagraph 4) requires that "The Administrator...develop plans and programs for dealing with energy production shortages." Furthermore, the EPCA (Titles II and III) identifies a number of specific contingency planning responsibilities. In addition, since the contingency plans have the status of standby legislation, they must be accompanied by environmental impact statements.

The EPCA (Title II, Part A, Section 201) places very stringent requirements on the content of FEA's contingency plans by specifying in detail the substantive materials to be included in each plan.

In addition, Title III, Part C, of the EPCA details FEA's responsibilities relative to energy conservation plans submitted by the individual States. For example, FEA must (Title III, Part C, Section 362) "...prescribe guidelines with respect to measures required to be included in, and guidelines for the development, modification, and funding of, State energy contingency plans."

C. CONTINGENCY PLANNING

Program Justification

Office of Contingency Planning (Continued)

2. Resources Required

Although the first portions of the FEA Contingency and Conservation Plans are to be submitted to Congress for approval as early as June 1976, the majority of the plans and mandatory conservation measures will be submitted on a staggered basis, (in some cases resubmitted), with Congressional approval coming possibly in the last quarter of FY 77 which begins in October 1976.

In FY 76 the Office will develop guidelines for State conservation plans. In FY 77, the Office will review those State plans and provide technical assistance in development of State contingency plans. Also, the office will continue to serve as FEA's Emergency Preparedness Coordinator, and develop and maintain emergency energy plans. In FY 76 guidelines for each State, in energy planning efforts, will be published in the Federal Register. Each of the fifty State Energy Offices (SEO) has the option of qualifying the Federal funding by submitting its energy contingency plans to FEA for review. Significant time and resources will be spent in coordinating the review and interfacing with 50 State Energy Offices and numerous local boards.

In FY 77 plans will require review and update over time, in order for them to remain operationally effective and ready, which is the intent of Congress. The assumptions on which plans are based will change over time due to an ever changing technical environment in the energy sciences. Contingency plans, therefore, will become useless if they are not serviced on a continuing basis.

It is assumed that approximately four conservation measures will be selected in FY 76 for submission to Congress, whereas approximately six will be submitted in FY 77. Since each measure will require a plan and each plan an environmental impact statement and an economic impact analyses, the plan workload itself in FY 77 will be greater than in FY 76.

C. CONTINGENCY PLANNING

Program Justification

2. Resources Required (Continued)

These additional measures will be necessary because of the limited time available for measures development and submission in FY 76. The measures to be develped in FY 77 will provide sufficient cumulative demand restraints so that the International Energy Program (IEP) goals of 7% and 10% consumption reduction in an emergency can be realized. The IEP program and goals were cited in the EPCA Act. The decision to develop measures for successive submissions is based on several factors:

- Even with additional resource authority, the stringent time-frame for initial submission will not allow all measures to be developed.
- Later measures will benefit from Congressional reaction to the initial set, and the feedback will enhance significantly further analysis and development.
- Congress does not require all measures initially; the EPCA specifically calls for submission of additional measures and amendments after the first set is acted upon.

With a minimum of completed plans submitted for Congressional approval in FY 76, the fact that these plans will have the status of standby legislation subjects them to considerable public interest and intense Congressional scrutiny in FY 77.

The Office will assure that the energy contingency and conservation plans are workable by those agencies responsible for carrying them out. Consequently, the Office will periodically continue in FY 77, as it did in FY 76, to assess the operational capability of ORP, Regions and other agencies entrusted with contingency planning operational roles and to test out assumptions in the Congressionally approved plans as much as possible.

C. CONTINGENCY PLANNING

Program Justification

Office of Contingency Planning

2. Resources Required (Continued)

In FY 77 Contract funding is requested to assist the staff to develop for each contingency plan, detailed test and evaluation procedures, simulation and procedural exercises to test and evaluate the validity of critical operations, and perform "on-site" evaluations of the capability of ORP, regional and other agencies to perform responsibilities assigned in support of contingency planning requirements.

The same level of resources, 24 positions, as requested for FY 76 will be required in FY 77.

D. REGULATION DEVELOPMENT

General Statement

This budget assumes decontrol of most products below the refinery level by the end of FY 77. Regulation Development (RD) initiates all regulations to implement mandatory or standby petroleum allocation and price programs, and manages the regulatory process for all other regulations issued by FEA. RD also conducts hearings and prepares briefings on the regulatory phases of these programs including conservation, coal conversion and strategic storage, in accordance with the provisions of the Energy Policy and Conservation Act of 1975 (EPCA), the EPAA of 1973 and the FEAA of 1974. Specifically, RD assures that FEA mandatory regulations with respect to FEA allocation and price regulations are appropriate to achieve the objectives mandated by law based on current market supply and demand conditions, and that administrative procedures prescribed by law for other regulations are implemented. RD can continue this level of effort in FY 77 with a net reduction of seventee (17) positions.

Program Justification

1. Office of Price Regulations

a. Program Authority

The Price Regulation Division is required to identify and evaluate situations in which the FEA is not sufficently fulfilling the objectives and purposes of the EPAA and EPCA, to analyze various alternatives and to recommend the most effective solutions. Authority for this is found in Section 4(b) (1)(D) of EPAA "Preserve competitive viability of independent refiners, small refiners, nonbranded independent marketers and branded independent marketers" and Section 4(b) (1) (D) - "Analyze regulations for economic distortions, inflexibility and unnecessary interference with market mechanisms."

D. REGULATION DEVELOPMENT

Program Justification (Continued)

1. Office of Price Regulation (Continued)

b. Resources Required

During FY 1976, the Price Division has initiated, examined, analyzed and proposed regulatory changes in a number of areas including the regulation of natural gas processing plants and treatment of prior pricing, increased nonproduct cost requirements for wholesale and retail gasoline dealers, heating oil dealers, fixed base operators, propane dealers, residual fuel oil dealers and sellers of other petroleum products. Nonproduct cost adjustments for refiners and gas processors were also made.

Continuing responsibilities for FY 77 required under EPCA include regularly adjusting the price of crude oil to maintain the $7.66 a barrel weighted average price; providing reports to Congress on the impact of regulations and regulatory changes for crude oil, including Oil Pricing Policy [Section 8(f)], and making any needed adjustments to price regulations for refiners, resellers and retailers, of products such as propane for which price controls are retained.

Increased responsibilities for FY 77 required under EPCA include determining more sophisticated classifications of crude producers to determine different ceiling prices for crude oil as justified under Section 8(b) of EPCA to give positive incentives for "(i) enhanced recovery techniques, or (ii) deep horizon development" and to encourage production. Also required are evaluations of the factors described Section 8(c) which would lead to a determination of the extent to which the weighted average price of crude oil has exceeded or was less than the prescribed $7.66.

Regulation Development will be required to stipulate pricing for crude oil and products purchased for the Strategic Reserve by the Federal government or by private industry and the price at which it may be sold; determine the necessary price level for new Alaskan crude production; and report to Congress as required by Section 8(g).

REGULATION DEVELOPMENT

Program Justification (Continued)

1. Office of Price Regulation (Continued)

b. Resources Required (Continued)

To the extent price controls are in effect, regulations proposed by the Price Division will effect producers of crude oil, refiners of crude oil, natural gas processors, and wholesalers and retailers. This Division has a prime responsibility in connection with the practicality of and the method for any type of price decontrol of any product or market segment not accomplished in FY 76 and a prime responsibility to recommend use of any standby authority, including rationing.

In order to accomplish the above which includes additional responsibilities under the EPCA, a minimum of eleven (11) positions for FY 77 are required.

2. Office of Allocation Regulations

a. Program Authority

The Allocation Regulations Division is responsible for development of necessary amendments to existing allocation regulations, formulation of required new regulations, and preparation of rulings and guidelines necessary to clarify any allocation regulations in force. Authority for this responsibility is found in the EPAA of 1973, as amended, Section 4, which concerns the mandatory allocation of crude oil; residual oil, refined petroleum products, and natural gas liquids; in the Energy Policy and Conservation Act of 1975 (EPCA), Parts A and B of Title II (Standby Emergency Authorities), and Part B of Title IV (amendments to the EPAA providing for regulatory review and possible product decontrol; and in the Defense Production Act of 1950, as amended (DPA), Title I, which concerns the priority allocation of all forms of energy for defense requirements.

D. REGULATION DEVELOPMENT

2. Office of Allocation Regulations (Continued)

b. Resources Required

During FY 1976 the Office of Allocation Regulations (OAR) continued to monitor, amend where necessary, and develop regulations for the Mandatory Petroleum Allocation Program to meet changing market conditions and to respond to new developments in petroleum energy supply and demand. In addition to the development of these regulations, OAR prepared guidelines and rulings for the clarification and implementation of the regulations. An itemization of some of the significant activities in this area follows:

Selected FY 1976 Accomplishments

- o Crude Oil Buy/Sell Program Revisions
- o Crude Oil Supplier-Purchaser Relationship Revisions
- o DOD Natural Gas Allocation
- o Revisions of Reporting Requirements
- o Surplus Product Rules Revisions
- o Refinery Fuel Use of Propane Rules
- o Allocation of Substitute Fuels to Curtailed Natural Gas Customers
- o Application of small refiner exemption provision
- o Allocation controls over propane (and butane, if necessary) because of their sensitivity to natural gas curtailments.
- o Decontrol of Residual Fuel Oils
- o Decontrol of Other Products
- o Economic and environmental assessments and/or statements on decontrolled products
- o Reevaluation of Mandatory Petroleum Allocation Program provisions

During 1977 the primary emphasis of the Office of Allocation Regulations will be on:

- o Crude Oil-Allocation Control
- o Entitlements Program Revisions
- o Decontrol of Other Products
- o Oil Import Program Revisions
- o Revision of SNG Feedstock Policy
- o Development of Standby Allocation Program
- o Evaluation of Decontrol

REGULATION DEVELOPMENT

Program Justification (Continued)

2. Office of Allocation Regulations (Continued)

b. Resources Required (Continued)

- o Canadian Crude Oil Allocation Program revisions as necessary to reflect Canada's declining export schedule.
- o Development of control as necessary over Alaskan crude oil and related revisions to other programs.
- o Monitoring the decontrolled market to evaluate and make recommendations on the basis of complaints and/or for the reimposition of controls.

These efforts will require the analysis of data collected by other FEA offices, analyses of policy alternatives, findings of fact, and the continued preparation of regulations and regulatory changes. Support for contingency planning will also continue. Any remaining allocation controls at the refiner or prime supplier level will also have to be continually reexamined and improved as deficiencies are found and conditions change.

In order to accomplish all of the above activities, a total of nine (9) positions at the end of FY 77 will be required, assuming that all allocation and price controls for products other than propane below the refinery level have been removed.

3. Office of Regulation Management

a. Program Authority

Section 11 (a) of the Emergency Petroleum Allocation Act of 1973 as amended by the Energy Policy and Conservation Act of 1975 requires the FEA to conduct public hearings concerning the appropriateness of, or the continuing need for, the application of any provision of the regulation promulgated under Section 4 (a) of the EPAA of 1973 as such provision relates to the attainment of the objectives specified in Section 4(b) (1) of Section (4) of the EPAA of 1973.

REGULATION DEVELOPMENT

Program Justification (Continued)

3. Office of Regulation Management (Continued)

b. Resources Required

During FY 77, public hearing requirements resulting from the legislative mandates of the EPCA will continue as product decontrol is accomplished. Standby regulations must be developed and maintained for future implementation in lieu of the mandatory regulations. In addition, rulings and regulation changes will occur in FY 77 because the price controls required for crude oil must be constantly reviewed to effectively stabilize the cost of crude oil to all refiners. Regulatory actions implementing the new mandatory provisions of the EPCA involving Title III, Improving Energy Efficiency and Title V, Improving Automotive Efficiency Energy Conservation for Consumer Products will result in increased requirements for public hearings. In the FY 77 President's budget submission no provision has been made to support this voluminous and essential activity. A minimum therefore of six (6) positions is requested.

4. Office of Research and Analysis

a. Program Authority

Authority for this activity is contained in Section 4 of the Emergency Petroleum Allocation Act of 1973 (as amended by Section 455 of the Energy Policy and Conservation Act); Section 18 of the Federal Energy Administration Act of 1974; and Section 102(2)(c) of the National Environmental Policy Act of 1969.

This office was established in June 1975 to assess the impact of regulatory changes on the economy in general, including both the petroleum industry and various petroleum consumers, as well as to assess the impact on the environment of regulatory activities.

D. REGULATION DEVELOPMENT

Program Justification (Continued)

4. Office of Research and Analysis (Continued)

b. Resources Required

The additional activity called for by the EPCA continues during FY 77, especially the product-by-product assessments of the effects of de-regulation. These assessments will include both analyses of propective economic and environmental effects that are done before deregulation, in accord with Section 455(d) of the EPCA; and determination of post-deregulation conditions under the standby authority provisions of Section 455 (f). Continuing analyses of regulatory changes will be performed for products not deregulated.

A minimum, therefore, of nine (9) positions is requested to implement these mandatory functions throughout FY 77.

5. Office of Marketing and Industry Relations

a. Program Authority

As required by Section 5(b) (5) and (10) of the FEA Act of 1974, this office provides continuing liaison between FEA and the various segments of the petroleum industry, industry associations, state petroleum associations and consumer groups to maintain an open channel of communication whereby current and potential industry problems may be pin-pointed and brought expeditiously to the attention of responsible officials, and which may be utilized to develop informed quick responses on subjects of vital concern to the Administrator.

b. Resources Required

In accordance with Sections 454 and 455 of the EPCA of 1975, the office performs special studies, with respect to the marketing of petroleum products. The office also reviews and supports the activities of the Wholesale, Retail and Northeast Advisory Committees in accordance with Section 17 of the FEA Act of 1974; and provides and assists in the clarification of FEA regulations as required. It is expected that most refined products will be decontrolled by the end of FY 77. Most marketing restraints will be relaxed as well. However, there will be a continuing need for this office to support Northeast, Wholesale and Retail and other industrial Advisory Committees' activities; to provide input and assistance in the development of contingency plans and to monitor and maintain liasion with the petroleum industry particularly in regard to market shares. To support this reduced level of activity, a minimum of three (3) people will be required.

E. ADMINISTRATION

General Statement

This activity provides the overall executive direction for the Office of Regulatory Programs as well as the administrative management support necessary to facilitate the on-going operational functions of the office. The latter includes budget formulation for the National Office and the Operations and Compliance programs in the regions; budget execution for the National Office; development and implementation of systems and procedures to govern the receipt, correctness, control and expeditious transmission of controlled correspondence; coordination of personnel and employee related-services; and the provision of office services and telecommunication services.

Program Justification

1. Executive Direction

a. Program Authority

The Office of Regulatory Programs operates under the authorities of the EPAA of 1973 as amended, the FEAA of 1974 and the ECPA of 1975.

b. Resources Required

No changes are requested in the resources required over those needed in FY-76.

2. Administrative Operations

a. Program Authority

Administrative Operations operates under the authorities of the EPAA of 1973 as amended, the FEAA of 1974, the ECPA of 1975, as well as current CSC, OMB and other governmental regulations pertaining to administrative functions.

b. Resources Required

This Office maintains the ability to formulate and execute budget for Regulatory Programs, the provision of comprehensive financial management, the provision of personnel management services, as well as support services for all FEA units at 2000 M Street. Included in the later are telecommunications service, office services, supply services, and mail and messenger services, plus the variety of incidental services necessary for daily operations at a location remote from the main headquarters. In order to effectively carry out this vital part of the operation, a total year end strength of 21 positions is needed. This represents a reduction of 6 positions from FY 76 and is based upon the assumption that the reduction will be achievable through improved management and administration procedures and the stabilization of the overall operations of FEA.

F. DATA SUPPORT

General Statement

To support the requirements of the FEAA and the EPCA during FY 77, a total of 27 positions and $200 thousand dollars in contract funds are required to define data requirements and functional specifications for data systems, develop forms and information gathering systems, provide technical assistance in the utilization and evaluation of the results of data system operation, and manage the data systems resources for all mandated regulatory programs.

Program Justification

1. Program Authority

The Data Support Program must develop data requirements, functional specifications, and new revised forms; monitor data system development and implementation; evaluate resulting data systems; and assist in the utilization of output from new and modified data systems to implement the mandates of EPCA.

2. Resources Required

Programs planned for accomplishment in FY 76 include development of specifications for and supervision of the implementation of approximately 15 new data systems; development of 41 new forms and the revision of 11 existing forms in support of the Regional and National programs implemnting provisions of EPCA; support for the Natural Gas Curtailment Task Force data systems; definition of EPCA regulatory data requirements for inclusion in FEA-wide data systems, 50 quick-response data studies; supervison of the operations of three data systems; design and implemtnation of 18 micrographics systems; and provision of microforms to meet quick-reaction (less than one day) EPCA requirements.

EPCA required the initiation, review and development of new and revised data systems in four main program areas: Crude Oil Pricing, Compliance Targeting, Crude Oil Allocation, and Contingency Planning. The new programs developed during FY 76 to meet the requirements of EPCA will require continued operation, review, and modification effort in FY 77 as these new programs, such as crude oil pricing and compliance, move from development into operations. With new systems, extensive data quality assurance, modification of systems and computer output formats, and improvement of their application to compliance programs can be expected, including the systems to determine the maximum weighted average first sale price of domestic crude oil, to target crude oil producers for audit based on first sale price, to supplement the existing crude entitlements system with a system for product import

F. DATA SUPPORT

2. Office of Data Support (Continued)

Resources Required (Continued)

entitlements, to track domestic crude oil exchanges between refiners, to identify refiners entering into processing agreements, and to assist the determination of refiners' proportionate costs. Other existing systems which were developed prior to EPCA will also require modification to conform to regulation changes, including the crude oil targeting system, the transfer pricing system, the crude oil entitlements program, the refiner cost pass-through system, and the compliance targeting system.

To support EPCA-required allocation programs, modification of data systems developed during FY 76 for the equitable distribution of Canadian crude oil to impacted refiners, for the LPG System, and the oil import system, it will be necessary to keep these systems in line with changes to the regulations based n EPCA.

To support the contingency planning requirements of EPCA, it is necessary to support the development and review of contingency plans for ORP data systems, to recommend and install improvements to data systems for contingency plans, and to help develop functional specifications for critical long-term data systems. The Natural Gas Curtailment data base must be updated to give standby capability for equitable distribution of alternative fuels. The contingency data systems developed in response to EPCA requiring review and modification are the gasoline rationing system, the system to allocate strategic reserves, the mandatory refinery yield system, the system to assure adequacy of critical products, and the system for emergency demand restraint programs.

It will be necessary to develop approximately 10 new forms, modify 30 existing forms, and review approximately 40 forms to support continuing data requirements within the staged decontrol process mandated by EPCA.

F. DATA SUPPORT

2. Office of Data Support (Continued)

Resources Required (Continued)

Additional resources are required for supporting regulatory operational elements with analysis to support the EPCA extension of price controls to previously uncontrolled crude oil, the EPCA provision for product or sector decontrol, the extensive modification of existing programs such as entitlements and compliance targeting. Studies will also be required by EPCA to provide a basis for decontrol, for adjustments to the domestic crude oil ceiling price for inflation production incentive, and for detemination of legal cost pass through, recoupment, domestic exchanges, and proportionate cost provisions of EPCA. Resources are also requested to design and develop quick-respone micrographics systems required by EPCA.

A total of 27 positions is requested to perform all of the tasks identified. In addition, contract funds in the amount of $200 thousand dollars are requested to meet the accelerated time schedule imposed by the EPCA. The operation and modification of continuing new programs mandated by EPCA coupled with the activity required by phased decontrol and contingency efforts cannot be accomplished with the requested resources.

FEDERAL ENERGY ADMINISTRATION

Congressional Budget Submission
Fiscal Year 1977

REGULATORY PROGRAMS

Analysis of FY 1977 Contracts	($000) Cost
o Compliance Forms development and redesign necessitated by regulation changes	$ 80
o Develop and revise audit guidelines as required by regulation changes	50
o Revise Compliance computer programs to adapt to program and regulatory changes	150
o Provide support in training new staff plus refresher training for on-board staff in current procedures	150
o Expand the computerized audit packages for use at firms that have computerized records. Such packages will be designed to reduce unusual effort currently being expended to conduct audit tests and develop workpapers	100
o Identify energy related firms and their legal addresses that are subject to FEA regulations and provide appropriate inputs for FEA data systems	50
o Update refinery yield models periodically to include system changes. Expand models vertically reflect operations on a refinery by refinery basis for each district. This will provide detailed analysis for directing specific refinery operations in the event of a severe shortage	200
o Assistance in the preparation of Environmental Impact Statements for individual SNG feedstock petitions	70
o Conduct essential analyses and studies of the economic conditions which exist in the petroleum, coal and other energy markets to foresee cost potential distortions or disruptions in the marketing sectors which could impact on independent market shares, consumers, and other groups identified in the EPAA	250

FEDERAL ENERGY ADMINISTRATION

Analysis of FY 1977 Contracts (Continued)

	($000) Cost
o Provide review and maintenance of the following contingency measures to keep them current in light of changing market conditions; and assist in incorporating congressional reactions.....	350
a. Gas Rationing Contingency Plan b. Embargo Contingency Plan c. Fuels Substitution Alternatives Plan d. Emergency Storage Plan e. Mandatory Conservations Measures, i.e., gas, electricity, other energy products.	
o Assist in the preparation of contingency plans to support the requirements of the FEAA to provide for energy supply shortages or disruptions as well as other contingency planning requirements as they become known.....	150
o Support FEA in reviewing up to fifty State Contingency Plans for compliance with guidelines and to determine the degree of readiness; to support Presidential findings concerning exemption from federal contingency plans.....	200
o Support in the development of additional energy conservation contingency plans, including preparation of supporting documentation from inception through submission to Congress (to include implementation tasks, schedules, and programs operating concepts). Approximately six such plans will be developed.....	300
o Assess the mutual impact of the various conservation contingency measures and other on-going programs to determine cumulative effects on staffing, funding, information requirements and vulnerability to failure. Provide for resolution of potential integration problems.....	90
o Develop methods and procedures for testing contingency plans, to include simulation and testing of critical operations and assumptions.....	85
o Evaluate the capability of FEA organizations as well as other organizations to implement contingency plans.....	125
o Design and develop standby energy data collection forms for all measures to be included in contingency plans.....	100
TOTAL.....	$2,500

FEDERAL ENERGY ADMINISTRATION
REGULATORY PROGRAMS
NATIONAL OFFICE AND REGIONS
OBJECT CLASSIFICATION (in thousands of dollars)

Identification code		19 75 actual	19 76 estimate	19 TQ estimate	19 77 estimate
	Personnel compensation:				
11.1	Permanent positions	23,472	23,124	8,398	31,055
11.5	Other personnel compensation	323	340	104	565
	Total personnel compensation	23,795	23,464	8,502	31,620
	Personnel benefits:				
12.1	Civilian	2,311	1,985	789	3,924
21.0	Travel and transportation of persons	1,776	1,958	735	6,325
22.0	Transportation of things	111	285	121	394
23.0	Rent, communications, and utilities	1,069	457	175	642
24.0	Printing and reproduction	111	444	189	667
25.0	Other services	232	339	117	775
	CONTRACTS	2,448	4,610	842	2,500
26.0	Supplies and materials	144	261	90	508
31.0	Equipment	135	197	40	445
99.0	Total obligations	32,132	34,000	11,600	47,800

FEDERAL ENERGY ADMINISTRATION

OFFICE OF REGULATORY PROGRAMS

DETAIL OF PERMANENT POSITIONS

	19 75 Actual	19 76 estimate	19 77 estimate
Executive Level I	...	...	...
Executive Level II	...	...	...
Executive Level III	...	...	...
Executive Level IV	1	1	1
Executive Level V	1	3	3
Subtotal	2	4	4
GS-18	1	...	...
GS-17	3	3	3
GS-16	6	7	6
GS-15	41	61	47
GS-14	89	137	110
GS-13	200	302	255
GS-12	235	312	268
GS-11	209	283	242
GS-10	2	...	...
GS- 9	136	182	153
GS- 8	8	24	19
GS- 7	122	151	126
GS- 6	26	43	33
GS- 5	123	152	128
GS- 4	74	82	71
GS- 3	16	23	18
GS- 2	...	...	...
GS- 1	...	...	...
Subtotal	1,292	1,762	1,479
Ungraded	...	...	...
Total permanent positions	1,294	1,766	1,483
Unfilled positions, June 30	...	...	...
Total permanent emloyment, end of year	1,294	1,766	1,483

FEDERAL ENERGY ADMINISTRATION

Congressional Budget Submission
Fiscal Year 1977

OFFICE OF CONSERVATION AND ENVIRONMENT

(dollars in thousands)

	FY 1975			FY 1976			Tran. Qtr.	FY 1977		
Program	Pos.	Man-Years	Amount	Pos.	Man-Years	Amount	Amount	Pos.	Man-Years	Amount
Transportation	29	25	1467	25	23	4491	790	20	20	1404
Appliances	4	4	204	18	12	2400	596	18	15	1200
Industrial	32	28	2700	56	56	5806	669	39	49	2118
Buildings	60	55	3100	43	43	11354	1331	22	34	1252
Utilities	27	22	2346	20	20	9586	983	32	26	1000
Marketing and Education	12	11	2157	15	15	5470	655	18	16	1914
State	0	0	0	40	22	7200	463	40	32	50000
Federal Energy Management	15	13	700	14	14	1448	354	22	15	972
Conservation Planning, Analysis and Evaluation	44	40	2200	12	12	1502	355	13	12	732
Environment	42	41	1348	48	47	1811	648	33	43	1302
Exec. Direction/ Admin. Support	17	16	798	15	15	472	107	17	14	442
Weatherization				10	8	260	53	10	10	260
TOTAL (Regions)	282 (86)	255	17020	316 (63)	287	51800	7004	284 (50)	286	62596

* Includes pass thru to National Bureau of Standards of $940 thousand in Fiscal Year 1976 and $430 thousand in Fiscal Year 1977 for development of appliance test procedures.

** Includes personnel and contract support costs for work performed by Office of Policy and Analysis for the State grant program.

General Statement

The Office of Energy Conservation and Environment has as its general mission the promotion of efficiency in the use of energy resources. In this context, the office is responsible for developing and implementing new governmental programs to reduce energy demand in transportation, buidlings, industrial, and utilities areas, developing and conducting public education and multi-media campaigns in support

of energy conservation programs, and providing technical and program support of energy conservation to State governments. In short, the Office of Energy Conservation and Environment (C&E) has the unique charge to reduce the rate of energy demand growth through implementation of energy conservation programs which promote the efficient use of energy resources. C&E is also charged to provide policy analysis on environmental issues and to fulfill FEA's responsibilities under the National Environmental Policy Act.

Enactment of the Energy Policy and Conservation Act (EPCA) has provided additional areas of authority for this Office. Under the provisions of the EPCA, the Office of Energy Conservation and Environment will:

- Implement an energy testing, labeling and efficiency improvement targets program for major home appliances. This Office will set energy efficiency targets for these products which are designed to achieve the maximum improvement technologically and economically feasible by 1980 over similar products manufactured in 1972.

- Establish and maintain a program to promote increased energy efficiency by American industry, and establish voluntary energy-efficiency improvement targets for at least the ten most energy consumptive major energy consuming industries. This specific mandate assumes continuation of the current Voluntary Industrial Energy Conservation Program.

- Publish and distribute mileage guides and booklets containing data on the fuel economy of automobiles. The Environmental Protection Agency, in consultation with FEA and DOT, is responsible for testing new car fuel economy and ensuring that labels containing fuel economy performance information are placed on all new cars.

- Implement a State Energy Conservation Program which provides for a three-year grant-in-aid program to assist States in developing and implementing energy conservation programs designed to reduce their consumption by 5 percent below the projected level of consumption in 1980.

- Implement a ten-year plan for energy conservation with respect to buildings owned or leased by agencies of the U.S. Government, which includes mandatory lighting efficiency standards, mandatory thermal efficiency standards and insulation requirements, restrictions on hours of operation, thermostat controls and other conditions of operation, and plans for replacing or retrofitting to meet these standards. FEA will also assist in developing mandatory standards with respect to energy efficiency to govern the procurement policies and decisions of the Federal Government.

- Carry out an expanded public education program, including encouragement of energy conservation and the promotion of vanpooling and carpooling arrangements.

- Ensure that the actions undertaken under the authorities of EPCA are in compliance with the National Environmental Policy Act (NEPA).

Our FY 1977 Budget Request is $62,500,000, of which $50,000,000 is for the EPCA-mandated State Program. This budget submission reflects a decrease in positions from our FY 1976 base by 32.

Justification

In FY 1976 there was a major focusing of effort on developing energy conservation initiatives for those sectors of economic activity where the greatest potential for energy savings was identified. Several major programs were established or expanded in order to encourage the widespread adoption of conservation measures in these sectors. The criterion of cost-effectiveness was applied to all of our conservation program efforts. Only those actions that would save energy at a cost lower than the cost of an equivalent amount of energy that could be produced were considered relevant opportunities.

Our energy conservation programs have been designed to reduce energy consumption to the maximum extent possible with existing technology, while also minimizing the cost to the Government.

In FY 1976 our budget was $51,800,000 (including $7,200,000 for the State grants program).

The FY 1977 budget for the Office of Energy Conservation and Environment ($62,596,000 including $50,000,000 for the State grants program) emphasizes those programs mandated by the Energy Policy and Conservation Act. Remaining resources will be used to monitor and evaluate the effectiveness of voluntary programs established and implemented with funding from previous years to see if they are achieving their intended objective, and whether they should receive continued funding.

State Energy Conservation Program (EPCA, Title III, Part C)

This program will become one of our major initiatives in FY 1977, and will provide technical and financial assistance to individual States in support of State energy conservation plans. The EPCA requires that each State plan five specific conservation measures if they are to receive financial assistance under the program.

The first phase of the program is the preparation of reports by the States which assess the feasibility of establishing a goal to reduce energy consumption by five percent by 1980. On the basis of this feasibility report, the States will be granted funds to develop a plan incorporating the five required measures as well as other conservation initiatives. These plans will be submitted to FEA by November 22, 1976, and at that time, States that meet the minimum requirements set forth by the guidelines will be eligible for financial assistance to implement the eligible programs in their conservation plans.

FY 1976 Program:

- Published guidelines for the preparation of feasibility reports and received reports from States on their capabilities for achieving a five percent reduction in energy consumption.
- Provided $5 million in grants-in-aid money to the States to assist them in planning and preparation of their State energy conservation plans.
- Published guidelines on the preparation and content of the State conservation plans.
- Established a data collection system and method for forecasting State energy consumption data.

FY 1977 Objectives:

- Receive, review and approve State energy conservation plans.
- Provide funding for technical assistance in the development, implementation and evaluation of State energy conservation plans.
- Provide grants-in-aid to the States to develop and implement their State energy conservation programs.
- Update data collection and forecasting system.
- Provide States with information on the state-of-the-art of latest energy conservation technologies and opportunities.

Transportation Programs (FEA Act; EPCA, Sec. 301 ("Sec. 506"), Sec. 381(b), Sec. 382):

Transportation consumes about 25 percent of total U.S. energy demand and, consequently, it is a prime target of our conservation programs. The Office of Transportation Programs has the primary goal of increasing the efficiency of energy utilization in this sector.

FY 1976 Program:

- Printing and distributing fuel economy mileage guides and booklets.
- Continuing the Vanpool Program. Approximately 200 seminars were held with major U.S. companies to provide them with technical assistance for sponsoring vanpool programs.
- Implementing, with DOT and EPA, the Truck and Bus Fuel Efficiency Program, which disseminates fuel economy information and technologies to the trucking industry.
- Developing and implementing a program on energy conservation in the airline industry.
- Development of a Drivers Education Program aimed at reducing the amount of unnecessary fuel consumed by motorists.
- Continuation of the Transportation Analysis Program designed to support and evaluate transportation energy conservation programs and establish data bases and analytical tools to guide policy and program assessment.

FY 1977 objectives include:

- Printing and distributing at least 14,000,000 fuel economy mileage guides for model year 1977 automobiles.
- Evaluation and limited funding of voluntary Transportation Programs, including Vanpool Program, Truck and Bus Fuel Efficiency Program, Airlines Conservation Program and Drivers' Education Program.

Appliance Labeling and Energy Efficiency (EPCA, Title III, Part B):

Under this program, as set forth in the EPCA, manufacturers will be required to place labels on their new appliances. which according to FEA-prescribed test procedures, reflect the annual energy cost of operating those appliances. In addition, energy efficiency targets must be established for each category of appliance and progress towards achievement of those targets must be monitored. FEA has lead responsibility for this program.

FY 1976 Program:

- o Published draft test procedures for:
  - Refrigerators and refrigerator/freezers
  - Freezers
  - Dishwashers
  - Clothes Dryers
  - Water Heaters
  - Room Air Conditioners
  - Television Sets
- o Established by rule energy efficiency improvement targets averaging over a 20 percent aggregate increase for:
  - Refrigerators and refrigerator/freezers
  - Freezers
  - Dishwashers
  - Clothes Dryers
  - Water Heaters
  - Room Air Conditioners
  - Home Heating Equipment
  - Television Sets
  - Ranges and Ovens
  - Clothes Washers
- o Established a reporting and monitoring system to monitor progress toward efficiency goals.

FY 1977 Objectives:

- o Publish final test procedures for:
  - Refrigerators
  - Refrigerator/freezers
  - Freezers
  - Dishwashers

- Clothes Dryers
- Water Heaters
- Room Air Conditioners
- Home Heating Equipment
- Television Sets
- Ranges and Ovens

o Publish draft test procedures for:

- Clothes Washers
- Humidifiers
- Dehumidifiers
- Central Air Conditioners
- Furnaces

o Publish Energy Efficiency Improvement Targets for:

- Humidifiers
- Dehumidifiers
- Central Air Conditioners
- Furnaces

o Revise ten original improvement targets, based on final test procedures and additional research.

o Initiate comprehensive consumer education program on how to buy energy-efficient appliances based on the label, how to use appliances efficiently.

o Complete survey of additional appliances eligible for coverage.

Industrial Programs (FEA; EPCA, Title III, Part D):

The FEA, together with the Department of Commerce, has established a major program to encourage and assist industry to conserve energy. During the past two years we have been working with individual firms and trade associations to obtain commitments to increase industrial energy efficiency. As a part of the program, we have published and distributed several guides to industrial energy conservation and sponsored seminars that have focused on specific techniques for improving energy efficiency.

Under the Energy Policy and Conservation Act, the FEA, in consultation with the Department of Commerce and the Energy Research and Development Administration, is given the responsibility to establish and maintain a program to promote increased energy efficiency by American industry, and to establish voluntary energy efficiency improvement targets for the ten most energy consumptive major energy consuming industries. The specific mandate for energy efficiency targets and company reporting is not meant to preclude continuation of the current Voluntary Industrial Energy Conservation Program, nor any other voluntary energy conservation program involving those industries which are not required by the EPCA to participate.

FY 1976 Program:

- In the Big 3 Program, awarded contracts for design, development and implementation of 100 executive conferences, 200 industrial seminars, program scheduling and program evaluation. Completed design and conducted five pilot executive conferences and 3 pilot industrial workshops.

- Published initial and final identification and ranking of major energy consuming industries. Published Federal Register query to obtain information necessary to identify the 50 largest energy consuming corporations in the top ten energy consuming industries. Published for comment draft energy efficiency targets for the top ten energy consuming industries. Published for comment draft reporting form for company reporting to FEA.

FY 1977 Objectives:

- Final identification of 50 most energy consumptive corporations in top ten energy consumptive industries.

- Publish final reporting form for company reporting to FEA.

- Publish companies exempted from direct reporting to FEA due to participation in adequate voluntary program.

- Publish energy efficiency targets for top ten energy consuming industries and continue appropriate analysis of them.

- Receive company/industry reports and make initial annual report to Congress and the President.

- Conduct the balance of FY 1976 funded executive conferences (95) and industrial workshops (197). Conduct continuing program evaluation and make necessary revisions in program design and conference/workshops format and content.

Buildings Programs (FEA Act):

Residential and commercial buildings consume about one-third of total U.S. energy demand. Individuals and businesses in this sector often do not have the information necessary to make energy conserving investments in their homes, office buildings, or schools. To overcome this barrier, we have initiated several programs to provide such information. Project Conserve is one means by which we have attempted to provide information to the homeowner. It is based on a questionnaire which can be completed by the homeowner. The questionnaire is processed by a computer and a report is then provided to each homeowner indicating the conservation measures he/she should take and estimating the costs and savings that can be expected.

Commercial buildings have been another focus of our efforts. For more than one year, we have been contacting building owners, managers and tenants through our regional offices to inform them of the simple steps they can take to save energy in the buildings, such as by eliminating unnecessary lighting and adjusting temperature and ventilation levels. About 80 percent of the building representatives who participated took some action, resulting in an average reduction in energy use of more than 20 percent.

In addition to these efforts, we have also implemented a Financial Program, an Institutional Program, a Thermal Standards Program, and Residential and Architectural Programs. These are more fully discussed below.

FY 1976 Program:

- Expansion of Project Conserve. The program was fully implemented in two States (Massachusetts and New Mexico), and alternative programs were funded in 12 States.

- Commercial Retrofit Program (including Lighting and Thermal Operations) was introduced by awarding contracts for 200 seminars with industrial and business representatives.

- Thermal Standards Program was implemented, including impact analysis for projected standards for use in the EPCA State Program; an interagency agreement with ERDA was signed to to provide technical assistance to States for the implementation of thermal standards; and an "awareness campaign" was developed for architects and engineers.

- Institutional Program (schools and hospitals) was implemented to provide technical assistance on energy conservation measures to this sector.

- Developed the Architectural Program, aimed at emphasizing energy conscious design by architects, and the Financial Program which attempts to eliminate some of the barriers to conservation put up by financial institutions which emphasize first cost rather than life cycle cost in evaluating loan or mortgage applications.

- Continuation of the Buildings Analysis Program to identify new opportunities for buildings energy conservation and analyze policy options for achieving these opportunities.

FY 1977 Objectives:

- Evaluation and limited funding of our Buildings Energy Conservation Programs including Project Conserve, Institutional and Architectural Programs, Thermal Standards Program, and Financial Program.

- Implementation of our Residential Program, including the design and publication of a residential retrofit owners manual, master metering demonstrations, workshops for homebuilders, and implementation of an awards program for new energy conservative buildings.

- Limited continuation of the Buildings Analysis Program in support of Buildings Programs.

Utilities Programs

The gas and electric utilities industries account for approximately 33 percent of the total end-use energy in the United States. The Office of Utilities Programs is implementing three major efforts: (1) Load Management Demonstration Projects, (2) Intervention in State Regulatory Hearings, and (3) Utilities Conservation Action Now (UCAN). Through these programs, it is possible to increase utility load factors significantly and, thus, reduce the need for additional generating capacity and the need for plant expansion capital.

FY 1976 Program:

- Expanded the Electric Utilities Demonstration Program to 20 projects, 3 with public utilities and 17 with investor-owned companies. These demonstrations will assess consumer response to new rate structures, show the effectiveness of load management practices and technologies, and promote electricity conservation.

- Initiated development of analytical tools to evaluate the significance of project results and assess the implication and impact of project findings.

- Implemented the Utilities Conservation Action Now (UCAN) Program, which seeks to elicit the active participation of electric and gas utilities, regulatory agencies, consumers and environmentalists in achieving national energy goals. (93 participants as of March 5, 1976.)

- Implementation of Intervention Program which advocates (a) structural rate reform, (b) load management techniques and controls, (c) end-use conservation practices and technologies and (d) the transfer of technical load management information.

- Continued Utilities Analysis Program in support of voluntary program efforts.

FY 1977 Objectives:

- Evaluation of the Utilities Demonstration Program undertaken in FY 1976 to see if objectives of program are being met and if transferable technology and methods are being developed.

- Further implementation of the Utilities Conservation Action Now (UCAN) Program to encourage voluntary energy conservation and efficiency efforts.

- o Continuation of the Federal Intervention in Regulatory Hearings Program.

- o Preparation of regionally specific guidelines for rate making and load management practices.

Marketing and Education: (FEA Act), EPCA, Sec. 381(b))

Since the establishment of the FEA, we have been firmly committed to increasing the awareness of the general public and other energy users of the opportunities for energy conservation. Although energy conservation is in the self-interest of most individuals and businesses, reducing energy consumption has been hampered by a lack of understanding of the specific costs and savings of measures to improve the efficiency of energy use. We still face the difficult task, for example, of convincing energy users that it is the high cost of energy--and the prospect of even higher prices--that justifies energy conservation, rather than the appearance of spot shortages in supply.

In order to convey the useful information necessary for people to implement specific conservation measures, we have initiated a variety of programs. One aspect of these efforts is the development and distribution of public service advertisements for radio, TV, print and other media. But because public service advertising is not totally adequate for reaching specific groups of a wide range of the general public, we are also pursuing several other initiatives. For example, we have developed and distributed pamphlets and booklets on home and automobile energy conservation opportunities. We are also managing a program for conservation education in primary and secondary schools and have conducted numerous citizen training workshops for adults. In addition to these broadly-based education efforts, we also have undertaken a number of more specific initiatives in support of the other conservation programs being implemented by FEA. Examples include information support of retrofit of existing homes, specific driving conservation practices, and appliance use practices.

Finally, we regularly conduct public opinion surveys to obtain a better understanding of the areas where our efforts might be directed in the future.

FY 1976 Program:

- o Implementation of a major national advertising campaign.

- o Implementation of several Conservation Education Programs, including:

  - Youth Training Program
  - Citizens' Conservation Education Program in 10 regions
  - Energy Interpretative Model Program for Parks and Recreation Areas
  - Curriculum on energy conservation for science teachers and begun curriculum studies on a broader basis.
  - Education materials on energy conservation for youth organizations.

- Assessing use of current materials and educational needs

- o Implementation of a program support marketing activity. We developed and implemented marketing support campaigns for major C&E Programs (Project Conserve, Vanpool Program, Industrial Program).

- o Conducted studies to determine consumer attitudes toward various energy conservation program strategies.

FY 1977 Objectives:

- o Limited continuation of the National Advertising Program.

- o Continuation of the Public Education Program to promote vanpooling and carpooling, appliance labeling and general education, including in-school and citizen training.

- o Continue to study public opinion and behavior and test our new conservation programs and concepts.

Federal Energy Management Program FEA Act, EPCA, Sec. 301 ("Sec. 510"), Sec. 381):

During fiscal years 1974 and 1975, goals of reducing anticipated energy consumption by 7 and 15 percent, respectively, were established, and agencies were asked to implement conservation measures (e.g., reduced lighting levels, thermostats set to cooling levels of 78 degrees in summer and heating levels of 65 degrees to 68 degrees in winter, and reduced energy consumption of motor vehicles and military ships and planes) to meet these goals. The Federal Government reduced its anticipated energy consumption approximately 24 percent over the entire 2-year period--the equivalent of more than 250,000 barrels of oil per day worth $1.6 billion.

Standards and guidelines for newly constructed Federal buildings, renovation of existing buildings, and improved motor vehicle efficiency are presently being developed pursuant to the provisions of the EPCA, and to implement the President's own multi-year plan, now under development, to reduce Federal energy consumption.

FY 1976 Program:

- o A draft of new building standards for Federal office buildings was developed and distributed.

- o Buildings retrofit guidelines, criteria and methodology were developed and distributed to all Federal agencies for use in the conduct of agency-wide and building level retrofit surveys.

- o FEA supported the Office of Management and Budget's Office of Procurement Policy in the development of Federal policy and potential procurement decisions to promote energy conservation and efficiencies through Federal procurement actions.

- o A project was initiated to insure existing training courses and other educational efforts of departments and agencies address energy management wherever appropriate, e.g., in driver training courses.

- o The Project Conserve concept of encouraging energy-efficient improvements for the homeowner was tested on FEA employees. The responses were analyzed and program modifications made to develop a Federal Government-wide employee program to be implemented in FY 1977.

- o Implemented a FEMP data reporting system to meet additional actions required by EPCA.

- o Over 200 energy conservation site visits to Federal installations and facilities were undertaken.

FY 1977 Objectives

- o Operate the expanded data base reporting system put in place in FY 1976.

- o Analyze the results pertaining to each major initiative in the Multi-year Action Plan on a total and a by-agency basis.

- o Monitor and evaluate the effectiveness of agency activities supporting the major initiatives of the Multi-year Action Plan.

- o Identify areas where new initiatives or modifications to existing initiatives will yield additional energy savings.

- o Thoroughly review the contents of the Multi-Year Action Plan and revise the plan, where appropriate, including the development of a ten-year buildings energy conservation program in the Federal Government (EPCA).

Environmental Policy

The activities of our Office of Environmental Programs were based largely on the general authorizations provided by the FEA Act and NEPA. While this program area is distinct from the remainder of C&E, it performs several vital agency functions. It ensures that FEA is in compliance with the National Environmental Policy Act, reviews environmental impact statements prepared for specific energy-related projects, examines the environmental issues surrounding the development of our energy resources, and analyzes existing and proposed environmental regulations with the aim of achieving a better balance between energy and environmental concerns.

FY 1976 Program:

- Assessed and provided recommendations on a variety of energy and environmental issues and performed detailed assessments and policy analysis for use in the Congressional discussion and action on energy and environmentally-related legislation.

- Acted to ensure FEA's compliance with the National Environmental Policy Act by coordinating the preparation of Environmental Impact Statements (EIS's) for FEA programs and coordinating the review of other agencies EIS's.

FY 1977 Objectives:

During FY 1977, Environmental Programs expects to provide a continuing and growing effort in support of the above activities. This will include:

- Conduct in-house environmental assessments of specific energy resource development issues.

- Assess potential solutions to the problem of energy development.

- Analyze, and comment upon Congressional environmental proposals that could impact the Nation's energy posture, in particular the Clean Air Act and Federal Water Pollution Control Act.

- Assure the preparation of Environmental Impact Statements for FEA's programs.

- Coordinate the review of environmental impact statements prepared by other agencies.

- Provide technical assistance to FEA program offices on issues associated with environmental effects and pollution control.

Planning, Analysis and Evaluation

This office provides strategic planning and a wide variety of technical analysis and evaluation support to the Office of the Assistant Administrator and program offices within the Office of Energy Conservation and Environment. In particular, issues which cover all of the sectors, e.g., development of consistent evaluation guidelines and conservation data, are handled by this office.

FY 1976 Program:

- Developed an ongoing strategic planning process to identify how and where conservation resources can best be utilized, including centralized documentation and review of energy savings estimates.

- Developed limited analysis of long-term factors affecting energy conservation (e.g., land use and energy conservation, newly available technologies, economic analysis of depletable resources) and provided coordination with ERDA on conservation activities.

- Prepared Quarterly Report to Congress summarizing conservation activities.

- Supported consistent cost-benefit and macro-economic analysis of selected major energy conservation measures including: improvement of automobile efficiency, improvment of thermal properties of existing residential structures, improvement of industrial energy use, enhancement of electric utility load management and the energy and economic impact of mandatory deposit beverage container legislation.

- Developed preliminary analysis of the financial requirements to effect economically attractive conservation investments through 1985.

- Supported consumption data acquisition and development of valid energy conservation indicators, and also provided technical assistance on data concept design and data collection in support of other energy conservation projects within C&E.

- Issued general evaluation guidelines and promoted and reviewed specific program evaluation efforts to assess major energy conservation programs.

FY 1977 Objectives:

- Continue, as appropriate, our previous year's activities, including the examination and evaluation of potentially new conservation initiatives, economic analyses and technical guidance to the Assistant Administrator's Office and also to program areas.

- Analyze selected policy initiatives to correct energy price distortions.

- Develop and disseminate an expanded set of indicators to determine how well we are performing with respect to energy conservation.

- Improve the energy consumption data base and our knowledge of the efficiency with which energy is being consumed.

- Improve our understanding of the financial aspects of conservation, including more refined estimates of capital requirements and analysis of various financial incentives which are currently being debated.

- Develop analyses to support new cross-sectoral energy conservation initiatives.

Executive Direction and Administrative Support

This area encompasses the activities of the Assistant Administrator's immediate staff and a wide variety of functions, including legislative analysis, management analysis, program review, special projects and administrative support.

FEDERAL ENERGY ADMINISTRATION

Congressional Budget Submission
Fiscal Year 1977

OFFICE OF ENERGY CONSERVATION AND ENVIRONMENT

Analysis of FY 1977 Contracts

	($000) Cost
State Energy Conservation Program:	
o Grants to States for the development and implementation of State energy conservation programs.	45,000
o Technical assistance in support of State Energy Conservation Program.	3,350
Subtotal	48,350
Transportation Programs:	
o Print 14,000,000 fuel economy mileage guides in support of EPCA.	350
o Distribute and make available 14,000,000 fuel economy mileage guides.	150
o Evaluation of Vanpool Program.	100
o Promotion activities for fuel economy mileage guides.	100
o Evaluation of Truck and Bus Fuel Efficiency Program, Airlines Conservation Project and Drivers' Education Program.	90
Subtotal	790
Appliance Labeling and Energy Efficiency:	
o Contract to study potential energy savings for appliances in "other" category as indicated in EPCA.	100
o Pass-thru to NBS for the development of appliance test procedures.	430

o Contract to study State pre-emption for Appliance Program.	300
Subtotal	830

Industrial Programs:

o Industry-specific (e.g., primary metals) and process/equipment-specific (e.g., waste heat and boilers) seminars.	200
o Industry-specific and process/equipment-specific publications and materials.	100
o Analysis and development of specific operational/technical conservation opportunities for voluntary programs.	100
o Policy and other analysis, including the economics of industrial energy conservation. . . .	100
Subtotal	500

Buildings Programs:

o Develop manual on energy consumption and conservation potential in nursing homes.	20
o Additional funding for second year of architectural design competition.	20
o Develop an implementation manual for buildings standards for States.	35
o Provide technical assistance to the States to promote adoption of Standards legislation. . . .	30
o Conduct training courses for home appraisers to reflect importance and marketing value of energy efficiency improvements, e.g., insulation and storm windows.	20
o Policy analysis in support of Buildings Programs. .	30

66-307 O - 76 - pt. 5 -- 54

o	Continued policy analysis in support of Thermal Standards development.	45
o	Additional demonstrations and refinements of retrofit business manual.	100
o	Conduct master metering demonstrations.	100
o	Develop and test residential standards.	100
o	Develop and conduct workshops for homebuilders on energy conserving building technologies. . . .	60
o	Design, development and first year implementation of an awards program for energy conservative new residential buildings	100
	Subtotal	660
Utilities Programs:		
o	Limited evaluation of the Electric Utilities Demonstration Program.	340
o	Contract to provide support for the Intervention Program.	50
o	Technical assistance and staff training for UCAN. . .	30
o	Develop and print training manuals for UCAN.	30
o	Evaluation of UCAN Program.	30
	Subtotal	580
Marketing and Education:		
o	Continue public service advertising campaign and assist States in developing and implementing public service campaigns.	650
o	Develop and test energy conservation school materials.	425
o	Print and distribute in-school and citizen education informational materials.	325
o	Continue studies of public opinion and behavior and test our new conservation programs and concepts.	50
	Subtotal	1,450

Environmental Policy:

o Provide environmental expertise and review and formulate comments on regulatory development documents, guidelines and regulations.	150
o Technical assistance for the preparation of environmental impact statements.	300
o Assess energy implications of proposed environmental legislation.	90
o Provide environmental technical assistance to other program offices within FEA.	100
Subtotal	640

Federal Energy Mangement Program:

o Identify specific requirements and expand Federal energy data reporting system including EPCA required actions.	100
o Analysis of alternative procurement methods to maximize energy efficiencies in the Federal procurement process.	200
o Identify and develop Federal actions to achieve energy efficiencies such as the use of solid waste for boiler fuel in Federal facilities.	100
o Analysis of Federal building energy use by type and development of draft new buildings standards for structure types other than offices.	100
Subtotal	500

Planning, Analysis and Evaluation:

o Analysis of policy initiatives to correct energy price distortions.	100
o Comparative analyses of energy consumption in the U.S. and in other industrialized countries.	100
o Develop a set of indicators that can be used to evaluate whether we are meeting energy conservation goals.	100
o Improve energy consumption data.	50
Subtotal	350
TOTAL	$54,650

FEDERAL ENERGY ADMINISTRATION
Office of Energy Conservation and Environment

OBJECT CLASSIFICATION (in thousands of dollars)

Identification code	1975 actual	1976 estimate	TQ estimate	1977 estimate
Personnel compensation:				
11.1 Permanent positions	3,036	5,767	1,233	5,710
11.3 Positions other than permanent	283	292	62	300
11.5 Other personnel compensation	108	274	59	295
Total personnel compensation	3,427	6,333	1,354	6,305
Personnel benefits:				
12.1 Civilian	286	535	114	350
21.0 Travel and transportation of persons	240	298	56	304
22.0 Transportation of things	8	5	1	13
23.0 Rent, communications, and utilities	50	60	13	66
24.0 Printing and reproduction	209	407	87	570
25.0 Other services	149	173	41	225
CONTRACTS	12,526	38,900	5,319	9,650
26.0 Supplies and materials	35	23	5	43
31.0 Equipment	90	66	14	70
41.0 Grants		5,000		45,000
99.0 Total obligations	17,020	51,800	7,004	62,596

FEDERAL ENERGY ADMINISTRATION

Office of Energy Conservation and Environment

DETAIL OF PERMANENT POSITIONS

	1975 actual	1976 estimate	1977 estimate
Executive Level I	-	-	-
Executive Level II	-	-	-
Executive Level III	-	-	-
Executive Level IV	1	1	1
Executive Level V			
Subtotal	1	1	1
GS-18	-	1	1
GS-17	2	5	5
GS-16	5	7	7
GS-15	38	44	40
GS-14	42	50	42
GS-13	52	50	43
GS-12	27	35	30
GS-11	30	27	25
GS-10	-	-	-
GS- 9	24	26	26
GS- 8	9	9	8
GS- 7	20	21	18
GS- 6	11	12	10
GS- 5	18	23	23
GS- 4	3	5	5
GS- 3			
GS- 2			
GS- 1			
Subtotal	281	315	283
Ungraded	-	-	-
Total permanent positions	282	316	284
Unfilled positions, June 30	-	-	-
Total permanent employment, end of year	282	316	284

FEDERAL ENERGY ADMINISTRATION

Congressional Budget Submission
Fiscal Year 1977

ENERGY RESOURCE DEVELOPMENT

(dollars in thousands)

Program	FY 1975			FY 1976			Tran. Qtr.	FY 1977		
	Pos.	Man Years	Amount	Pos.	Man Years	Amount	Amount	Pos.	Man Years	Amount
A. Executive Direction and Administration	20	21	666	26	23	583	237	29	29	719
B. Energy Projects	68	68	4,085	64	59	3,564	711	64	63	3,651
C. Utility Projects:										
Headquarters	80	83	4,322	91	78	4,401	830	91	91	5,434
Regions	57	55	1,420	52	47	1,247	304	52	52	1,277
D. Finance and Environment	57	57	3,274	61	53	2,905	592	61	61	3,833
Total, Headquarters	225	229	12,347	242	213	11,453	2,370	245	244	13,637
Total, Regions	57	55	1,420	52	47	1,247	304	52	52	1,277
Total, ERD	282	284	13,767	294	260	12,700	2,674	297	296	14,914

Justification

General Statement

The Office of Energy Resource Development is responsible for supporting the attainment of greater energy independence promoting and assisting the effort to expand domestic energy production, conversion, and distribution in ways consistent with accepted environmental standards. The office collects information, develops plans and projects, and determines needs with regard to the expanded domestic production of energy sources including coal, oil, natural gas, electricity, solar, geothermal, and other sources. The Assistant Administrator is also responsible for developing and implementing projects and programs to insure and encourage the development of required energy resource and support facilities. In addition, this office proposes and initiates actions which serve to mitigate the adverse effects of and remove impediments imposed by Federal, state, and local regulations in the expansion of energy supply and the development of energy facilities. The Assistant Administrator maintains inventories on region-by-region basis and evaluates the impact of present and prospective energy supply alternatives, technologies, resource requirements, programs, and actions on such

projects, the resource constraints (capital, material, labor, equipment) of those projects are also determined, and appropriate plans developed to remove these constraints. The FY 1977 request reflects the transfer of 4 positions from Communications and Public Affairs in the area of Energy Resource Development publications, community relations and editorial projects.

Program Justification

The Assistant Administrator for Energy Resource Development is responsible for three major areas:

Energy Projects
Utility Projects
Finance and Environment

All activities within these three broad functional areas are carried out by three Deputy Assistant Administrators:

The Deputy Assistant Administrator for Energy Projects has responsibility for insuring that the Office of Energy Projects directs its efforts towards increasing the supply of oil, gas, petroleum products, coal, synthetic fuels, geothermal, and solar energy use. This effort is carried out by the five offices reporting to the Deputy Assistant Administrator.

The first office is, the Office of Project Operations, which is involved in the evaluation and monitoring of projects involving development of oil, gas, and coal resources. This includes the expediting of Federal actions associated with energy transportation and processing facilities such as pipelines, refineries, and railroads. Among the areas of concern to this office are a study of facilities required in conjunction with the introduction of Alaskan oil into the lower 48 in 1977/78; railroad expansion for the transportation of coal; and the development of major coal mines in the Western states.

Second is the Office of Oil and Gas, which develops programs to expedite the increased domestic supply of oil and gas. The Office is involved in analysis of the impact on refineries and pipelines serving Northern Tier States which are being affected by curtailment of Canadian oil; a major study to determine the cost of finding, the finding rate, and the cost of production associated with developing new domestic petroleum supplies; and a monitoring effort focused on accelerated OCS leasing program.

Third, the Office of Coal, is responsible for defining, developing and coordinating a comprehensive systems approach to achieving the coal production objectives established by the President. The Office monitors the overall coal industry production plans for the next five years and the utilization of Federally-owned coal resources with special emphasis on Federal coal leasing policy.

A study of transportation requirements associated with a major expansion in coal production is underway in cooperation with the Department of Transportation.

Fourth. the Office of Synthetic Fuels, Solar, and Geothermal assists in developing projects to encourage the manufacture of synthetic fuels and industrial chemicals from coal and oil shale. The Office is involved in efforts to develop a program for introducing solar heating and cooling systems in Federal buildings; to identify and eliminate institutional barriers to the use of geothermal energy. It also provides assistance to the private sector for projects involving coal gasification, oil shale, and municipal wastes.

Fifth, the Office of Strategic Petroleum Reserve is responsible for implementing the Early Storage Reserve and Strategic Petroleum Reserve authorized under the Energy Policy and Conservation Act of 1975. This effort is supported by the Offices of Oil and Gas and Project Operations.

The Deputy Assistant Administrator for Utility Projects, through offices under his purview, directs efforts relating to reducing dependence upon oil and gas based electrical production. This is achieved by maximizing the efficiency of existing generating stations, directing mandatory conversion of such units to coal, and insuring that proper energy producing and consuming facilities are developed in the most expeditious manner.

Through the Office of Project Management, an inventory of specific energy resource projects is developed and maintained. Impediments are identified and suitable initiatives are undertaken. Through the Powerplant Acceleration Task Force, impediments to the timely commencement of utility operations are identified and corrective actions are initiated on a site specific basis. The Office of Economic Regulation is responsible for efforts to restructure the demand for electricity and natural gas through initiatives to enhance load management efficiency, to remove restrictive regulatory agency structures and procedures, and to accelerate supply. Through the Office of Fuel Utilization, FEA implements the coal conversion aspects of the Energy Supply and Environmental Coordination Act and the Energy Policy and Conservation Act through issuance of mandatory coal conversion prohibition and coal capability construction orders.

The Deputy Assistant Administrator for Finance and Environment is primarily responsible for expanding domestic energy production through developing financial incentive programs, assisting in the siting and licensing of energy facilities and minimizing the environmental impact during the energy development phase.

Specific program initiatives include:

- Study need for a program to guarantee certain loans for small coal mine operations.
- Monitor need for a materials allocation program to allocate priority energy supplies when deemed necessary.
- Environmental analysis of power plant conversion projects.
- Assistance in the siting and licensing of various energy facilities.
- Development of programs to provide economic and financial incentives to promote the expansion of domestic energy production.
- Determination of the potential impact of various government initiatives on the financial plans of companies, projects, and industry groups.
- Conducting various socio-economic studies of communities impacted through energy growth.

FEDERAL ENERGY ADMINISTRATION

Congressional Budget Submission

Fiscal Year 1977

ENERGY RESOURCE DEVELOPMENT

Analysis of FY 1977 Contracts

	($000) Cost
ENERGY PROJECTS	
. Project Operations ERD/FEA contract to identify the primary and secondary rail lines furnishing inferior coal delivery service to utilities and industry due to road bed and equipment deficiencies.....	20
. Provide an ongoing, detailed assessment of strategy for development and expanded use of Western coal in the east and midwest.....	15
. To conduct a study of existing state and local laws which affect the ability of the various legal entities in the Western Region to tax and/or borrow.....	15
. To research FPC position on allowing monies spent to alleviate social economic effects to be included in the rate base and/or CWIP.....	50
. Study of Enhanced Oil Recovery.....	50
. Analysis of Alaskan Crude Disposition/Pacific Coast Energy.....	25

ENERGY PROJECTS (Cont'd)

- Alaskan Gas Pipeline Project..... 25

- Transportation System Analysis to determine capabilities of handling projected levels of coal production through 1985..... 100

- An analysis of supply/demand picture through 1985 for metallurgical coal to assist in developing policies regarding coal exports..... 100

- Coal Industry Profit and Price Analysis - Investigation of the profits of the coal industry to determine if they are reasonable and adequate to meet future expansion needs and if prices are fair to the consumer..... 100

- An analysis of the coal distribution system to determine causes for price differential for electric utility, industrial, commercial and residential consumers..... 100

- Synthetic Fuels Commercialization Contracts..... 125

  - Completion of shale oil policy contract to be started in FY 1976, which will make overall assessment of shale oil potential taking into consideration availability of regional resources.

  - Several small contracts are anticipated to promote use of waste materials as energy sources.

- Several small contracts to conduct an industry-based study to identify non-electric use of geothermal energy..... 75

- Solar energy commercialization contracts..... 300

  - Study need for Accelerated Commercialization of Solar energy.

  - Solar Electric and Fuel Products Commercialization (Southwest Project; Wind Energy "Seeding"

ENERGY PROJECTS (Cont'd)

Project; DOD Energy Self Sufficiency Project; Utility Interface Design Project.

- Regional/State/Local Program (Model Legislation Review Project; State/Regional Commercialization Project).

. Oil and Gas Resource Reserves and Production Potential Update	100
. Required Variations in Petroleum Refineries Output in Times of Emergency Situations	100
. Continuation of Replacement Costs of Oil and Gas Study	75
. Current Oil and Gas Transportation System's Adequacy in Time of Emergency Situations	75
. Enhanced Recovery Potential	50
. Cost of Petrochemical Plants and Refineries Related to Significant Air Quality Deterioration Beyond Current Clean Air Requirements	30
. Petroleum Information Contract	25
. Survey Ramifications of Air Force Switch from JP-4 (Naphtha) to JP-8 (Kerosene) Fuel	25
. Update Survey on Drilling and Production Equipment	10
. Survey of Well Completion Equipment	10
Energy Projects Subtotal	$1,600

UTILITY PROJECTS

. Site specific capability assessment of conversion to coal. Analysis of the engineering difficulty of conversion to coal (establish equipment modification, purchase, refurbishment required to support coal firing). Identify resulting required coal characteristics and analyze capability of supply market to support extra tonnages. Analyze transportation system capability of carrying

UTILITY PROJECTS (Cont'd)

required tonnages. (For utilities only) impact of conversion on reliability of service..... 700

- Site specific practicability assessment. Identify capital investment required to accomplish conversion from development of cost curves and projections. Analyze historic ability of company to raise sufficient capital to support conversion. Comparative Analysis of capital investment required vs fuel price differential vs required return on capital for specific converting firm..... 400

- Economic impact of coal conversion. The development of several different scenarios regarding conversion from oil and gas to coal; its economic implications, capital constraints, rate-making implications, its feasibility, the impact of the elimination of oil and gas on the oil and gas industries and the full implications of the conversion process..... 200

- Undertake studies in areas relating to nuclear power plant productivity with special emphasis on the effects of more fully utilizing the various technologies associated with the fuel cycle..... 100

- Continued collection and storage of data for an inventory of energy projects. Developing on-line capability to monitor and update the status of ongoing energy projects..... 100

- Consulting services by experts in Energy resources law, financing, engineering, architecture, environmental regulations and construction management to provide technical assistance in resolving specific project constraints..... 150

- Studies of alternative fuels used in generation of electricity involving the compilation of a comprehensive data based on existing and future sources and an analysis of various future market and Federal actions and reactions..... 150

- Cooperative studies with the public utility commissions of five states, analyzing demand by assessing fuelmix, finance, and construction

UTILITY PROJECTS (Cont'd)

requirements in order to develop a model for demand analysis and projection.....	500
. Identification of a "maximization" growth rate in electricity demand, with a discussion of the pro's and con's of all the growth rates considered and recommendations of how FEA could affect demand to achieve the "maximization" rate.....	150
. Studies on efficiency and reliability of power plants and electricity transmission and distribution systems to include energy storage devices and measure of reserve capacity.....	200
. Study of the impact on power plant reliability of environmental and regulatory requirements.....	150
Utility Project Subtotal...	$2,800

FINANCE AND ENVIRONMENT

. Site-specific analysis of conversion candidates: Independent OFC (ERD) environmental analysis of ESECA order candidates. Through use of computerized air quality dispersion modeling techniques, examine the environmental consequences of conversion to coal. Where initial analysis reveals marginal environmental impact of conversion, provide further support (noise, water, land use assessments) for OFU staff preparation of EIA Negative Declaration (ND), or EIS as required under NEPA.....	1,000
. Study aggregate capital formation in the United States in relation to capital supplies for the energy industry through 1985.....	200
. Small mine development analysis to assist in the evaluation of coal loan guarantee candidates and implementation of the Coal Loan Guarantee Program. ..	200
. Tombigbee Energy Center - Examine the environmental, economic, physical, and institutional constraints and requirements relating to the location of an energy center in the Tombigbee Waterway (at the tri-state junction of Alabama, Mississippi, and Tennessee).....	100

FINANCE AND ENVIRONMENT (Cont'd)

. Two studies reviewing the requirements for siting in two regions for use in the National Energy Facility Report. This, combined with efforts to occur in FY 76, will allow a relatively detailed report on the siting needs of the country.....	250
. Site-specific technical services study in the environmental analysis field for each of the FEA ten Regional Offices.....	350
. Review of Clean Air and Clean Water Acts for possible amendments. Includes an analysis of need for present water allocation system.....	100
Finance and Environment Subtotal	$2,200

EXECUTIVE DIRECTION

. Development of Project Management Systems and Project Information Systems for ERD resources and utilities areas.....	10
Executive Direction Subtotal	$ 10
GRAND TOTAL - Energy Resource Development Contracts	$6,610

FEDERAL ENERGY ADMINISTRATION

ENERGY RESOURCE DEVELOPMENT

OBJECT CLASSIFICATION (in thousands of dollars)

Identification code		19 75 actual	19 76	19 TQ estimate	19 77 estimate
	Personnel compensation:				
11.1	Permanent positions	4,300	4,527	1,409	5,485
11.3	Positions other than permanent	937	189	-	190
11.5	Other personnel compensation	131	54	-	105
	Total personnel compensation	5,368	4,770	1,409	5,780
	Personnel benefits:				
12.1	Civilian	437	381	113	508
21.0	Travel and transportation of persons	273	283	79	391
22.0	Transportation of things	15	5	1	9
23.0	Rent, communications, and utilities	549	150	49	1,242
24.0	Printing and reproduction	95	75	28	90
25.0	Other services	576	235	65	200
	Contracts	6,347	6,720	907	6,610
26.0	Supplies and materials	65	39	11	43
31.0	Equipment	42	42	12	41
99.0	Total obligations	13,767	12,700	2,674	14,914

FEDERAL ENERGY ADMINISTRATION

ENERGY RESOURCE DEVELOPMENT

DETAIL OF PERMANENT POSITIONS

	1975 actual	1976 estimate	1977 estimate
Executive Level I	.	.	.
Executive Level II	.	.	.
Executive Level III	.	.	.
Executive Level IV	1	1	1
Executive Level V	.	.	.
Subtotal	1	1	1
GS-18	.	.	.
GS-17	3	3	3
GS-16	8	7	7
GS-15	42	41	42
GS-14	34	35	34
GS-13	29	31	31
GS-12	25	24	21
GS-11	28	27	28
GS-10	2	3	3
GS- 9	30	31	34
GS- 8	17	17	16
GS- 7	22	27	29
GS- 6	17	16	16
GS- 5	15	19	18
GS- 4	5	10	12
GS- 3	3	1	1
GS- 2	.	.	.
GS- 1	.	.	.
Subtotal	280	292	295
Ungraded	1	1	1
Total permanent positions	282	294	297
Unfilled positions, June 30	.	.	.
Total permanent employment, end of year.	282	294	297

66-307 O - 76 - pt. 5 -- 55

FEDERAL ENERGY ADMINISTRATION

Congressional Budget Submission
Fiscal Year 1977

INTERNATIONAL ENERGY AFFAIRS

(dollars in thousands)

Programs	FY 1975			FY 1976			Tran. Qtr.	FY 1977		
	Pos.	Man-Years	Amount	Pos.	Man-Years	Amount	Amount	Pos.	Man-Years	Amount
A. Internat'l Resources & Commerce	20	20	700	19	17	708	110	19	19	825
B. Internat'l Agreements & Regional Affs ...	12	12	316	21	20	727	121	21	21	581
C. Executive Direction & Administration ..	9	9	275	9	9	265	69	9	9	515
Total	41	41	$1,291	49	46	$1,700	$300	49	49	$1,921

Justification

General Statement

International considerations -- the security of supply of imported oil as well as the high cost of that oil -- represent the fundamental reason the United States needed, and is now in the process of implementing, a national energy policy which is designed to ultimately reduce our dependency on imported energy resources. Our own vulnerability and that of other major industrialized nations to international political and economic pressure reduces our nation's freedom in foreign and domestic policy-making. Recognition of the possibility of interruption in the international flow of oil and even higher prices in the future has brought this vulnerability into focus. Congress recognized the important connection between international and domestic energy policy in the Federal Energy Administration Act of 1974, Public Law 93-275, signed May 7, 1974, and the Energy Policy and Conservation Act, Public Law 94-163, signed December 22, 1975.

The Office of International Energy Affairs (IEA) deals with general policy review and coordination of all FEA international activities, National Security Council matters, international agreements, multinational energy negotiations, transportation of energy from abroad, and liaison with defense and nuclear energy agencies. This includes the development of policy options for oil sharing, mandatory conservation, emergency supply, and encouraging multinational energy programs, and development and evaluation of U.S. export-import policy options. In accordance with FEA's legislated mandate, FEA/IEA works as a member of, and in coordination

with, the U.S. foreign affairs community in its ability to relate the highly technical and commercial aspects of the total U.S. energy situation to the imperatives of U.S. foreign and energy policy and vice versa.

The overall resource request for the International Energy Affairs programs is 49 positions, $500,000 for contracts, and $1,421,000 for support costs. The staffing level in FY 1977 remains the same as in FY 1976; a slight increase in contract and support costs is requested.

Program Justification

A. International Resources and Commerce

The Office of International Eenergy Resources and Commerce develops, evaluates, and implements international policies, strategies, plans, and programs designed to assure the attainment of U.S. national energy objectives, in cooperation with the Departments of State, Commerce and Treasury, and other appropriate U.S. Government agencies. This involves assessments of the international energy enviornment in which the U.S. and other countries will seek to meet their future energy needs, including preparation of near-term and long-term estimates of the international demand and supply for crude oil and petroleum, gas, coal, nuclear and other nonfossil fuels and related equipment and materials; and the development, evaluation, and implementation of policies, plans and programs relating to international energy resource development. The office also recommends policies and programs regarding international energy industries designed to achieve U.S. energy objectives.

The Office provides the overall assessment of current and potential trading patterns for energy resources, including their respective security of supply, considering the projected demands, production capacities, and the various production constraints and incentives identified for major consumers and producers of energy resources.

In addition, this office performs such activities as are necessary to accomplish its functions in cooperation and coordination with the Office of International Agreements and Regional Affairs when these activities are or may become the subject of international negotiations and agreements, especially those involving inter-regional energy and related trade. Thus, in the case of a number of the programs mandated by the EPCA, both sections of IEA will participate in the development and implementation of (1) the Strategic Petroleum Reserve Plan involving the security implications of oil purchases for storage purposes; (2) an expansion of the International Oil Allocation program regarding the preparation of plans, rules and requirements for industry support of International Energy Agency obligations and participation in emergency allocation and information efforts; and (3) an extensive review program for the International Energy Agency regarding standards governing voluntary and mandatory participation by industry in the International Energy Agency and

Presidential review of the adequacy of other countries' provision of information to the International Energy Agency. FEA/IEA will also analyze and evaluate potential crude oil purchasing and refining operations that could be involved in government-to-government commercial negotiations and agreements of long-term contracts in connection with any Technical Purchase Authority Plan.

A more detailed discussion of the FY 1977 program activities mandated by the Energy Policy and Conservation Act follows:

Section 456. Technical purchase authority. The FY 76 phase of the study on a Technical Purchase Authority for crude and refined petroleum will have to be expanded to consider (1) the impacts of such an authority on the structure and operations of the international oil markets and the respective domestic oil markets of major oil importing countries; and (2) the impact on existing and/or planned exporting procedures and/or laws of oil exporting nations in terms of restrictions placed on the quantities exported to and/or imported by specific oil consuming countries.

Section 456 also calls for a report on the feasibility of providing incentives to domestic oil importers to reduce the prices of imported oil. Though the report will have been submitted to the Congress in FY 1976, this area of activity will have to be expanded to consider the constraints currently and/or potentially imposed on such incentives on the part of foreign suppliers of crude and refined petroleum and/or the policies and actions of other importing countries.

Sections 156-166. Strategic petroleum reserves. The EPCA requires the analysis, development and implementation of the Strategic Petroleum Reserve Plan (SPRP) and an Early Storage Reserve Plan (ESRP). Both are to be coordinated with the oil quota system.

One critical area of further consideration involves programs and procedures to coordinate storage program efforts of the major oil importing countries so as to minimize distortions to the world oil suppliers and prices resulting from such programs. In addition, these analyses will have to include assessments of the impact of such purchase programs to both the effectiveness and role of the Technical Purchasing Authority and the program to provide incentives to reduce oil import prices called for and discussed above.

The contributions which the Office of International Energy Affairs must make to the analysis, development and implementation of the Strategic Petroleum Reserve (SPR) are substantively crucial to the effectiveness of that program:

- continuing analysis of the cause, timing, nature, size and duration of potential import interruptions, and the implications of these for the "optimum" size of the SPR;

- an analysis of specific countries from and the conditions under which necessary crudes might be obtained to fill the SPR;

- the development of strategies and tactics which might result in obtaining foreign oil from OPEC and/or non-OPEC sources to fill the SPR (partially or fully), including considerations of price, supply security, and the impact on international oil markets;

- analysis of the role of international oil companies necessary to meet the SPR requirements from foreign sources, including how these companies might be affected, and the necessary policies and programs;

- assuring that the draw-down strategies and regulations for the SPR are consistent with the nature, size, and duration of possible interruptions, as well as our obligations under the International Energy Program.

Section 103. Domestic use of energy supplies and related materials and equipment.
Section 104. Materials allocation. These sections of the Act refer to the restricting of exports and the allocation, respectively, of oil and gas materials and equipment which are "scarce, critical and essential." FEA/IEA, in keeping with its current responsibility for reviewing Eximbank loan applications, can be expected to participate in the specification and monitoring of guidelines related to the control of such energy and related resources.

Section 254. Exchange of information. The EPCA makes repeated reference to the development and provision of financial information involving foreign activities in keeping with the FEA Act of 1974. The provisions under the EPCA reinforce the need for this role and extend the requirements for maintaining a capability to provide such data. International Energy Affairs will be required to support FEA data gathering activities related to this requirement, especially for providing assessments of the significance of such information.

FY 1976 Accomplishments

- Designed policy options and strategies for the U.S. Government's role in the international trade of energy.

- Provided continued analyses of energy and cost/tradeoffs of future energy supply and demand for the 1975-1985 time period.

- Assisted in policy and legislative evaluations regarding the future role of the United States Government vis-a-vis the international oil supply.

- Developed data on and provided analyses of patterns of worldwide investment in energy resource development regarding the probable extent to which it would constrain or contribute to future U.S. energy supplies.

- Analyzed the issues and policy and program options in the international implications of worldwide developments in nuclear power, including (1) adequacy of uranium reserves; (2) international trade in all aspects of the nuclear fuel cycle; and (3) uranium and platonium reprocessing, including the potentials for regional reprocessing centers.

- Participated in International Energy Program negotiations to develop specific mechanisms to implement long-term cooperation on energy resource development and conservation.

- Provided staff support for U.S. participation in the International Energy Program and the Conference on International Economic Cooperation.

- Evaluated for Eximbank the implications of proposed transactions for domestic and international energy supply and demand.

- Analyzed future developments in the world petrochemical market.

- Revised and updated the previous report published by FEA on foreign investment in U.S. energy resources and industry, including an assessment of data collection difficulties on foreign investment and an assessment of the policy implications of foreign investment in the U.S. energy sector.

- Participated in the preparation of policy recommendations regarding future U.S. imports of LNG.

- Analyzed international crude oil and petroleum pricing.

- Evaluated the international implications of the Strategic Storage Reserve Program and the Early Storage Reserve Program.

FY 1977 Objectives

- Continue development and analysis of U.S. energy policies and programs from an international perspective and prepare projections, studies and evaluations of the international energy situation of the near-term future.

- Continue work in connection with assuring the appropriate integration of domestic and foreign energy policies, particularly as they relate to international energy industries, producer and consumer countries, their associations and the relationships between and among these various entities and the U.S. Government.

- Continue providing staff support for U.S. participation in the International Energy Program and the Conference on International Economic Cooperation.

- Continue participation in the International Energy Program as U.S. Delegate to the Standing Group on Long-Term Cooperation.

- Development and coordination of alternative policies and programs involving international supply and demand for energy resources and related equipment and materials to assure the adequacy, security and price of these resources and materials in fulfillment of U.S. energy requirements.

- Development and implementation of policy and program options relating to foreign investment in U.S. energy resources.

- Carry out, with contractor support, an analysis of the international aspects of the nuclear fuel cycle, emphasizing U.S. national security and domestic energy policy implications.

- Construct, with contractor support, a computerized simulation model of the international nuclear fuel cycle to provide a quick-response capability for emergency-contingency analyses.

- Chair the FEA task force on the Technical Purchase Authority provided for in the Energy Policy and Conservation Act. The task force will evaluate and prepare a plan for the possible implementation of the purchase authority provided the President under the EPCA.

- Update and publish a new report on the relationships of national governments and the private, national and multinational energy companies.

Resource Requirements

Resources required to support the International Energy Resources and Commerce activities outlined above consist of fifteen professionals and four secretaries, and $825,000.

B. International Agreements and Regional Affairs

This office is the principal source of policy guidance and analysis for the Administrator, who is charged by the FEA Act of 1974 with "the integration of domestic and foreign policies relating to energy resource management" concerning the following international agreements and organizations: the 18-nation International Energy Program (IEP), 24-nation Organization for Economic Cooperation and Develop-

ment (OECD), 27-nation Conference on International Economic Cooperation (CIEC), U.S.-Soviet Joint Energy Committee, North Atlantic Treaty Organization, and United Nations. The Office is also responsible for bilateral/multilateral relations with energy-significant countries and other organizations, including the Organization of Petroleum Exporting Countries (OPEC).

Under the Energy Policy and Conservation Act (Sections 251-255), this office is responsible for discharging new provisions regarding participation (by both U.S. Government and U.S. energy industry) in the IEP.

Section 251. International oil allocation. In FY 1977, this office will prepare contingency papers, for Presidential signature to Congress during an emergency, which would provide industry with rules for the international allocation of oil in support of IEP obligations.

The EPCA authorizes the U.S. Government to implement the international allocation of oil in accordance with the emergency provisions of the International Energy Program and authorizes the FEA Administrator to develop voluntary agreements with oil companies to plan for and, if necessary, carry out that allocation.

Because of continuing concerns over supply security, it is imperative that the final development and subsequent test of the specific international emergency allocation system be completed as soon as possible. A commitment of resources is necessary at this crucial stage of the development of the emergency allocation system to carry out (1) long-standing Administration policies and (2) the obvious spirit and intent of the EPCA.

Section 252. International voluntary agreements. This office will carry out the new requirement that the Government/FEA attend all meetings, make full records (verbatim where practicable), be their central repository, and guide the release procedures and standards for Congressional committees and the public, as well as for attendance at such meetings. Duties at these meetings include assessing whether anticompetitive practices are present and how best the Government may prevent repetition, including consideration of warnings and punitive action. Five committees and subcommittees of the IEP (which are comprised of industry representatives) meet approximately once a month, frequently in different countries on the same date.

Section 253. Advisory committees. The Administrator may require formation of advisory committees to assist the IEP. This office will consider appropriate Executive Branch recommendations for assuring practical embargo fighting procedures, since the U.S. has obligations to both the IEP and fulfillment of domestic energy needs.

Section 254. Exchange of information. This office has added responsibilities for determining what energy information from industry is needed, while protecting competition in the industry. Since the IEP information system is just coming out of the formative stage, a rising number of information issues, including the amount of reciprocity from other member countries which for the first time would involve Presidential determinations to be drafted by this office.

Under all the above sections, there will be extensive requirements for this office to assume the role as Office of Record and Registry for these industry documents, records of meetings, and data exchange records.

FY 1976 Accomplishments

- Participated in various multilateral consultations between oil consuming and producing countries and developing countries regarding all aspects of international energy policy and cooperation, e.g., IEP negotiations to develop specific mechanisms to implement emergency sharing procedures; Law of the Sea negotiations; NATO Petroleum Planning Committee, which has responsibility for oil allocation in NATO emergencies; National Security Council issues and studies involving energy; and U.S.-U.S.S.R. Joint Energy Committee.

- Improved climate and results for energy relationship with Canada.

- Participated in preparation of the allocation program tied to the reduction of supplies of Canadian oil to U.S. Northern Tier refiners.

- Participated in conclusion of Transit Pipeline Treaty Negotiations.

FY 1977 Objectives

- Continue participation in the International Energy Program as Head U.S. Delegate to Standing Group on the Oil Market and the Standing Group on Emergency Questions.

- Continue participation in NATO as Head U.S. Delegate to its energy planning organization and in establishing associated training for and choosing U.S. government and industry representatives.

- Continue participation as FEA delegate to the United Nations, Law of the Sea and Antarctic Conferences, and the Organization for Economic and Development, where key energy issues are increasing in importance.

- Continue work in connection with assuring the appropriate integration of domestic and foreign energy policies, particularly as

they relate to international energy industries, producer and consumer countries, their associations and the relationships between and among these various entities and the U.S. Government.

- Continue participation in various bilateral and multilateral negotiations with other energy-significant countries and organizations in an effort to lessen U.S. dependence on OPEC oil and increase assistance in attaining overall U.S. energy goals.

- Provide, for use by U.S. delegation to CIEC, "country energy profiles" to further the understanding of member negotiating positions.

- Continue to provide policy options for U.S. decision making to the President's Energy Resources Council.

Resource Requirements

Under the FY 1977 program this office is requesting 21 personnel and $581,000 in order to carry out extensive new responsibilities required under the EPCA. Personnel resources allocated to support the International Agreements and Regional Affairs activities outlined above consist of 16 professionals and five secretaries.

C. Executive Direction and Administration

The Office of the Assistant Administrator directs the development, analysis, evaluation, monitoring, coordination and implementation of policies and programs associated with the international aspects of energy. It also participates in the activities of the on-going Conference on International Economic Cooperation, the 18-nation International Energy Agency and other international agreements concerned with energy issues.

Under the Energy Policy and Conservation Act of 1975, responsibilities will be increased to assume leadership within FEA for the Executive Branch's response to Sections 251-254. This includes a Presidential review of the adequacy of foreign participation in the IEA emergency allocation and information efforts, and Administration standards for prior industry consultation. The 27-nation Conference on International Economic Cooperation (CIEC) (of oil producer and consumer countries) is an outgrowth of and closely related to the above Sections 251-254. The Presidents of the U.S. and France agreed at Martinique that the International Energy Agency was a necessary prerequisite for a CIEC. In the CIEC's Energy Commission, the Acting Assistant Administrator will continue to head the U.S. delegation, and be responsible for FEA and other coordination and management on behalf of the U.S., with final approval by the President's Energy Resources Council.

Administrative support develops, evaluates, implements, controls, coordinates, counsels and monitors the administrative activities and services necessary to the performance of the International Energy Affairs mission.

FY 1976 Accomplishments

- In addition to overall responsibility for the direction and management of IEA's program activites, Executive Direction performed significant roles as Deputy Head of the U.S. Delegation to the Conference on International Economic Cooperation's Energy Commission, U.S. Delegate to the International Energy Program's Governing

Board, and headed a technical group of the U.S.-U.S.S.R. Joint Energy Committee of which the FEA Administrator is U.S. Chairman.

FY 1977 Objectives

- Will continue its participation in various international organizations involved with energy in leadership roles.

Resource Requirements

Under the FY 1977 program this office is requesting nine personnel and $515,000 to carry out its activities. These funds will be used for personnel costs for Executive Direction and Administration, for all support costs for IEA's program activities, including rent, printing, equipment rental, supply and equipment purchases, and increased travel by Executive Direction mandated under the EPCA.

INTERNATIONAL ENERGY AFFAIRS

Analysis of FY 1977 Contracts

	($000) Cost
Task Area I: Enhancement of U.S. Supply Security	

Analyses to assess and develop alternative U.S. policies designed to induce energy companies to broaden the search for energy resources domestically and in non-OPEC nations. The aim of these analyses is to find ways to bring about reduced import dependence and greater reliance (within remaining imports) on non-OAPEC sources of supply.

- Analysis of the terms of access accorded non-nationals for the exploration and exploitation of energy resources in non-OPEC, non-OECD countries. The purpose is to identify national objectives reflected in the terms of access, the structure of access agreements, and opportunities for the U.S. Government to affect the basis of such agreements in a manner advantageous to the host government, the resource developer, and the U.S.G. ... $ 75

- Analysis of information on U.S. domestic incentives for the reduction of oil import prices. This would be a follow-up to the EPCA-mandated study delivered to the Congress in FY 76. It will aim at identifying the likely international market consequences of U.S. adoption of incentives (price, tax, loan guarantees, etc.) and the effect of such international consequences on U.S. energy supply security..... 75

- Analysis of the potential for joint efforts (by U.S. and indigenous public and private corporations) in energy-rich IEA nations towards achieving in the U. S. the objectives of the International Energy Agency in energy cooperation. This analysis will also include the potential contributions that can be made by new or existing technology for accelerated development of energy resources within those energy-rich IEA countries. Within the context of existing government and industry relationships in these IEA countries, the purpose will be to assess (1) the potential directions for technology transfer, (2) the prospects for accelerated development of energy resources, and (3) national and international constraints to energy cooperation. It will also help identify

	($000) Cost
the policy criteria and program options to be used in evaluating investment proposals within the SLT in other IEA member countries, and thus to help shape a policy and programmatic role for the United States in the SLT	75
° Analysis of foreign ownership and investment in energy resources. This study will develop and organize information on U.S. and other key IEA nations' policies, laws, institutions, monitoring procedures, etc. The aim will be to find ways that various nations determine foreign ownership levels of their indigenous resources, what the implications of foreign ownership are for national policy objectives, and whether and how the U.S. should alter its own monitoring and other policies regarding foreign ownership	$ 50
° Develop and organize information bearing on estimates of energy reserves and production levels in selected countries and world regions. Phase I of the study will identify key technological, economic, and policy factors affecting resource development and production of oil, gas and coal in these countries and regions; and the implications for international energy trade. A follow-on Phase II study will do the same for enriched uranium. Continuity with work begun in FY 1976, leading to an analysis of the most energy-promising countries and their potential for echancing U.S. energy supply and supply security.	
Oil and gas resources	25
Coal resources	30
Task Area II: Continuing technical support for U.S. efforts in connection with the Conference on International Economic Cooperation (CIEC)	
This effort will be a continuation of contracted technical support and analyses begun in FY 1976. The primary aim is to provide data, information analyses and recommendations for use by U.S. officials in CIEC meetings and negotiations	75
Task Area III: International Nuclear Energy Policy Analyses	
As a follow-on to the technological and policy analysis of major elements in the nuclear fuel cycle contracted in FY 1976, an analysis will be done of the international aspects of the nuclear fuel cycle, focusing on the key policy issues identified in the FY 1976 contract effort. This second phase should emphasize national security considerations, international safeguards, and non-proliferation issues and the U.S. role in those issues consistent with U.S. and other IEA member country energy objectives. The purpose is to lay the groundwork for policy options relating to such issues as foreign access to U.S. uranium enrichment services and nuclear reactor exports	95
Total	$500

FEDERAL ENERGY ADMINISTRATION

INTERNATIONAL ENERGY AFFAIRS

OBJECT CLASSIFICATION (in thousands of dollars)

Identification code		19 75 actual	19 76 estimate	TQ estimate	19 77 estimate
	Personnel compensation:				
11.1	Permanent positions	737	969	241	860
11.3	Positions other than permanent	62	...	...	35
11.5	Other personnel compensation	17	10	2	19
	Total personnel compensation	816	979	243	914
	Personnel benefits:				
12.1	Civilian	62	87	21	86
21.0	Travel and transportation of persons	97	155	30	164
22.0	Transportation of things	...	...	...	4
23.0	Rent, communications, and utilities	2	10	3	200
24.0	Printing and reproduction	3	6	1	21
25.0	Other services	14	2	...	16
	Contracts	288	450	...	500
26.0	Supplies and materials	6	5	1	10
31.0	Equipment	3	6	1	6
99.0	Total obligations	1,291	1,700	300	1,921

FEDERAL ENERGY ADMINISTRATION
INTERNATIONAL ENERGY AFFAIRS

DETAIL OF PERMANENT POSITIONS

	1975 actual	1976 estimate	1977 estimate
Executive Level I	...	...	...
Executive Level II	...	...	...
Executive Level III	...	...	...
Executive Level IV	1	1	1
Executive Level V	...	...	...
Subtotal	1	1	1
GS-18	...	...	...
GS-17	2	2	2
GS-16	4	4	4
GS-15	3	3	3
GS-14	7	7	7
GS-13	2	2	2
GS-12	2	3	3
GS-11	3	6	7
GS-10	1	1	...
GS- 9	4	5	6
GS- 8	6	6	6
GS- 7	3	3	3
GS- 6	2	2	2
GS- 5	2	4	3
GS- 4	...	...	...
GS- 3	...	...	...
GS- 2	...	...	...
GS- 1	...	...	...
Subtotal	41	48	48
Ungraded	...	...	...
Total permanent positions	42	49	49
Unfilled positions, June 30	...	...	...
Total permanent emoloyment, end of year	42	49	49

FEDERAL ENERGY ADMINISTRATION

Congressional Budget Submission
Fiscal Year 1977

STRATEGIC PETROLEUM RESERVE

(dollars in thousands)

Program	FY 1975			FY 1976			Tran. Qtr.	FY 1977		
	Pos.	Man-Years	Amount	Pos.	Man-Years	Amount	Amount	Pos.	Man-Years	Amount
Strategic Petroleum Reserve ...	...	...	...	100	42	$313,566	$600	150	137	$557,684

Justification

General Statement

The Fiscal Year 1977 budget is authorized under the provisions of Title I, Part B - Strategic Petroleum Reserve portion of the Energy Policy and Conservation Act of 1975. The Act provides as follows:

1. Authorizes the creation of a Strategic Petroleum Reserve for storage of up to one billion barrels of petroleum products;

2. Requires the creation of an Early Storage Reserve of not less than 150 million barrels by December 1978, to the maximum extent practicable in existing storage capacity; and

3. Requires a plan for the Reserve designed to store 3 months imports within seven years according to the following schedule to the extent practicable - 10% within 18 months; 25% within 3 years; 65% within 5 years; 100% within 7 years (subject to either House veto of strategic petroleum reserve plan and subsequent authorization of funds for filling beyond 150 million barrels).

The objective of this program is to increase our national security by diminishing the vulnerability of the United States, reducing the impact of, and providing limited protection from, the short-term consequences of any interruptions of oil imports and to carry out obligations of the United States under the international energy program.

The creation of an Early Storage Reserve, as part of a Strategic Petroleum Reserve, is the primary goal of the program. It is imperative that "no year" funds be appropriated since justified delays, beyond the control of the Administrator, may occur during the implementation of the program.

Provision must be made to meet the energy needs of various regions. In addition, the Administrator may require importers and refiners to store up to 3% of their annual imports or refinery throughput.

FY 1977 Objectives

An FY 1977 amendment is necessary to fund the mandated Early Storage Reserve of not less than 150 million barrels of petroleum products within 3 years of enactment. A plan for the total storage program must be transmitted to the Congress by December 15, 1976. The plan must address achieving targeted storage timetables as set forth in the legislation. There are requirements for annual status reports to Congress regarding plan implementation. In addition, reports on utility reserves, coal reserves and remote oil and gas reserves are due 6 months after the Strategic Reserve Plan. The legislation requires that Reserve disposal plans be developed. Construction at specific sites (funded in FY 1976) will continue in FY 1977.

It is planned to purchase for storage 50 million barrels of crude oil in FY 1977. For FY 1977, this budget justification includes requests for $550,000,000 for purchase of crude oil at the national average price of $11 per barrel; $4,000,000 for studies, and $3,684,000 for salaries and expenses for 150 positions. This justification is for a total program of $557,684,000 and 150 positions (120 at Headquarters and 30 located in Regional Offices). Attention is invited to the requirement for "no year" money to remain available until expended.

FY 1976 Accomplishments

The Energy Policy and Conservation Act requires submission of a plan for the Early Storage Program (planned for April) and a comprehensive plan for the Strategic Storage Program in December. Technical studies, initiated by FEA in FY 1976 will lead to the identification of potential storage sites in FY 1976 and FY 1977. Such studies include the investigation of new and existing leached caverns in salt formations, new and existing mines, and conventional storage such as tanks. It is anticipated that actual site selection will take place in late FY 1976 and early FY 1977. Detailed feasibility studies, engineering plans, and programmatic and site specific environmental impact statements will begin and be completed in FY 1976 and FY 1977 for the conversion of existing mines and caverns and the construction of new underground storage facilities, connecting pipelines, ports, and terminal facilities.

Specific Early Storage Reserve sites will be procured (outright purchase or by lease) and prepared for storage in FY 1976 and beyond. It is anticipated that early storage will take place in converted existing caverns in salt and existing mines. Priority will be placed on sites that would (1) minimize the cost of the Reserve, (2) be able to deliver oil at the rates required to refiners and users of imports, (3) be included in the final Strategic Reserve because of their desirable location and cost, and (4) have the potential for being filled in three years to meet the Early Storage goal.

Prefeasibility studies have indicated that there are a number of sites that, in various combinations, can meet the above criteria. Analysis of the market areas that must be served during an oil interruption has determined the quantity of oil that must be stored in various locations and the mode of transportation for the distribution of that oil permits us to analyze the candidate sites with respect to criteria two and three above. However, detailed feasibility studies on each candidate site are required before definitive analysis of the cost of the candidate sites and their potential for being filled in three years can be ascertained. Consequently, since the fill rate at a given site, rather than the sites ultimate total capacity, determines the extent to which it can be filled in three years, it is necessary to purchase, construct and convert a number of sites with existing capacity that exceeds 150 million barrels in order to fill 150 million barrels in three years. Technical considerations of the candidate sites lead us to the conclusion that it will be necessary to purchase between 207 and 316 million barrels of existing capacity at multiple sites in order to achieve the 150 million barrels of fill in three years. Information on costs, based on more detailed design and negotiations with the owners of these sites, is essential before precise cost estimates can be derived for each candidate site. However, based on the nearly 10 months of analysis completed to date, all evidence supports that the average unit cost for storage facilities needed both on and off site will be between $1.00 and $1.30 per barrel for the candidate sites under consideration for the Early Storage Reserve. Using the median price of $1.15 per barrel unit cost, and the median final existing capacity required to achieve 150 million barrels storage in 3 years, $300 million will be required for the construction of facilities.

Should subsequent analysis, detailed feasibility studies, and negotiations with site owners, indicate that lower unit cost and lower existing volumes can achieve the goals and the budgeted funds will not be fully utilized for the Early Storage Reserve, they would be made part of the funding that would be necessary to expand the early system of 150 million barrels to the 500 million barrel system targeted in storage within 7 years. Based on the analysis of the market and distribution systems, the larger system would likely be achieved by simply expanding many of the same or nearby sites developed for the Early Storage Reserve. If, on the other hand, costs turn out to be higher than are current estimates, it may be necessary to request further funds for the 150 million barrel Early Storage Reserve. If the $300 million appropriated for facility development in FY 1976 is not sufficient, a supplemental appropriation will be requested, and funds then held for oil purchases will be reprogrammed to maintain facility construction levels until the supplemental is approved.

66-307 O - 76 - pt. 5 -- 56

Congressional Budget Submission
Fiscal Year 1977

STRATEGIC PETROLEUM RESERVE

Analysis of FY 1977 Contracts

	($000) Cost
. Preparation of additional site feasibility studies and environmental impact statements	1,000
. Storage site construction/fill monitoring, inspection, and audit support, including development and maintenance of a management information and auditing system	1,000
. Site operations costs including oil/brine spill control	1,000
. Develop, maintain, and update a Petroleum Reserve utilization plan and the necessary supporting management data/information systems	1,000
. Purchase of crude oil	550,000
Total	$554,000

Budget appendix page	Heading	1977 request pending	1977 proposed amendment	1977 revised request
726	Strategic petroleum reserve	...	$557,684,000	$557,684,000

(Add the above heading and the following paragraph immediately after the material appearing under the heading "Salaries and Expenses":)

For expenses necessary to carry out sections 151 through 166 of the Energy Policy and Conservation Act of 1975, $557,684,000, to remain available until expended: Provided, That this appropriation shall be reduced to the extent that funds are made available for this purpose pursuant to section 201 of the Naval Petroleum Reserves Production Act of 1976.

FEDERAL ENERGY ADMINISTRATION
STRATEGIC PETROLEUM RESERVE
Program financing (in thousands of dollars)

Identification code	19 75 actual	19 76	19 TQ estimate	19 77 estimate
Program by activities:				
Total program costs funded	...	313,566	600	557,[illegible]
Change in selected resources (undelivered orders).....	...	...	...	[illegible]
10. Total obligations.....	...	313,566	600	557,[illegible]
Financing:				
Budget Authority.....	...	313,566	600	557,[illegible]
Budget Authority:				
40. Appropriations.....	...	313,566	600	57,6[illegible]
Relation of obligations to outlays:				
71. Obligated incurred net....	...	313,566	600	[illegible]
72. Obligated balance, start of period.....	...	...	308,000	[illegible]
74. Obligated balance, end of period.....	...	-308,000	-304,000	[illegible]
77. Adjustments in expired accounts.....	...	...	...	[illegible]
90. Outlays.....	...	5,566	4,600	789,564

FEDERAL ENERGY ADMINISTRATION

STRATEGIC PETROLEUM RESERVE OFFICE

OBJECT CLASSIFICATION (in thousands of dollars)

Identification code		19 75 actual	19 76	19 TQ estimate	19 77 estimate
	Personnel compensation:				
11.1	Permanent positions	...	896	465	2,714
11.3	Positions other than permanent	...	31	15	60
11.5	Other personnel compensation	...	24	11	20
	Total personnel compensation	...	951	491	2,794
	Personnel benefits:				
12.1	Civilian	...	83	49	250
21.0	Travel and transportation of persons	...	115	20	257
22.0	Transportation of things	...	2	...	33
23.0	Rent, communications, and utilities	...	100	10	57
24.0	Printing and reproduction	...	20	5	40
25.0	Other services	...	87	3	73
	Contracts	...	12,000	...	554,000
26.0	Supplies and materials	...	21	2	30
31.0	Equipment	...	187	20	150
32.0	Lands and structures	...	300,000	...	...
	.....				
	.....				
99.0	Total obligations	...	313,566	600	557,684

STRATEGIC PETROLEUM RESERVE

DETAIL OF PERMANENT POSITIONS

	1975 actual	1976 estimate	1977 estimate
Executive Level I	...	...	...
Executive Level II	...	...	...
Executive Level III	...	...	...
Executive Level IV	...	...	...
Executive Level V	...	...	...
Subtotal	...	...	...
GS-18	...	...	...
GS-17	...	1	1
GS-16	...	2	4
GS-15	...	10	20
GS-14	...	15	25
GS-13	...	13	15
GS-12	...	7	10
GS-11	...	11	13
GS-10	...	1	2
GS- 9	...	7	12
GS- 8	...	1	1
GS- 7	...	5	10
GS- 6	...	5	5
GS- 5	...	9	12
GS- 4	...	10	15
GS- 3	...	3	5
GS- 2	...	...	...
GS- 1	...	...	...
Subtotal	...	100	150
Ungraded	...	...	...
Total permanent positions	...	100	150
Unfilled positions, June 30	...	25	...
Total permanent employment, end of year	...	75	150

Heading	1977 Request Pending	1977 Proposed Amendment	1977 Revised Request
Salaries and expenses	$101,397,000	$91,760,000	$193,157,000

(Delete the figure "$101,397,000" and through the end of the first paragraph under the above hearing, and insert in lieu thereof the following:)

$193,157,000, to carry out activities authorized by the Energy Policy and Conservation Act (42 USC 6201 note); Provided That advances or repayments or transfers from the appropriation may be made to any department or agency for expenses of carrying out such activities. Provided further, that this appropriation shall be available only upon enactment into law of authorizing legislation.

FEDERAL ENERGY ADMINISTRATION
SALARIES AND EXPENSES
Program and financing (in thousands of dollars)

...fication code ...-66-1500-0-1-305	19 75 actual	19 76	19 TQ estimate	19 77 estimate
Program by activities:				
1. Executive direction and administration	55,427	32,371	8,596	31,554
2. Energy policy and analysis	16,949	27,300	8,000	34,372
3. Regulatory programs	6,308	34,000	11,600	47,800
4. Energy conservation and environment	7,427	53,800	7,004	62,596
5. Energy resources development	6,263	13,404	2,800	14,914
6. International energy affairs	1,222	1,700	300	1,921
Total program costs funded	93,596	162,575	38,300	193,157
Change in selected resources (undelivered orders)	33,275	...	...	...
10. Total obligations	126,871	162,575	38,300	193,157
Financing				
21. Unobligated balance available, start of period	...	-2,775	...	...
24. Unobligated balance available, end of period	2,775	...	...	...
25. Unobligated balance lapsing	389	...	...	...
Budget authority	130,035	159,800	38,300	193,157
...dget Authority				
40. Appropriations	128,665	159,800	38,300	193,157
42. Transfer from other accounts	1,370	...	...	...
43. Appropriations (adjusted)	130,035	159,800	38,300	193,157
Relation of obligations to outlays:				
71. Obligations incurred net	126,871	162,575	38,300	193,157
72. Obligated balance, start of period	40,468	46,320	53,050	57,869
74. Obligated balance, end of period	-46,320	-53,050	-57,869	-47,185
77. Adjustments in expired account	-321	...	...	...
90. Outlays	120,697	155,845	33,481	203,841

FEDERAL ENERGY ADMINISTRATION

SALARIES AND EXPENSES

OBJECT CLASSIFICATION (in thousands of dollars)

Identification code	1975 actual	1976 estimate	TQ estimate	1977 estimate
Personnel compensation:				
11.1 Permanent positions	50,241	55,882	18,665	70,183
11.3 Positions other than permanent	3,675	579	62	569
11.5 Other personnel compensation	1,660	2,030	697	2,702
Total personnel compensation	55,576	58,491	19,424	73,454
Personnel benefits:				
12.1 Civilian	4,987	4,962	1,723	7,392
13.0 Benefits for former personnel	1	...	...	...
21.0 Travel and transportation of persons	3,499	3,615	1,133	8,152
22.0 Transportation of things	467	343	137	547
23.0 Rent, communications, and utilities	9,778	5,912	1,747	6,408
24.0 Printing and reproduction	1,936	2,337	733	2,501
25.0 Other services	2,647	1,766	509	2,788
Contracts	45,756	75,400	12,328	44,480
26.0 Supplies and materials	1,305	1,135	365	1,449
31.0 Equipment	915	839	201	986
41.0 Grants, subsidies, and contributions	...	5,000	...	45,000
42.0 Insurance claims and indemnities	4	...	...	...
				PB-3
99.0 Total obligations	126,871	159,800	38,300	193,157

FEDERAL ENERGY ADMINISTRATION

SALARIES AND EXPENSES

DETAIL OF PERMANENT POSITIONS

	19 75 actual	19 76 estimate	19 77 estimate
Executive Level I	1	1	1
Executive Level II	1	2	2
Executive Level III	5	7	6
Executive Level IV	5	9	10
Executive Level V			
Subtotal	12	19	19
GS-18	4	2	2
GS-17	8	26	27
GS-16	29	68	67
GS-15	222	295	268
GS-14	265	379	338
GS-13	393	583	517
GS-12	373	528	464
GS-11	334	500	444
GS-10	15	22	15
GS- 9	267	376	336
GS- 8	95	118	109
GS- 7	322	397	354
GS- 6	119	176	158
GS- 5	244	311	270
GS- 4	177	160	144
GS- 3	69	46	39
GS- 2	10	...	...
GS- 1	2	...	...
Subtotal	2,948	3,987	3,552
Ungraded	18	24	23
Total permanent positions	2,978	4,030	3,594
Unfilled positions, June 30	...	...	...
Total permanent employment, end of year	2,978	4,030	3,594

Personnel Summary

Identification code 30-66-1500-0-1-305	19 75 actual	19 76 estimate	19 77 estimate
Total number of permanent positions	2,978	4,030	3,594
Average paid employment	3,148	3,412	3,730
Average GS grade	9.98	10.39	10.42
Average GS salary	$17,165	$18,994	$18,056
Average salary of ungraded positions	$ 7,095	$11,244	$11,2[illegible]

PREPARED STATEMENT

Senator STEVENS. Mr. Zarb, we are pleased to have you here this morning. Your prepared statement, which covered both the supplemental and the 1977 budget estimates, will be printed in full in the record, and if you want to make any comment about your 1977 request, I would be happy to have you do so.

[The statement follows:]

Mr. Chairman and Members of the Committee, I appreciate the opportunity to discuss the detailed components of the Federal Energy Administration's Fiscal Year 1976 Supplemental and the Fiscal Year 1977 Budget Amendment. Before going into the specifics of the requirements in that package, I would like to place into perspective what this overall request is attempting to accomplish. The FEA has, with the aid of the Congress, approached a significant milestone in its short existence. Rather than planning our programs on a short-term, year-to-year basis, we have, with the passage and signing of the Energy Policy and Conservation Act (EPCA), the opportunity to base our planning on viable initiatives and specific mandates contained within that legislation. By combining the 40-month phased decontrol pricing program with the Conservation, Storage and Resource Development mandates of the EPCA, FEA's activities can play a major role in assisting the Nation to achieve its goal of independence from reliance on foreign suppliers by 1985. Furthermore, we recognize that it was - and remains - the intent of Congress under EPCA to have the FEA design and implement a program to free the Nation from the unnecessary and counterproductive burden of price controls at the end of the 40-month period.

It is extremely important for me to emphasize that, what is presented to you today is not a rehash of prior FEA budgetary submissions in an attempt to conform to the mandates of this legislation. We have carefully and conscientiously reviewed the entire programmatic effort of FEA and have made substantial changes in priorities and in the base to provide for the new missions assigned to us. Many of these tasks are designed to be accomplished in a very short time frame and we are anxious to gear up and get started on them. Longer range objectives contained in the legislation call for operational capacity now in order to realize the objectives which the Congress and the President intended in the passage and signing of the EPCA. To achieve this capability we have not only reordered our budget priorities, but have also examined the Agency's organizational structure and management processes to insure the FEA's programmatic responsibilities can be carried out in an efficient, coherent manner. Some changes have recently been made and others are in progress.

As you well know, the specific provisions of the EPCA are directed toward the use and conservation of all our resources to meet the energy challenge. The request before you today reflects the importance of that challenge by focusing on the requirements of the Act - providing standby authorities to implement rationing and mandatory conservation plans and to meet our international energy commitments in a future embargo; authorizing the creation of a Strategic Petroleum Reserve to offset the impact of a supply disruption; providing both price incentives and production requirements to increase the supply of domestic fossil fuels; conserving energy supplies through State and Federal voluntary

and mandatory conservation programs; implementing energy efficiency programs for industry, appliances and certain other consumer products; continuing the coal conversion programs of the Energy Supply and Environmental Coordination Act to reduce our demand for petroleum products and natural gas; and continuing to verify energy data to insure the reliability of the national energy data base.

In short, this request reflects these and other existing FEA programs which provide the focal point of energy management in all sectors of government. It is an important statement of direction based upon thorough and substantial review. There is an additional assumption built into the budget submission.. We have recently proposed, under the applicable EPCA provisions, that there will be decontrol of residual fuel oil, as we have testified previously. Elimination of unneeded regulations is a critical step toward the enhancement of our domestic supply situation. Should our decontrol proposals not be accepted, it would be necessary for us to staff up again in those Regulatory Program areas which we would be forced to continue.

As to our Regulatory Programs, I believe a word of explanation is in order as to the Compliance aspect. One might well ask why is an increase necessary when EPCA calls for the relaxation of controls? The reasons for this are fairly simple. In previous budget requests FEA has asked only enough staff to permit the completion of a one-time "wrap-up" program covering the period its regulations were in effect. When EPCA was signed into law on December 22, 1975, FEA developed plans for a Compliance Program to support continuing crude oil and propane regulatory controls over a 40-month period. It is also planning "wrap-up" programs for other petroleum products.

The size of the Compliance effort -- the number of people engaged in enforcing Regulatory Programs -- is a judgment call. "How much is enough?" We should not seek 100% compliance through audits. First, it would not be achievable and second, such an attempt would require thousands of auditors. We can, however, effect a program which will detect violations and, through deterrence, insure a satisfactory level of compliance with the regulations. The Compliance Program of 1,326 thru 1976, the Transition Quarter, and 1977 will give Congress and the American public an adequate program. However, we are not satisfied. Beyond that time, it is our intention to reduce our number of Compliance personnel thru productivity improvements and a general streamlining of the Regulatory and Compliance programs. These changes, by eliminating unneccesary and burdensome downstream controls, will drastically

Another program of great interest to Congress, FEA, and the taxpayers is that of Strategic Petroleum Reserve. This program was designed to lessen the Nation's vulnerability to petroleum supply interruptions. As we all will remember, the oil embargo imposed during the winter of 1973-1974 provided dramatic evidence that the United States is vulnerable to interruptions in imports from the major oil-exporting nations. The embargo was characterized by: (1) a substantial reduction in oil imports estimated at approximately 2 million barrels per day for 19 weeks, and in the various products of this oil; (2) a drastic increase in the price of import oil; and (3) its occurrence during a period of increased demand for petroleum products.

Although the economic impacts of these events on the U.S. economy are still under study and debate, most of the macroeconomic study estimates of the repercussions of supply denial and simultaneous price increases tend to indicate a Gross National Product (GNP) loss of approximately $35 billion. Although not all of this GNP loss can be ascribed to

the embargo, there is no doubt that it contributed significantly to increases in the Consumer and Wholesale Price Indexes. Although it is doubtful that this exact set of circumstances will occur again, it is possible that future supply interruptions could be longer and even more severe than the 1973-1974 Arab oil embargo.

The establishment of a Strategic Petroleum Reserve would contribute to international stability by: (a) serving to deter future supply interruptions, since the target nations will have available a quick response capability that will increase the potential costs of the Nations responsible for the shortages; (b) providing visible, practical evidence that the United States is capable of meeting its IEP commitments without depleting its petroleum supplies; (c) avoiding the adverse economic consequences of a severe supply interruption, regardless of the cause, in the United States; and (d) avoiding undue pressures on our foreign-policy stance.

FEA has submitted its Early Storage Reserve Plan which will detail how we are going to implement a program that will achieve 150 million barrels of oil in storage within three years. We will initially acquire and convert existing volumes in mines and salt domes in excess of 200 million barrels, but due to the physical fill rate limitations the amount of oil in storage will be limited to 150 million barrels in three years. The additional existing capacity of the storage facilities, of course, will be filled as a portion of the 500 million barrel program. Furthermore, these sites will be expanded through new construction to complete the storage of 500, or more, million barrels within seven years.

Another important aspect of FEA's responsibilities is implementation of the coal conversion program Congressionally mandated by the Energy Supply and Environmental Coordination Act of 1974 (ESECA) as recently amended by the Energy Policy and Conservation Act (EPCA).

This program will lessen our reliance upon foreign energy sources by requiring increased utility and industrial use of our most plentiful domestic energy resource -- coal -- and decreased industrial use of imported oil and scarce natural gas.

Prohibition and construction orders issued pursuant to this Act will affect the use of an additional 200 million tons of coal per year by 1985. This translates into the equivalent of approximately 800 million barrels of oil for the year 1985, or 2.2 million barrels of oil per day.

One of the most significant aspects of this program is that we will not only be using a domestic energy source, but the American consumer will benefit as well. We have found that, for those utilities which have already been issued prohibition orders to date, there is a significant cost savings since the cost of using oil for production of electricity is more than twice the cost of using coal. And we can accomplish these savings while still protecting our environment through installation of necessary pollution control equipment.

The State Energy Conservation Program established by the EPCA will become the major focus of our conservation efforts in FY 1977. It alone will account for about 80% of our total Conservation budget request. Through this program, we hope to obtain the active cooperation of the States in efforts to achieve our national energy conservation goal. FEA will provide technical and financial assistance to the States for the preparation of conservation plans. Those States that meet the minimum requirements set forth by the EPCA will then receive funding for the implementation of their plans. Other conservation programs mandated by the EPCA that

will be implemented during FY 1977 are: (1) the Industrial Energy Conservation Program, including the setting of energy efficiency targets for the ten major energy consuming industries and the monitoring of progress toward those targets; (2) the appliance labeling and energy efficiency targets program; (3) a national program to encourage the use of vanpools; (4) the Federal Energy Management Program, including the development and implementation of the ten-year program to reduce energy use in Federal buildings; and (5) a variety of public education programs directed at providing useful information on conservation measures to all energy users.

Energy savings as a result of our FY 1977 budget request are estimated to be on the order of 500,000 to 600,000 barrels per day by 1985.

Finally, we have taken a hard look at our internal organization and our management processes to insure that our present structure is in line with the program priorities I have described. For example, we have reorganized the Office of Communications and Public Affairs in order to retain the strengths of the old organization while reducing our efforts in some areas and decentralizing them in others.

In summation, Mr. Chairman, we have recognized the benefits and shortfalls of EPCA and have moved to capitalize on the former and reduce vulnerabilities to the latter. We believe those changes already made and those forthcoming will enable use to implement the mandates of Congress and serve the American public.

The resource requirements requested are reflected below:

Fiscal Year 1976 Supplemental

1. "Salaries and expenses": The present appropriation for FY 1976 is $142,992,000 to support 3,200 positions. An additional 930 positions and $16,808,000 will be required to effectively carry out our responsibilities under EPCA.

2. "Strategic Petroleum Reserve": This supplemental request is for 100 additional positions and $313,566,000 to implement the Strategic Petroleum Reserve program as mandated under EPCA.

Transition Quarter - July 1 through September 30, 1976

1. "Salaries and expenses": The present appropriation for the Transition Quarter is $25,283,000 to support 3,200 positions. An additional $13,017,000 is required to carry out our responsibilities under EPCA during the Transition Quarter. No increase in positions is requested.

2. "Strategic Petroleum Reserve": This supplemental request is for $600,000.

Fiscal Year 1977

1. "Salaries and expenses": A total of 3,594 positions and $193,157,000 is requested in FY 1977, a decrease of 436 positions but an increase of $32,928,000 as compared to the revised amounts requested for FY 1976. The increased dollar amount reflects the $48,900,000 amount for the new State Energy Conservation Program provided for under EPCA.

2. "Strategic Petroleum Reserve": A total of 150 positions and $557,684,000 is requested in FY 1977, an increase of 50 positions and $244,128,000 over the revised amount requested in FY 1976.

The justifications for these requests are contained in the detailed budget justifications furnished to the Committee.

Mr. Chairman, this concludes my prepared remarks and I shall be happy to respond to any questions you or the Committee Members may have.

HIGHER LEVEL POSITIONS

Senator STEVENS. I do understand that you have a deadline and there is one series of questions that we want to address to you, so we are pleased that you do have the time to be here this morning.

Mr. ZARB. Mr. Chairman, since I do have a limited amount of time, I think my statement covers both years and we would be better off getting right to your questions.

Senator STEVENS. Our primary questions for you, Mr. Zarb, are in the area of grade levels that we note building up in the FEA.

I particularly would like to ask you about this. You seem to have an unusually high number of executive level and supergrade positions. In your request for 1976 and 1977 there are 19 executive level positions, 11 of them in executive direction and administration. You have a total of 96 supergrades.

Can you tell us why the FEA should have more executive level positions than the entire Department of the Interior and more than ERDA? Those two organizations manage programs which come before this subcommittee and their appropriations total more than five times FEA's, even including your new strategic petroleum reserve. Yet you have in your agency, if we approve your request, more executive level and supergrade positions than both of them put together.

Mr. ZARB. Mr. Chairman, the executive level spaces as well——

Senator STEVENS. Let me correct it. I am told that you have more than the Department of Interior, more than ERDA. And if you put them together, they do exceed yours.

Mr. ZARB. The executive level spaces, as well as I recall, supergrade spaces were provided for in the initial legislation setting up the Federal Energy Administration to a substantial degree by an act of Congress. The Congress at that time, given the nature of the organization and the kinds of people that had to be attracted to given jobs, felt that those allocations were in order.

Since that time, and since the time at least over the last year since I have been with the agency, we have followed the civil service requirements that call upon us to defend the grade level of any individual and insure that his responsibilities are indeed such that they were not a GS supergrade.

I am not going to say to you that we are more important than anybody else, that we have more supergrades than anybody else. But I am going to say to you that we will continue to look at each of these jobs from the standpoint of civil service standings, and if they cannot be defended as a supergrade, then they should not be allowed to continue.

The executive levels are statutory, some of them Senate confirmation, even when they are level 5's instead of level 4's. And we have tried to use those spaces very, very carefully in areas where we think we have high responsibility and the need to use those levels to attract people of high quality and high talent.

SUPERGRADE POSITIONS

Senator STEVENS. The difficulty is, we still have a supergrade ceiling, and as we see a buildup of this type, what it really means is the draining off of supergrades and bringing them back into Washington.

I know you have your executive level designations in the authorizing legislation, but do you have any exception for your supergrades?

Mr. ZARB. As I recall, Mr. Chairman, we would have to check that to be absolutely certain, but I am trying to reach back in my memory from when I was with the Office of Management and Budget and Congress authorized FEA in the first place.

It is my recollection that they added supergrades to the total supergrade base and mandated them into FEA.

Mr. SMITH. There is a specific limitation in the authorization act.

Mr. ZARB. As I am told by general counsel to the extent that they were unlimited, they do not revert back to the Civil Service Commission.

EXECUTIVE LEVEL POSITIONS

Senator STEVENS. Are there additional supergrades? We sample the other budgets that are before us. The Bureau of Reclamation and National Park Service, Fish and Wildlife Service, Bureau of Land Management. Their combined budgets exceed FEA, but they have one executive level position each. You have 19. Is there any way to combine some of those executive level functions?

The mere fact that Congress in separate authorizing legislation created them should not mean that they are not capable of combining functions. Have you explored that?

Mr. ZARB. I would think that is certainly worth exploring, Mr. Chairman. Anytime we can combine functions or reduce overhead, that ought to be the thing we ought to do.

As you know, the authorizing committee, or the Senate Committee on Government Operations, is working on the authorization of FEA, and in their work they are pointing the FEA extension toward a deliberate combination of FEA and ERDA and other energy oriented agencies within the Government within the next several years. It would be my best judgment at this time to take into consideration what comes out of that legislation.

If we are mandated to move toward the Department of Energy and Natural Resources within the next several years, a move which I would support very vigorously, we would then have a whole new look at the new organization and what kind of executive level grades and supergrades it should have. In the meantime, should there be spaces which are not defensible from a standpoint of responsibility within FEA, then clearly we ought not to utilize them.

Senator STEVENS. You have a request for 19 executive grade level positions. Are they all filled now?

Mr. ZARB. I am told one level 5 is not now filled. And of course, I have two level 4's which are in the process of presently sending up nominees for confirmation.

CHANGING STAFF LEVELS

Senator STEVENS. It does present a difficult pattern when you look at these other agencies with budgets which are comparable.

And we also note that your employment pattern presents a difficulty for us in terms of reviewing your budget as compared to others. You show a sharp increase in permanent positions in 1976, but there are offsetting reductions for 1977 for the ongoing programs. I presume that would be in the field of rationing and regulation.

You are proposing reductions in permanent positions for 1977, but an increase in man-years employment for the same year. I mean, 1976 is one side, and 1977 is a turn over of the coin.

Mr. HOWELL. Mr. Chairman, I think the increases you will find in 1976 are generally in the compliance program. I have a breakout here which I could submit for the record.

As you build up in compliance in 1976 and other areas supporting compliance, then we build up and then in 1977 we hope to see a reduction of numbers in allocations. If you add the number of positions for 1976 and the number of positions for 1977 and divide by two, then compare with man-years, you will find that our man-years are actually less in 1977 than would be a straight 50 percent projection as if we were coming down through from the beginning of the first quarter, in October through the last quarter in September.

Senator STEVENS. What workload do you anticipate that would bring about this sizable increase in man-years for 1977?

Mr. HOWELL. Of course, the supplemental which we heard yesterday was based only on EPCA, and a more diligent pursual of compliance efforts, which we hope to do.

WORKLOAD DATA IN SUPPORT OF PERSONNEL REQUESTS

Senator STEVENS. Do you have any specific workload data to support your personnel requests?

Mr. HOWELL. In the preparation of this budget request, extensive workload data was developed. However, that data, to some degree, would oversupport the personnel requested. If the committee desires, we would be glad to submit this information even though it is voluminous. I have workload statistics for the compliance field staff available at this time. This represents the largest budget area of regulatory programs.

[The information follows:]

ANNUAL WORKLOAD

COMPLIANCE REGIONAL STAFF

	Annual Goal (Firms Audited)		Avg. Time Per Audit (Hours)		1,760 (hrs/yr)		Staff
Importers	117	X	291	÷	1,760	=	19
Cr. Oil Resellers	40	X	792	÷	1,760	=	18
Ind. Cr. Producers	2,218						336
	(118) 1/	X	(741)	÷	(1,760)	=	(50)
	(2,100) 2/	X	(240)	÷	(1,760)	=	(286)
Major Refiners	30	X	21,940	÷	1,760	=	337 3/
Small Refiners	15 4/						52
	(3) 4/	X	(7,900)	÷	(1,760)	=	(13)
	(12) 5/	X	(5,750)	÷	(1,760)	=	(39)
NGL Plants	188	X	929	÷	1,760	=	99
Resellers-Propane	121	X	521	÷	1,760	=	36
Resellers-Other	WRAP-UP						172
Retailers-Propane	1,147	X	99	÷	1,760	=	65
Retailers-Other	RESPOND TO COMPLAINTS						30
TOTAL							1,164

1/ From group of 235 largest independent crude producers.
2/ From remaining independent crude producers.
3/ Actual number should be 374. This was adjusted downward by OMB by a 10% productivity improvement factor???
4/ 50K - 75K Bbls./Day
5/ 0 - 50K Bbls./Day

STAFFING REGULATORY PROGRAMS

Senator STEVENS. The bulk of it seems to be regulatory programs.

Mr. HOWELL. Yes, sir, that is compliance.

Mr. SMITH. As Mr. Howell points out, Mr. Chairman, the 1976 buildup is in the compliance program in terms of the additional positions asked for there. The additional 641 positions asked for in 1976 over the base were requested for two reasons. One, to continue the allocation program through the end of 1976 and to increase the compliance programs by 263 people in 1976 because of the need to continue crude oil pricing enforcement and the enforcement of the price regulations in some other areas that had been projected to go away.

Senator STEVENS. This regulatory aspect is applied basically to the prerefinery stage of the petroleum industry.

Mr. SMITH. That is the continuing 40-month program, the crude oil price control program, yes, sir.

Senator STEVENS. Why do you need more people now that we have decreased regulation as far as that aspect of the petroleum industry is concerned?

Mr. SMITH. Because the initial budget in 1976 was submitted on the assumption that the whole regulatory program was going to go away entirely on December 15, sir. And therefore, all that was in the 1976 submission was the staff for a wrapup program to go back and catch the big violators for the period that the regulation had been in effect.

Now we have a continuing component in the crude oil area that was not in the initial 1976 submission, and we have the wrapup program in the other areas that was in the 1976 submission. So it is the fact of continued regulations versus the prospect of no regulations that generates the requirement for the increase, sir.

Mr. ZAUSNER. Mr. Chairman, just to add a little bit more to your question on man-years needed for regulatory programs, these are end of year strengths. They are presented for 1976. What we are asking for, of course, is the authority to fill these new positions to administer the new authority in the EPCA. But as you would expect, that buildup takes some time. So on a man-year basis, for example, in strategic reserves we are asking for 100 positions, but we only have 42 man-years which we will actually use during the rest of 1976.

In most areas with respect to positions, 1977 generally is an extension of 1976, and in those areas the man-year totals are all increasing while the position numbers are staying the same. The one exception is Gorman Smith's area. He has the positions at the front of the year and, as he is winding down his allocation program, the man-year totals in operation and compliance are flipping the other way.

FUNDING REGULATORY PROGRAMS

Senator STEVENS. I do not remember any tremendous decrease in your funds available for 1975. As a matter of fact, Mr. Zarb points out in 1975 he had $29.5 million to handle petroleum allocation and price control programs. And now you need $47.8 million, which has about $2 million in it for contingency planning. But you have $45 million as compared to $29 million, and now you have decreased control.

Why do you need more money to exercise less authority in terms of this control area? You are not in the pricing mechanism in the end-use and retail area, you are just in the crude stream, are you not?

Mr. SMITH. I am sorry, Mr. Chairman. We are still in the pricing mechanism entirely except for residual fuel oil which will be removed from price and allocation controls on the first of June. All the other fuels are still under price and allocation regulations. There are provisions in the Energy Policy and Conservation Act for submitting proposals to the Congress for exemption from the regulation, and we are working on those proposals now. But the sequence of those extends through the end of 1976 and end of 1977. So until the end of 1976, we have to be in all the old business we were before, plus in the new business of the additional regulations required by the Energy Policy and Conservation Act.

So we have a surge in workload here while we have added new requirements beginning with the first of February, the new crude oil pricing rules. And meanwhile, we are beginning to take off requirements that did exist before that. We have taken off the first one, residual fuel oil, and we project to take the others off throughout the end of 1976 and on into 1977.

Mr. ZARB. If the Congress approves.

Mr. SMITH. Subject to congressional approval.

PROGRAM FOR DECONTROL

Senator STEVENS. Mr. Zarb, in your statement you said something about a "judgment call". Now, when you deal with a judgment call, yours is a $38 million compliance level effort for fiscal year 1977. That is considerably above the $23 million levels of 1975 and 1976.

Now, what is the difference this year that requires $15 million more in compliance, when we are supposedly moving away from the high level of price controls and allocation controls that we had in 1974 and early 1975?

Mr. SMITH. The 1977 budget projects $38 million for compliance.

Mr. ZARB. Let us talk a little bit conceptually about the control problems. It is true, indeed, that we should be moving over the next 38 months to lesser and lesser controls each year. We have taken the first step, and Congress has approved deregulation of one small part of the allocation system. We still have a bigger portion to submit to the Congress in distillate and motor fuel. And if the Congress approves those, then we are going to be able to withdraw the control mechanism from those sectors.

We then have for the first time in the year that I have been around a specific requirement to carry on a control mechanism for the remaining 38 months.

Over the last year we have been expiring every 90 days, which also goes to the question of grade control and executive level people. You have to have the instinct of a Green Beret to join our operation these days, and it has been that way for more than a year.

Senator STEVENS. Even you predict we are going into an area, and I hope we do, of lesser control.

Mr. ZARB. We hope so, too, but while the controls——

Senator STEVENS. But you are building up people as we go into a lesser controlled area.

Mr. ZARB. We have two things to look at. First, while the controls are on the books, while they are there, they have to be enforced and enforced properly. And the budget we put forth puts forth the proper level of enforcement to enforce the law. As we move forward, we are going to be committing a substantial amount of our manpower in Mr. Smith's area to do the analysis required to reduce a good many of those controls. So while we do have a flip upward coming out of a year where we submitted a budget assuming we were going to have no controls whatsoever, and going through a year of not being certain of what was going to finally occur, it is now clear that we do have a fixed responsibility and what man level effort is required to do that job satisfactorily.

It is unfair to those whom we regulate to have a lesser than adequate strength to do the job because they are not in a position where they get prompt audit and prompt resolution of those audits. And it just seems to me that to do this job and to do it effectively in the time that we have to do it in, we are going to need this kind of strength.

Do you want to add anything to that?

Mr. SMITH. Yes, sir. I would just add, Senator, that in 1975 we had an appropriation of $23 million in the compliance effort, and the report issued by the Senate Subcommittee on Administrative Practices and Procedures of the Senate Committee on the Judiciary severely criticized, one, the management of the program, and, two, the size and staffing of the program.

Since that report was issued, the report also acknowledged that we had underway a number of management improvements. We have completed a number of management improvements in response to the specific recommendations in that report, and now have the management improvement spelled out by that in place.

According to the judgment that Mr. Zarb outlined, we have proposed the increase in the program to do the catchup work that has not been done yet in the compliance program while the regulations have been in effect on products; and to do in a manner that we think needs doing on a continuing basis the continued controls that are going to be in place under the Energy Policy and Conservation Act.

PROGRAM PRIORITIES

Senator STEVENS. Frank, you say you have some substantial changes in priorities?

Mr. ZARB. Yes, sir.

Mr. SMITH. Yes, sir.

Senator STEVENS. As we look at it, they are not apparent. What do you think are the substantial changes in program priorities?

Mr. ZARB. You are talking about the compliance area alone?

FUNCTIONAL BUDGET BREAKDOWN

Senator STEVENS. No, the overall budget. As a matter of fact, if it is possible, and as you did for the supplemental, could you give

us a functional breakdown of personnel and funding requests by all activities; you know, regulatory programs, coal conversion, State conservation, strategic program reserves, the same thing that Senator Byrd asked for yesterday in the supplemental. Could you give us that for the record?

Mr. ZARB. That is all prepared, Mr. Chairman. We would be happy to submit it.

[The information follows:]

FEDERAL ENERGY ADMINISTRATION
FY 1977 Budget Amendment by Functional Area
(dollars in thousands)

Office	Petroleum Pricing Authority Pos.	Petroleum Pricing Authority Amt.	Oil Imports Pos.	Oil Imports Amt.	Other Regulatory Activities Pos.	Other Regulatory Activities Amt.	Coal Utilization Pos.	Coal Utilization Amt.	Coal Mine Loan Guarantee Pos.	Coal Mine Loan Guarantee Amt.	Enhanced Recovery Techniques Pos.	Enhanced Recovery Techniques Amt.	Alternative Energy Sources Pos.	Alternative Energy Sources Amt.	State Conservation Pos.	State Conservation Amt.	Other Conservation Programs Pos.	Other Conservation Programs Amt.
Administrator	...	$ ...	...	$...	...	$ ...	...	$ ...	...	$...	...	$ ...	...	$ ...	...	$ ...	...	$ ...
Gereral Counsel	14	330	1	22	83	1,940	10	220	2	44	2	44	1	22	2	44	4	88
Management and Administration	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...
Communications and Public Affairs	7	192	...	7	1	24	5	174	...	...	...	...	...	...	4	102	...	...
Congressional Affairs	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...
Private Grievances and Redress	12	361	2	48	46	1,204	8	241	...	...	...	...	...	...	...	...	...	...
Intergovernmental, Regional and Special Programs	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...
Nuclear Affairs	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...
Policy and Analysis	74	6,614	1	91	1	295	44	2,599	1	83	17	561	10	562	14	1,619	59	2,662
Regulatory Programs	1,435	45,140	24	624	24	2,036	...	...	...	...	...	...	...	...	...	...	...	...
Conservation and Environment	...	...	...	...	...	...	...	...	...	...	...	...	...	...	40	50,000	163	8,206
Energy Resource Development	...	...	...	...	...	...	173	9,465	4	308	61	2,034	39	1,975	...	...	...	...
International Energy Affairs	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...
Total Salaries & Expen.	1,542	52,637	28	792	155	5,499	240	12,699	7	435	80	2,639	50	2,559	60	51,765	226	10,956
Strategic Petroleum Res.	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...
TOTAL, F.E.A.	1,542	$52,637	28	$792	155	$5,499	240	$12,699	7	$435	80	$2,639	50	$2,559	60	$51,765	226	$10,956

FY 1977 Budget Amendment by Functional Area
(dollars in thousands)

Office	Environment Pos.	Environment Amt.	Information and Education Pos.	Information and Education Amt.	Energy Policy Analysis Pos.	Energy Policy Analysis Amt.	International Pos.	International Amt.	Other Pos.	Other Amt.	Strategic Petroleum Reserve Pos.	Strategic Petroleum Reserve Amt.	Administration Pos.	Administration Amt.	Total Pos.	Total Amt.
Administrator	...	$ ...	...	$ ...	...	$ ...	...	$ ...	...	$ ...	...	$ ...	72	$ 1,694	72	$ 1,694
General Counsel	4	88	...	...	...	...	3	158	48	1,056	6	132	15	330	195	4,518
Management and Administration	...	...	...	...	...	...	...	...	...	...	...	...	472	15,742	472	15,742
Communications and Public Affairs	...	...	40	2,264	6	152	...	...	3	107	4	231	...	...	70	3,253
Congressional Affairs	...	...	...	...	...	...	...	...	...	...	...	...	48	1,080	48	1,080
Private Grievances and Redress	...	...	1	36	...	...	...	...	1	36	...	...	...	...	70	1,926
Intergovernmental, Regional and Special Programs	...	...	...	...	...	...	...	...	26	1,072	...	...	40	1,687	66	2,759
Nuclear Affairs	...	...	...	...	...	...	...	...	21	582	...	...	...	...	21	582
Policy and Analysis	16	728	28	2,172	150	10,500	7	1,300	13	979	7	458	25	3,149	467	34,372
Regulatory Programs	...	...	...	...	...	...	...	...	...	...	...	...	...	...	1,483	47,800
Conservation and Environment	33	1,302	18	1,914	...	...	...	...	30	1,174	...	...	...	...	284	62,596
Energy Resource Development	20	1,132	...	...	...	...	...	...	...	...	...	...	...	...	297	14,914
International Energy Affairs	...	...	...	...	...	...	49	1,921	...	...	...	...	...	...	49	1,921
Total Salaries & Expen.	73	3,250	87	6,386	156	10,652	59	3,379	142	5,006	17	821	672	23,682	3,594	193,157
Strategic Petroleum Res.	...	...	...	...	...	...	...	...	...	...	150	557,684	...	...	150	557,684
TOTAL, F.E.A.	73	$3,250	87	$6,386	156	$10,652	59	$3,379	142	$5,006	167	$558,505	672	$23,682	3,744	$750,841

DEMANDS OF EPCA

Mr. ZARB. Let us back up a moment on this question. I will put on two hats for a moment: one, a policy hat that says that we are indeed committed to both streamlining regulations while they are in place and eliminating the bulk of Federal regulations in this industry over the next 38 months under specific direction of the President to move in that direction. And in my estimation, it was the consensus of the Congress in passing that bill in September that it should represent a bill that would provide for an orderly transition out of controls.

And we mean to insure within the parameters of the act that we move in that direction over the next 38 months.

I will put my other hat on for the moment as manager of this enterprise that has the responsibilities under the law. We can only submit to you the budget that we think is required to properly carry out the mandates of the act. And they range not only from compliance, which is perhaps 50 percent of our total function, but to the new strategic reserve system and to a wide range of conservation activities on which we are mandated to have work done within tight time frames.

COMPLIANCE EMPHASIS

Senator STEVENS. Well, why not ask lower priority this year in some of your FEA programs as compared to last year? Specifically, we are not saying any one program should be downgraded, but what other things are becoming of greater priority?

Mr. ZARB. I guess it is a wide range of things. Our compliance activity last year focused in on a good many of the embargo period transactions, and then we focused in on utilities because they were big buyers during the embargo, and lots of work was done there.

There was work done at the retail level during the course of that year because of a number of reports that we had coming out of the previous year that the retail level was an area that needed intense scrutiny to insure compliance. We redistributed a good part of that activity to get to the producer and the major refiner level where a lot more activity is committed to the sizable refining activity.

In areas such as conservation, we had during the course of last year a loose mandate, if you will, from the Congress to do everything in our power to insure conservation. Well, that is kind of a soft statement. Lots of work was done with big industries on a voluntary basis with the Department of Commerce, and documents were published to give people some information on how they could improve their use of energy. I am not sure that exercise was really productive. We will never know. You just never know how many barrels were saved from that kind of individual effort. And it will always be a disputed area where people will say, "Well, you spent that much for this book, how many barrels of oil did you save?" And we are never able to give hard figures.

ENERGY CONSERVATION

Now, Under EPCA, the Congress specifically mandated that we work with each of the 50 States and that we work out with each

Governor a specific program for energy conservation. We have specific criteria for such programs and specific notions of funding levels. Congress gave us responsibility in a compliance labelling program along with the FTC and the Bureau of Standards. It gave us specific responsibilities along with the Department of Transportation in the automotive sector. It gave us responsibilities in the industrial sector.

So the conservation area coming into this year now has a set of very, very specific missions which it has to devote time, attention and resources to.

ENERGY RESOURCE DEVELOPMENT

In the energy resources area, we spent a good part of last year examining those elements of near-term energy production that should have a central focal point of interest within the Federal establishment, and working with the Energy Resources Council. And then under direction of the President, after hearing from his Labor-Management Committee, we began to formulate some activities that were directed at assessing problems facing the power industry, such as determining why we have slippages of non-oil-fired facilities and what public policies are required and applicable that could improve the situation with respect to having powerplants come on line more quickly within the next 10 years. And a sizable amount of work was done there.

The Congress then having allowed our authorities to mandate conversion of coal to expire last June after the first notices of potential conversion were issued by my office, we went through a limbo period between June and December. The Congress then reinstated those authorities and said that we have a mandated responsibility to insure that conversion takes place under certain circumstances. That is an effort that now is taking up a broader range of resource dedication than we have had before.

So I would say that the act in general, including requirements for specific reports our data people must provide to the President and Congress over a period of time, has tended to focus a number of our priorities simply to follow up the congressional mandate. And it has made a considerable change in the character of the organization.

ORGANIZING FEDERAL ENERGY EFFORTS

Now add to that the fact that we are still short term and whether it is 2 years or 3 years, there is not anybody here or within the administration who would argue in favor of a more permanent institution as FEA is now established, but would argue in favor of moving toward a combined Department of Energy and Natural Resources.

We are in the mode now of having a set of laws that we are mandated to either enforce or to comply with in each of these general sectors of activity. We are in the mode also of moving toward decontrol as a policy measure, and the act is quite specific on what steps we can take to move toward the decontrol of various products, and then ultimately toward crude oil. At the same time we are in the mode of moving FEA into something else within the next several years, and I am not sure how much time is going to be stipulated by Congress. The Senate is talking about 18 months; that 18 months from now we must have at least the first step completed of the combination of FEA and ERDA and perhaps some of the other pieces.

So it is going to be a complicated job to do what the Congress asks us to do and at the same time move toward what I consider to be a logical reorganization of the energy enterprise.

INCREASED BUDGET REQUESTS

Senator STEVENS. The EPCA gave you more responsibility, no question about it. But our staff analysis of your budget shows that your 1977 salaries and expenses alone are up 21 percent over 1976 and 52 percent over 1975. Now, that is a substantial increase.

Mr. HOWELL. If I could address that, Mr. Chairman?

Senator STEVENS. Why can't you put them together is what we are asking. It seems that every time Congress gives you new authority you put a new section in FEA and staff it, and are not working toward combining functions with existing personnel.

Mr. HOWELL. Mr. Chairman, basically in our supplemental, it was put in solely to implement and effect the mandates of EPCA. The 1977 budget amendment you see before you today is to keep that level of compliance effort which is required and mandated by law while allowing the allocation program to trail off. If the allocation program does not go away, we will have to come up here for an additional—or rather, for a supplemental to the 1977 budget for those 300-odd people in the allocations program.

JUSTIFICATION FOR INCREASED MANPOWER

Senator STEVENS. Why don't you do this: why don't you give us a statement as to how you see your responsibilities? You are the lead agency under the EPCA; what are the specific responsibilities mandated under that act or delegated to you by Executive Order 11912 that require this increased manpower in this fiscal year?

I think we are going to be under pretty heavy attack. This same committee is going to take out the bill that limits the Park Service, limits the Bureau of Outdoor Recreation, limits the Forest Service, and here we are with 50 percent increased manpower in FEA—manpower costs, let us put it that way. Salaries and expenses are up 52 percent over 1975.

Mr. HOWELL. We can document that explicitly and will be glad to do that for the committee and submit it for the record, Mr. Chairman.

[The information follows:]

FEA's ROLE UNDER EPCA

As noted previously, the recently enacted Energy Policy and Conservation Act (EPCA) will now determine much of the program activities and future direction of the Federal Energy Administration. The EPCA establishes national policies on oil price and allocation controls, conservation measures, supply initiatives, and emergency authorities such as contingency planning for protection against another embargo. Specific provisions of the Act include:

1. Standby authorities enabling the President to implement rationing and mandatory conservation plans to meet our domestic needs and international energy commitments during a future supply interruption.

2. The creation of a Strategic Petroleum Reserve to offset the impact of a supply cut-off.

3. Provision for loan guarantees to develop new underground coal mines.

4. Ceiling prices on domestic oil, while providing for incentives to stimulate certain types of oil production.

5. Conservation of energy through voluntary and mandatory programs applicable to industry, the States and the Federal government.

6. Energy efficiency standards for automobiles, and energy efficiency targets for appliances and other consumer products.

7. Expansion of the ESECA coal conversion program to reduce our demand for natural gas and petroleum products.

By combining the 40-month pricing schedule, conservation and resource development provisions and the existing programmatic scenarios of the Project Independence Evaluation System, we will be able to quantify those energy requirements that still stand between the Nation and its goal of independence by 1985. Using the EPCA as our program base, we will work with the State governments and private sectors to continue to develop and expand programs to bring us closer to success.

At this moment, our greatest emphasis is on the aggressive implementation and management of the programs mandated by the EPCA. The Act provides a variety of mechanisms to accomplish its objectives. For example, there is a mandatory requirement for reporting by the private sector on industrial conservation achievements. Technical experts within the Federal government will prepare energy efficiency test procedures in order to label appliances so that consumers will have an objective basis for comparison. Individual States have the responsibility for administering those conservation programs best handled at that level.

This decentralization of effort will allow each objective to be accomplished with the best available technical information and financial resources.

In the coming year, we will give special priority to the Strategic Reserve Program (including plans to develop Naval Petroleum Reserve No. 4 in Alaska), expanding the conversion of utility generators

burning oil or gas to coal, and developing the Coal Loan Guarantee Program. We will continue to give attention to specific regional problems, such as the Northern Tier States as they experience the reduction in Canadian fuel supplies.

Our two years of experience in pricing and allocation regulations will help in managing the price control formula for the remainder of the period. In accordance with clear legislative direction, all proposed pricing regulations will be analyzed for administrative feasibility, effects on crude oil production and for regional, social and economic impacts before issuance. We will also take every precaution to insure that our regulations are consistent with the continued economic recovery of the Nation.

Finally, to insure that the Nation will not find itself again vulnerable to foreign petroleum supply disruptions, the FEA is responsible for developing a revitalized contingency planning program. The EPCA specifically requires the submission to Congress of contingency plans for rationing and mandatory conservation strategies for use during an emergency. Depending upon the timing and length of an interruption, plans must be both economically and socially feasible for actual implementation at all points in time. Our Project Independence analyses will prove invaluable in this area.

During this early phase, Congress supported these initial efforts through the passage of interim legislation which included the Emergency Petroleum Allocation Act, the Federal Energy Administration Act, and the Energy Supply and Environmental Coordination Act. Although each of these laws addressed a specific energy program requirement, none by itself, nor the combination of them all, provided a comprehensive approach to the energy problem. At that time, both Congress and the Administration recognized the crucial need to develop an in-depth understanding of the domestic and international energy situation before we could develop an effective national program to limit future energy vulnerability. First, we had to establish a comprehensive information data base composed of the supply, demand, production and import statistics that would form the foundation for techniques to forecast our energy future. Using econometic models, FEA developed the Project Independence Report in 1974 that explained the impacts of different policy strategies on the future energy situation.

Using the analyses of the Project Independence Report, an overall energy management program was developed by the Administration and submitted to the Congress in January, 1975, as the "Energy Independence Act of 1975." The program included thirteen specific initiatives for either conserving energy or increasing our domestic resources.

In the past year, during which these proposals were being considered by Congressional committees and the details of the comprehensive legislative package clarified, the Federal Energy Administration operated under its enabling legislation. Although we continued the important fuel pricing and allocation programs, we placed major emphasis on reaching solutions to our energy problem. With an ever-expanding national energy awareness, the FEA was requested to provide technical information to Congressional committees, State and local governments, industry, and various concerned professional and civic groups throughout the country.

To support our International Energy Program commitments, FEA provided program support and representation at meetings of the International Energy Agency and separate international energy and economic conferences.

In the energy conservation area, FEA vigorously pursued programs to provide conservation information to the public, to demonstrate residential conservation techniques, to show commercial and industrial energy users how they could reduce operating costs through energy saving actions, and to inform citizens about the comparative efficiency of new cars and how to use existing transportation resources more efficiently by carpooling and vanpooling.

The EPCA has given the Federal Energy Administration, other Federal agencies, State governments and the private sector a clear mandate and requirement for energy program action in 1976 and the coming years. FEA has a clear responsibility to provide effective leadership in the implementation of these programs. Our Fiscal Year 1976 budget supplemental and our Fiscal Year 1977 budget amendment will reflect our emphasis on effective implementation of this legislation.

NATIONAL ENERGY OBJECTIVES

Mr. ZARB. Mr. Chairman, I would just like to take one more minute if I may and talk about the broader problem that relates to what we are talking about here today, because I think we tend to lose sight of the bigger issue.

It seems to me ideally the way to pursue this whole question of the resource commitment and the organization under the Federal enterprise in the energy sector would be for the Nation first to agree on what our objective is. I am not sure we have done that yet. I am not sure that everyone shares the objective of further self-sufficiency or an embargo-proof economy by 1985. It is not clear to me that we have closed on that issue completely, and perhaps that would be a useful thing to do.

Senator STEVENS. There is a better way to put it, in independence rather than self-sufficiency.

Mr. ZARB. I will take "embargo-proof economy" if we can get consensus on that statement.

Beyond that, we ought to look at what it is going to take to get there. As I said before, and I will say again, we have a limited number of tools to use in the next 10 years, and they are gas and oil, coal, nuclear power and conservation. And we must maximize our activities in those four sectors, or we are not going to have an embargo-proof economy. And I will say that each of those has a heck of a lot of controversy and tough policymaking associated with it.

Now, if we had an agreed-upon objective, then we could agree on how the job can get done. It seems to me the next step would be to answer the question, what role should the Federal Government play in all of this, what is its proper role, and then architect the best possible Federal presence to get the job done. Now that would seem to be the logical sequence of events. And part of the problem we have here today and will continue to have until we come to grips with some of the basic questions is: What in the world are we doing anyway? What is our objective, and what are we committed to in the way of coal development, in the way of nuclear production, in the way of oil and gas development, and in the way of conservation?

And if we can answer those questions, then a lot of these other sub-questions are going to go away. We are in a position now of trying to defend what we think is the best possible interim solution with all of us knowing that we have not nearly answered the major questions.

Senator STEVENS. The problem is that it looks top heavy all the sudden. It just grows too fast. We cannot even analyze it as rapidly as we must to be able to defend it. We have to defend this.

I know you have to go, but let me ask you just two questions, Mr. Zarb, and then I think you ought to carry on, because you have told us what you are going to have to do tomorrow.

REGULATORY PROGRAMS TRAVEL COSTS

Senator STEVENS. You have $6.3 million in travel for the regulatory program. If you divide every single position in the regulatory activity into that, that is $4,500 for every single position in the regulatory program, every position, three times the previous level of travel.

Now, why do you need that much more travel money in 1 year?

Mr. ZARB. That includes people who transfer from work station to work station and it is the Government's responsibility to pay for their total move. So a straight averaging out per individual in compliance, I think, is not as clear as we might make it.

Gorman, you might answer that.

Senator STEVENS. Can you break that out and tell us how much is for the transfer of people and how much is for actual travel? But even so, there must be a tremendous increase in travel unless you are moving. You know, that is like the old story of taking 10 tons of canaries in a 3-ton truck. There are a lot of them in the air all of the time.

If you are going to spend that much money, that includes secretaries and everyone else, does it not?

Mr. SMITH. Yes, sir, that does. And the basic reason is twofold, Senator. The first is, about 150 percent increase in the actual temporary duty travel of auditors because we have been restricted this year in our ability to use our available people to the maximum advantage according to travel funds.

Senator STEVENS. We thought you had regionalized those things so these people were travelling within regions.

Mr. SMITH. They are regionalized, Senator. They are already regionalized. And we have the 10 regions and some 45 different posts of duty within those regions to try to locate the people as near as we can to the major concentrations of the kinds of activities to be audited. But even so, it is more efficient to group a reasonably small number in an area office, say 10 to 12 people in an area office and have them work out of there, than it is to station one and two people in separate offices and have to rent facilities for them on a much more widely dispersed basis, because there will not be enough work to keep the one or two busy all the time. So we try to locate them in centralized areas where they can get effective supervision, where they can travel from those areas to the companies that need to be audited on an effective basis.

There is about a 150-percent increase in the actual travel money per auditor on the road.

The second component is the one Mr. Zarb alluded to. By changing the emphasis of the program away from the wholesale and retail sectors and into the crude production and refining and natural gas liquid production sectors, you get caught up in a wholesale move of people from where the wholesale and retail outlets are, which is the east and west coast and the major population centers, into the producing sections, primarily the South, the gulf coast and Southwest, where the crude oil production, the refiners and the natural gas liquid plants are.

Mr. ZARB. Do not forget Alaska.

Mr. SMITH. Other than Alaska, yes, sir. In the continental United States.

Senator STEVENS. That is a tremendous amount of money. I am serious. I think you had better give us some real detail.

TRAVEL BUDGETS

Last year the travel budgets in almost every agency that this committee handles were cut by 10 to 20 percent. And if that is a critical need, you had better detail it.

Mr. SMITH. Yes, sir, we will do that.

[The information follows:]

OFFICE OF REGULATORY PROGRAMS

I. Justification for Operational Travel

1 October 1976 - 30 September 1977

The amounts reflected on the cost analysis breakdown for FY 77 travel costs for the Office of Regulatory Programs while higher than that of FY 76 estimates represent the minimum operational travel requirements to support program operations. The most important travel requested, is operational travel. If sufficient funds are not provided for example in the Compliance programs, the personnel filling auditor/investigative and other professional positions will not be able to function. Travel costs in these instances are as vital as personnel compensation. For the history of Compliance, program effectiveness has been impeded due to the availability of travel funds.

1. FY 76 BASE IS UNREALISTICALLY LOW FOR COMPLIANCE PROGRAMS NOW UNDERWAY. The base requested for FY 76 was unrealistically low had the same type of compliance program now underway been in operation throughout FY 76.

   - o The Compliance Improvement Plan was not initiated until late in 1975. Since that time, funds have been requested for a more aggressive program that would allow expanded audit coverage, but these funds were never approved.

   - o Management improvements established by December, 1975 required training and implementation before audit activities could be undertaken.

2. FY 77 ESTIMATES REPRESENT AN ADEQUATE BASE TO SUPPORT THE PROGRAM AND LEVEL OF STAFFING. The FY 77 requested funding for operational travel is deemed to be the very minimum required to support Energy Regulatory Programs due to the following:

   - o The nature of the program has changed. Essentially, crude price and allocation programs clearly have a 38 month life span of responsibilities.

   - o Full scale audits and investigations will be undertaken to insure compliance with the regulations. Specifically, the following areas which had very little allocation of manpower in 1976 will be pursued fully in 1977.

     NGL
     Importers
     Crude Oil Resellers
     Small Refiners

3. SPECIFIC ESTIMATES. The estimates shown on the attached are based on the following:

   o Headquarters. The number of professionals shown are assigned to all programs within ORP (i.e., Compliance, Operations, Regulation Development, etc.). During FY 76, under the restrictions of decontrol budgets, a total of 616 trips will be taken. The total estimated trips in FY 77 of 962 are the direct result of the increased staffing and program emphasis on the Compliance effort. While some offices will have very little travel (one trip per month by some Compliance Information staff), individuals from other offices will be travelling once a week; e.g., the Compliance Operations Office. The average cost per trip includes $150.00 for direct travel and $37.50 per diem for four days. This average is based on travel costs incurred during FY 76.

   o Compliance Regions. The estimated travel for the Compliance field staff includes three categories of professionals. They are: Major Refinery Auditors, Operational Auditors, and Case Processors.

     Major Refinery Auditors - These professionals are stationed at specific major refiner headquarters. Travel is conducted on a periodic basis to verify the records not maintained at the headquarters. Specifically, this involves visits to various other record centers to validate sales transactions and volumes reported. About 20 percent of all records are not located in the main office. The average thus arrived at includes a total of eight trips per year per auditor. The average trip is for a period of five days at $35.00 per diem and $150.00 direct travel for a total average of $325.00 per trip.

     Operational Auditors - These professionals are used in all programs in the regions. A quarterly work plan distributes the application of manhours and the priority of audits. The estimate of $341.00 per trip is an average which includes $125.00 direct travel costs and six days of per diem at $36.00 per day. Some on-site audits last as long as 21 days. The average number of trips estimated per year, per auditor investigator is 17 or 1.4 trips per month. As priorities are shifted to audit NGL's and Small Refiners, the length of time spent on-site will increase to as much as three weeks per month.

Case Processors - These professionals are responsible for resolving issues involved with cases and the cases themselves. They are involved in continuous travel to meet with industry officials, to negotiate potential violations, Remedial or Consent Orders, or other issues for all points associated with specific cases. The average case could require as few as one conference to as many as five or more. These processors travel from the Regional Headquarters to the area offices where FEA and company officials are assembled to discuss the case. The average thus arrived at is approximately 30 trips per professional over FY 77. These trips are usually of short distances and are for an average of three days per trip. Average travel cost includes $100.00 for direct travel and three days per diem at $33.00, for a total of $200.00 per trip.

- Operational Regions. During FY 77, the allocations personnel in the Regional offices are expected to be phased down with each product exemption which is not disapproved by Congress. The average on-board for FY 77 will be approximately 61 personnel. Of the 61, approximately 50 professionals will be engaged in travel activities associated with the phasing out of the affected allocation programs. Specifically, travel will be in support of the following activities:

    - The conversion to a standby and monitoring capability through coordination with the National Office of Regulation Development.

    - Assistance in handling supply problems on a voluntary basis with individual segments of the industry.

    - Support of Compliance in post-regulatory program actions.

    - Post-regulatory clean-up and disposition of allocation matters to include petitions, cases, files, historical summaries.

  A minimum of ten trips are budgeted for these professionals at direct travel cost of $150.00 for three days at $33.00 per diem for a total of $250.00 per trip.

ANALYSES OF ORP OPERATIONAL FY 77 TRAVEL COSTS

FY 77 - PROJECTED

HEADQUARTERS:

275 Professionals x 3.5 trips per year

962 Trips x $300.00 average per trip = $ 288,600

Total HEADQUARTERS $ 288,600

COMPLIANCE REGIONS:

Average on-board personnel 1,100

" " operational auditors/investigators (847)
" " case processors (110)
" " clerical/supervision (143)

847 Operational auditor/investigators
- 267 Refinery team auditors

580 Auditor/investigators

- o 580 auditor/investigators x 17 trips per year per man @ $341.00 = $3,362,260
- o 110 case processing personnel x 30 trips @ $200.00 = 660,000
- o 267 RARP auditor/investigators x 8 trips @ $325.00 = 694,200

OPERATIONS REGIONS

Average on board personnel 61
Average on board professionals 50

- o 50 professionals x 10 trips @ $250.00 = $ 125,000

TOTAL ORP OPERATIONAL TRAVEL $5,130,060

II. Travel for Training

1 October 1976 - 30 September 1977

In order to accomplish the missions assigned to FEA's Compliance efforts, all auditors/investigators must have a comprehensive understanding of FEA's policies, procedures, rules and regulations. In addition, it is essential that training be presented through a standardized program of instruction in order that all operational programs may be carried out in a uniform manner.

The Basic Training Program is presented to every new auditor/investigator within six weeks from their start date. The program consists of courses in the following subject areas:

Basic Auditor/Investigator
Crude Oil Producer
Refiner Audit Review
Natural Gas Liquids
Reseller/Retailer

Refresher training courses are designed to keep the auditors/investigators informed of the rapidly changing rules and regulations, new FEA policies and procedures, new techniques and when the auditor/investigator is diverted from one program area to another.

Workshops, seminars and conferences are programmed to explain, evaluate and resolve significant changes in any of the program areas, and to discuss and resolve major issues. In the past, meetings have been held for Class of Purchaser, new procedures for auditing refiners, establishment of a targeting system, Entitlement and Producers, and the Major Oil Producer Program. Due to lack of travel funds and personnel limitations, several critical workshops were postponed; e.g., Reseller, Importer, and Crude Producer Workshops in FY 76.

FY 77 training expenses listed below, represent the minimal essential travel costs for training requirements to achieve an operationally effective FEA compliance effort.

Regional Travel Expense for Training:

New Hires	82	
Attrition 15% (1013)	152	
Total # Requiring Basic Training Course	234 Students	
Refresher Training (50% of 1013)	507 Students	
Workshops, Seminars, Conferences, i.e., (20% of 1013)	203 Students	
Total number of students Traveling	944	
Travel (944 students)		
a. Average travel cost per student	$180.00	
b. 944 students x $180.00 Travel =		$169,920
Per Diem (944 students)		
a. Basic Training Course - 234 students		
1. $35.00 per day, per student		
2. 15 days per student		
3. 234 x 15 x $35.00 =		$122,850
b. Refresher Training Course - 507 students		
1. $35.00 per day, per student		
2. 4 days per student		
3. 507 x 4 x $35.00 =		$ 70,980
c. Workshops, Seminars, Conferences - 203 students		
1. $35.00 per day, per student		
2. 3 days per student		
3. 203 x 3 x $35.00 =		$ 21,315
Other Costs ($25.00 for Taxies, Telephone Calls, etc.)		
1. Total number students - 944		
2. 944 x $25.00 =		$ 23,600
Total Regional Travel Expenses for Training		$408,665

National Office Travel Expense for Training

New Hires	- 81	
Attrition 15% (140)	- 21	
Total number requiring Basic Training	- 102	
Refresher Training	- 81	
Workshops, Seminars, Conferences	- 81	Students

Travel - 183 students
a. $180.00 average travel costs
b. 183 x $180.00 = $ 32,940.00

Per Diem - 183 students
a. Basic Training - 102
1. $35.00 per day, per student
2. 15 days per student
3. 102 x 15 x $35.00 = $ 53,550.00

b. Refresher Training - 81 students - no travel expense

c. Workshops, Seminars, Conferences - 81 students
1. $35.00 per day, per student
2. 3 days, per student
3. 81 x 3 x $35.00 $ 8,505.00

Total National Office of Compliance Travel Expense for Training $ 94,995.00

Total Expense for Training FY 77 $503,660.00

III. Permanent Change of Station

1 October 1976 - 30 September 1977

1. Program Realignment

This represents a redistribution of FEA regional personnel based upon the number, location, and types of various petroleum industry activities (firms), adjusted to compensate for the size of each region (square miles) and FEA's strategy to decontrol below the refinery level except for propane.

Under the personnel redistribution plan, four FEA regions (Chicago, Dallas, San Francisco, and Seattle) increase a total of 204 whereas four FEA regions (Boston, New York, Philadelphia and Atlanta) decrease a total of 44; two FEA regions (Kansas City and Denver) remain at the same level. Therefore, of the 204 increase, a minimum of 160 will be new hires. Potentially, FEA has 44 present regional positions to be transferred from within FEA. Of these, FEA estimates that a total of 50 percent or 22 people will accept transfers, thereby incurring moving costs for those employees. It is also estimated that eight additional personnel from within FEA, other than the above, will apply and be accepted for positions of opportunity generated by the expansion in the Dallas and San Francisco regions. They will also require PCS moves. It is estimated that the balance of 176 positions will be filed by non-FEA personnel.

Average PCS Costs:

Sale of Residence	$3,000.00
Shipping & Storage Household effects	2,500.00
Temporary Quarters/Travel	900.00
Purchase of Residence	2,000.00
Total	$8,400.00

30 x $8,400 = $252,000

2. National Office Hires

National Office recruitment and hiring to attain an authorized strength of 162 will take place during the summer with the actual PCS movement of households occurring after 1 October 1976. It is anticipated that 60 percent of these hires for the National Office be from experienced FEA personnel in the regions.

FY 77 Authorized Strength	- 162
Present Authorized Strength	- 86
	76
Less Administration & Clerical (13%)	- 9
Total Professional	67

60% of 67 = 40

Average PCS Costs $8,400.00

40 x $8,400.00 = $336,000

3. Hires in National Office to Compensate for Attrition in FY 77

The attrition rate for FY 76 was 18 percent. It is assumed that personnel will improve by three percent in FY 77 and that attrition will be a 15 percent level. The urgency of hiring personnel experienced in specific compliance activities requires that at least 60 percent of the new hires be from personnel experienced in related compliance activities in the regions. Clerical and administrative personnel can readily be hired locally.

National Office Authorized	- 162
Less Administrative/Clerical (13%)	-21
	141

15% of 141 = 21
60% of 21 = 13
Average PCS Costs $8,400.00

PCS Costs:
13 x $8,400.00 = $109,200

4. Totals

Program Realignment	$252,000
National Office Hires	336,000
Hires in National Office to Compensate for Attrition	109,200
	$697,200

CONGRESSIONAL AFFAIRS TRAVEL COSTS

Senator STEVENS. One other question, just to show you what is difficult to understand.

I do not know how many people you have in the Congressional Affairs Office, but you have $39,000 in congressional affairs travel.

Mr. HOWELL. I can address that. I can explain that, and I have been more or less in charge of travel funds, Mr. Chairman.

I would just like to make one point, that per diem went up from $25 to $35. I have really had some head-to-head sessions with these regional administrators, and with Mr. Smith coming and telling me he needs money, and I am telling him, "Well, we haven't any money." And it has really gotten rather hot and heavy around at times. I also was put in an unenviable position because I am also head of our Office of Internal Review. I go down to one of our regions and I find out that the regional administrator had not visited every post of duty in his region. I said, "Why haven't you done that?" He said, "Because you wouldn't provide me with travel funds."

And I would say that the travel funds provided in 1975 were grossly inadequate. I would say also that the compliance program in 1975 was grossly inadequate. I would say that we have improved in 1976. We are going to improve more in 1977. And I would say that these travel funds are necessary, and will be willing to document the same thing.

REGIONAL CONGRESSIONAL AFFAIRS REPRESENTATIVES

Senator STEVENS. What about $39,000 for the Congressional Affairs Office? What do they need besides cab fare?

Mr. HOWELL. They need it because they have instituted what is a very worthwhile program. They have a quarterly review wherein they bring all the congressional representatives in the 10 regions together with Mr. Cyr and Mr. Hildago, and then they go over the congressional programs and get some direction to our congressional efforts.

Senator STEVENS. You mean you have congressional people out in the regions?

Mr. HOWELL. Absolutely, sir. We have 1 in each one of the 10 regions, and some of these cover as many as 6 States.

Senator STEVENS. You have to fly an awfully long distance to get from there to the Congress.

Mr. HOWELL. But, I am saying we are stretched from Boston to Seattle to Dallas to Anchorage.

Senator STEVENS. I know you have an office in Anchorage, but I did not know you had a congressional affairs office up there, or even in Seattle. What are they doing out in regions? Congress is here most of the time. It is supposed to be.

Mr. HOWELL. In the regions is where an awful lot of the action comes from.

Senator STEVENS. Why not a public relations officer? Congressional affairs out there?

Mr. SMITH. Yes, sir. When you send us an inquiry on one of your constituents in Alaska who has a problem, that inquiry, if it cannot be answered at the national headquarters, is sent to the regional

headquarters. And there is a man on the staff there responsible for tracing that and seeing that we get a responsive answer to whatever the inquiry is, at the regional office where the programs are administered. Without that we could not be responsive to the requests placed on us, Mr. Chairman.

Senator STEVENS. I do not understand. It seems to me that you are channelling congressional correspondence then through a series of people who are not dealing with the programs, and that is what we send, correspondence to answer on the programs. Why should you have a special congressional representative out in Seattle? I should think you would have bodies out there to do the work and congressional relations people down here to come tell us why they are not doing it.

Mr. HOWELL. Mr. Chairman, I would just like to say I would think this individual out there is very necessary. He also many times doubles as an intergovernmental person.

Senator STEVENS. Now, I can understand that. I can understand you have intergovernmental regional special programs activity out there in the region. Now, is that the same guy?

Mr. HOWELL. In some regions it is. It varies from region to region. But I just came back from Philadelphia at the regional office up there, and I checked with the congressional affairs office, and a lot of his time is taken up with answering for the regional administrator congressional mail.

For example, we had one filling station operator down in Richmond who is about to go out of business. He wrote to the regional director up in Philadelphia. Then the regional director up there turns it over to his congressional affairs officer and asks him to get an answer to this and get it immediately. And we try to be very responsive to the requests of Congress.

TRAVEL REQUIREMENTS

Mr. BUTLER. Senator, I would like to add one other thing to the travel question you raised. In the new EPCA there is mandated a requirement that an FEA official attend every meeting that is part of the international energy program. Most of that travel is foreign travel, and there are a number of subgroups of that international energy agency. I checked with my assistant general counsel this morning who handles that and he said there are six meetings in May alone. Now, one or two of those may be in New York, but the bulk of them are in London or Paris. That will throw the travel budget for both the general counsel and the international affairs office on the high side.

Now, that is a mandated requirement, that there be an FEA official there. We try to minimize the travel as much as possible and send only one FEA official, whether it be from the office of international affairs or from the general counsel's office.

The act also, I do not know whether it requires it, but contemplates that either a representative from the Justice Department or the Federal Trade Commission attend. Typically we split it in FEA, that is if an FTC or Justice lawyer is attending, then a lawyer from our General Counsel's office does not attend the program but someone from inter-

national affairs attends. But if neither Justice nor the FTC attends, then an attorney from our general counsel's office attends. But that is, I think, something else to bear in mind when you are looking at this travel function. All of this is a statutory requirement that will throw that on the high side.

Senator STEVENS. Of course, in your budget, that increase is very high.

Mr. BUTLER. Yes. But in my General Counsel's budget which will be reflected in the executive management budget, there is a fairly significant increase there if you work it all the way through.

Senator STEVENS. Well, I would appreciate it if you would give some details, Mr. Zarb.

Mr. ZARB. Yes, sir.

POLICY AND ANALYSIS

Senator STEVENS. Here is another question, program policy. The policy and analysis portion of your program is up from $21.7 in 1975 to $34 million in 1977.

Now, is that not an ongoing entity? Why should that be going up so much? Is EPCA giving some additional responsibility there?

Mr. ZAUSNER. Yes, Mr. Chairman. Those increases——

Senator STEVENS. If you are not going to answer, bon voyage.

Mr. ZARB. I will wait until I hear the answer to this question.

Mr. ZAUSNER. Maybe we can take it up later.

Mr. Chairman, as you may recall from our discussion yesterday, we asked for 69 additional positions and about $4.5 million for the remainder of 1976 just to meet the EPCA requirements. Those are not activities which we have fabricated, but specific requirements where policy and analysis has to provide either economic impact or inflation impact statements, computer support for specific forecasting and analysis services to the States or to other parts of FEA in order to meet the specific EPCA requirements.

I can mention just a couple of examples. One, in Gorman Smith's regulatory area, the computer numbers in 1976 were assuming that most of the regulatory program would be gone, and now it has to be increased. The 1977 number is no increase over the 1976 number annualized for all of 1977. In other words, the increases that we are asking for in 1977 reflect no additional increases above the level it will be at in 1976. And the reason the dollar numbers are so high is that when you need, for example, $3 or $4 million for ADP support just for the remainder of 1976 to meet all the additional requirements in the EPCA, and when you must then budget that for all of 1977, it is three or four times as large.

We have in the justifications, the specific EPCA requirements which were nonexistent in the old budget, but which are now laid upon us, which will require the design of new computer programs and the maintaining of ongoing data systems or forecasting tools to meet the needs of other program offices or statutory reports required by the Congress to meet those EPCA needs.

Senator STEVENS. Yes. But the problem is that the program analysis area that you had before, by your own statement, has been readjusted in terms of priorities.

You have new priorities in EPCA, but you are leaving all the old people apparently doing the same thing they did before, and——

Mr. ZAUSNER. No, sir. The requirements would be somewhat greater than what they were before, if in fact we did as you suggested.

The other important thing to remember——

REPORTING REQUIREMENTS

Senator STEVENS. What programs are you decreasing?

Mr. ZAUSNER. There are several areas we are deemphasizing. We are spending very little, if any, money, for example, on major new attempts to forecast short-term petroleum supply and demand shortages. We are not developing any new models in the areas where models have already been developed, for example, the Project Independence model. There are greatly reduced efforts in several of the areas where we expended great sums of money to first build the original capability to do some of our reports.

But I think the key to keep in mind when one thinks about policy analysis is that it is the portion of the Federal Government, and the FEA particularly, which is mandated by the Congress with providing all of the periodic reports.

We have delivered some 11 feet of information in the last 2 years—that requirement has not been in any way removed. In fact, as I am sure you are aware, the need for these requirements has increased. The Congress still considers that we do not collect and report enough information. They want new financial information. They want information collected on exploration and development costs. They want more information on reserves, more information on corporate ownership, more information on the competitive structure of the industry and how it changes.

So we have a very large share of the total budget dedicated to ongoing data collection and reporting—quarterly reports which the Congress receives, market share reports, and so on. And we have no capability whatsoever to reprogram ourselves out of those areas. If anything, we are continuing pressure to expand those data collection and reporting requirements.

Senator STEVENS. All right. I do not know who reads that stuff.

Mr. ZAUSNER. Mr. Chairman, it weighs hundreds of pounds and you are right, nobody reads a lot of it.

I might add that we have repeatedly asked the Congress in our extension authority to change how often that information is required. In other words, I can tell you that we can save both time and money if the information Congress asked for every month or every 3 months, which oftentimes is not read, were changed to be every 6 months or every year. We could save substantial sums of money. Those requests were not included in the EPCA when we specifically requested them. And as far as I can tell, they have not been included in the extension of FEA as reported out by the House subcommittee.

REDUCING REPORTING REQUIREMENTS

Senator STEVENS. Let me tell you just one example. I do not know whether it will work now, but when I was in the Government Opera-

tions Committee I inquired as to why we had to print every quarter a booklet entitled "Availability of Federal Programs and Grant-in-Aid Programs" that the Federal Government supplies to the States.

We made a very modest change by printing it in looseleaf. Material was reprinted only if there were a change in the data available on that particular page. And we saved a fantastic amount of money.

Now you are computerized. Why do you not looseleaf these things and if there is some updating, give them the thing and tell them to change the page?

Mr. ZAUSNER. Well, first of all, it does not work that way. And I will gladly submit for the record the implications of some of these reports.

Unfortunately it is not the kind of thing where all you do is add another page for another month. They are quite extensive statistical reports which are required by law.

In fact, one time we tried to cut back. This is an example which I think you can appreciate. The law required that we report an independent estimate of oil and gas reserves every quarter. Well, as you well know, the number does not change that much, not nearly that often. Even if you did that once every 2 years, you would probably have an adequate source of Government information on what is happening to oil and gas reserves. That is now required every quarter. In fact, we were sued for failure to provide that every quarter even though it made no logical sense in terms of the need for the data. But that puts a tremendous burden on the agency, that legal obligation to meet those data requirements.

I could not agree with you more. I would love to see the monthly reports done quarterly; I would like to see the quarterly reports done annually. And if somebody will tell us we can do those things, you will get the quickest revised budget you ever saw.

Senator STEVENS. Give us a statement on that, the report, the cost, and annualizing in terms of the cost, and how rapidly the statistics are changing.

I do not know any reason why we cannot go back to authorizing these things. They are wasting the taxpayers' dollars. I really think they are.

They probably come into my office and go into some storage area. Frankly, we do not have time to read all of the stuff that comes out of all these things.

Mr. ZAUSNER. Mr. Chairman, I could not agree with you more. We have testified on that repeatedly, but in all honesty, we have met complete resistance to reducing the frequency of those reports.

Senator STEVENS. Perhaps we can put a little rider on the appropriations bill and provide that reports should be submitted semi-annually instead of quarterly and cut the money if you will tell us what the savings might be. Provide it, and let us see if we cannot do it.

The budget really is getting out of hand.

SAVINGS IN COMPUTER AND PERSONNEL TIME

Mr. ZAUSNER. I will be glad to provide you the specific reports that we think should be put on a slower schedule and how much

we can save in computer and personnel time, and put it in a way which I think you will find useful.

[The information follows:]

RECOMMENDATIONS ON REPORT CHANGES

There are five legislatively required reports which we recommend either be cancelled or published less frequently than presently required by law. They are:

1. Market Shares

Frequency: Monthly

Requirement: EPAA, Sec. 4(c)(2)(A)

Description: Provides data on retail gasoline sales and, beginning with June 1976 issue, all fuels as required by law will be included.

Proposed Frequency: Semi-annually

Rationale: Monthly changes are minute and random; semi-annual report would obviate this, allow for seasonal fluctuations, and provide a proper base to observe and note changes and trends.

2. Economic Impact of Energy Actions

Frequency: Semi-annual

Requirement: FEA Act, Sec. 18(d)

Description: Provides economic impact assessment of any actions taken by the Administrator of FEA on employment and the economy.

Proposed Frequency: Annual

Rationale: Because Administration energy policy and programs are presented on an annual basis, a six-month report captures only part of the program. An economic assessment of Administration and Legislative programs would be more meaningful on an annual basis. Individual energy actions would continue to be evaluated as required by law.

3. Quarterly Report (including Report on Reserves)

Frequency: Quarterly

Requirement: ESECA 11(c)(2) and amended by PL 94-163.

Description: General energy information on production, net imports and supply of energy by quarter covering most aspects of coal, natural gas, crude oil, refined petroleum products, nuclear and electric power. Includes estimate of reserves.

Proposed Frequency: Cancel

Rationale: The Quarterly Report is largely duplicative of the Monthly Energy Review which is a more useful and frequently updated compendium of energy statistics produced to meet the general requirement in the FEA Act of making energy statistics available to the Congress. The general public to date has paid for more than 2,000 annual subscriptions.

4. Allocation Reports (Subpart L)

Frequency: Quarterly

Requirement: ESECA 11(c)(2)

Description: Tables 2, 10 and 11 taken from Form FEO 1000 reporting imports by types; domestic reserve, refinery activity, reports of inventories by national, regional and state levels and anticipated monthly supplies by company.

Proposed Frequency: Cancel

Rationale: This is a large computer printout about three feet high which accompanies the Quarterly Report. It provides data in very fine detail and in our judgment is difficult to use. Its usefulness is further diminished by the fact that most of the information is presented in a summary form in the Monthly Energy Review.

5. Report on Exports

Frequency: On request

Requirement: FEA Act Sec. 25

Description: Maintain file on every transaction, sale, exchange or shipment involving the export of coal, crude oil, residual oil or any refined product by exporter, manner of shipment, name of purchaser and justification for export.

Proposed Frequency: Cancel

Rationale: Similar data is available from Commerce and Treasury Departments which report the information by commodity rather than by company.

RESOURCE RECOMMENDATION

All of the data in the above required reports is necessary to fulfill the general mission of the FEA and has application in the daily operations of the FEA. By consolidation of the Quarterly Report and the summary data of the Allocation Report into the Monthly Energy Review, and by decreasing the frequency of the Market Shares and Economic Impact reports, 12 man years and $800,000 can be saved in FY 77 without any loss of Federal knowledge in energy data. FY 77 development costs to change the frequency of selected systems would preclude realizing the full potential of annual savings. However, by FY 78 additional savings amounting to $1,500,000 could be realized if these recommendations are accepted, thus bringing the total savings to $2,300,000 in FY 78.

In response to your request for a rider on the appropriations bill for FY 77, the following language is suggested:

> By decreasing the frequency of two reports, Market Shares which is currently required monthly by EPAA 4(C)(2)(A) to semi-annually, and Economic Impact of Energy Actions which is currently required semi-annually by FEA Act Sec. 18(d) to annually, and by canceling three reports, The Quarterly Report required by ESECA 11(C)(2), Allocation Reports required by ESECA 11(C)(2) and Report on Exports required by FEA Act Sec. 25, the FY 77 appropriation for Policy and Analysis is decreased by $800,000 and 12 man years. The summary information of the Quarterly Report and the Allocation Reports is to be included in the Monthly Energy Review and data on exports will continue to be available from other than FEA sources.

FLUCTUATION IN CONSERVATION FUNDING

Senator STEVENS. Now straighten me out on this. Funding for conservation and environment goes from $17 million in 1975 to $44 million in 1976, and then down to $12.5 million in 1977. This is the non-State program.

How does that come about? Can we expect a supplemental for 1977?

Mr. BAKKE. We do not anticipate a supplemental, Mr. Chairman, at this time with the possible exception of the weatherization program once that legislation is passed.

Senator STEVENS. Is the impact of this your shifting the conservation and environment programs over to State programs?

Mr. BAKKE. Yes. The big portion here is that the $44 million that you mentioned in 1976 has been devoted primarily to develop programs that are now going to be transferred, in effect, to the States to operate. And that is why most of the money is being assumed by the State programs. That is why you see the budget as it is. It is actually an increase from $44 to some $55 million in contracts and grants. But most of that is going into the State programs for them to operate some of the products or programs that have been developed over the past year and a half.

Senator STEVENS. Except where you shift it to the States in terms of conservation requirements, you are going down from $44 million to $12.5 million.

Mr. BAKKE. About $32 million of these activities are being shifted to the States.

Senator STEVENS. It is not a decreasing program in that area? I want to make sure. You are putting out the same level of effort through the State programs?

Mr. BAKKE. Yes. For example, I do not know if you have heard of projects like our Project Conserve program. It is being tested now in a couple of States. We have been paying for it this year from a national level, and it is being run from headquarters. In the future, we will expect that this will be made available to the States and they can then pay for it out of the State program if they decide it is a good project for them to operate. So there will not be any decrease in activity. In fact, there will be an increase in conservation.

Senator STEVENS. What if they do not decide the conservation and environment problems are priority?

Mr. BAKKE. Well, we——

Senator STEVENS. Do you have an approval of the use of their funds on the State grant program?

Mr. BAKKE. No, sir, but all indications are that the States think the operation is extremely important, and that they will come in and request the funds to run aggressive conservation programs. The reason I say this is that we do not want to force down the States' throat any programs that we have developed that we think are good and that they do not consider good. They may come up with some programs of their own that are equally effective.

Senator STEVENS. Will you be monitoring the level of the conservation and environment effort through the States under the grant program?

Mr. BAKKE. Oh, yes, sir.

Senator STEVENS. Will you be able to tell us next year whether they decreased this?

Mr. BAKKE. Yes, sir.

Senator STEVENS. We have noted in the justification statement that voluntary conservation programs implemented with previous years' funding will be monitored and evaluated in 1977. What are the main programs targeted for evaluation, and how many people and dollars will it take to evaluate them?

Mr. BAKKE. The major programs targeted for evaluation are the utility rate demonstration program, and the seminars/workshops (big 3) program. Fourteen people and approximately $400,000 are needed for this effort.

MEMORANDUM OF UNDERSTANDING WITH ERDA

Senator STEVENS. What about ERDA? I understand there is an obvious duplication and overlap between FEA and ERDA. Do you have some sort of a memorandum of agreement to prevent this duplication?

Mr. HILL. Yes, we do.

Senator STEVENS. Are you going to share it with us?

Mr. HILL. I have copies here. It will be signed this afternoon by Mr. Zarb and Dr. Seamans.

This is a general memorandum of understanding which lays out the principles that the agencies should use in sorting out their respective missions in conservation, resource development and so forth. It also sets up a steering group mechanism to develop detailed interagency agreements in specific areas like conservation.

It is our hope that by September of this year, for example, FEA and ERDA can go to OMB with a single conservation budget that says, "Here is what FEA is doing," and, "Here is what ERDA is doing," and "Here is how it fits together as a comprehensive program, and here is the logic for the entire program."

We would also have issued a copy to the Congress with our appropriation request for the 1978 budget cycle to reflect that same kind of thinking.

[The memorandum was included in the April 7, 1976, hearing record.]

Senator STEVENS. Will this agreement require any reprogramming in the monies requested for 1976?

Mr. HILL. I do not think it will require any reprogramming of money requested for 1976.

Senator STEVENS. How about 1977?

Mr. HILL. I do not think so there either, in that most of our requests for 1976 and 1977 are related almost entirely to the Energy Policy and Conservation Act requirements of FEA.

Senator STEVENS. Will it prevent the duplication that we see involved in the two programs as they now stand?

Mr. HILL. We think so. The major reason for the memorandum of understanding was to not only get rid of existing overlap and duplication, but to set up a structure that will prevent it from occurring in the future.

66-307 O - 76 - pt. 5 -- 59

FEA ROLE IN FUELS AND ENERGY

Senator STEVENS. What is FEA's role in synthetic fuels, solar and geothermal energy? Isn't the research, development, demonstration and commercialization of these technologies the province of ERDA?

Mr. HILL. The Federal Energy Administration Act of 1974 created the FEA as an interim administration in the executive branch of our Government. It made the Administrator of FEA responsible for assuring that adequate provisions be made to meet the energy needs of the Nation and gave him the authority to make plans, direct and conduct programs related to the production of all forms of energy.

Among the authorizations given to FEA by the Congress and the Executive is a mandate to develop effective arrangements for the participation of State and local governments in the resolution of energy problems. This authority carries with it the responsibility for coordinating Federal energy programs and policies with those of State governments by providing technical assistance—including advice and consultation and, where necessary, the use of task forces to work with State governments. These task forces, made up of public officials and private persons, are to be assigned to assist State governments in dealing with energy problems and in the development of plans, programs, and policies to meet the problems so identified. The authorization also carries with it the responsibility to draft and make available to State governments model legislation with respect to State energy programs and policies.

FEA's commercialization interests are primarily with the widespread or large-scale utilization of energy technologies after the point of initial commercial demonstration. It is a market-oriented approach rather than one of technology development. Experience with technology transfer in other areas has shown that commercialization efforts leading to substantial usage should be conducted concurrently with technological development. The FEA activities in commercialization, which include inter alia dealing with institutional and social barriers, financing, and dissemination of information, will not duplicate any work done by ERDA; rather, they will provide a logical complement to ERDA's emphasis on technology development.

STATE GRANT PROGRAM FUNDING

Senator STEVENS. What is the limit on your conservation program under the State grant program?

Mr. HILL. $50 million is authorized under the law per year.

Senator STEVENS. Are any other funds in this budget to administer those funds?

Mr. HILL. Well, there are some limited funds in the agency in that some of the data systems in policy and analysis will be used to support State programs.

There is $45 million going to the States, and $5 million that FEA will use to administer the program.

Senator STEVENS. That is what we are trying to get to. What else? Is there anything else in this budget that receives support?

Mr. HILL. No. That is the total amount, $50 million.

Senator STEVENS. Have you budgeted the full $5 million?

Mr. HILL. Full $5 million?

Senator STEVENS. You said $45 million and $5 million. Have you budgeted the full $5 million?

Mr. HILL. Yes, it is all budgeted in this budget.

Senator STEVENS. Will you be able to administer that in 1977?

Mr. Hill. Yes, we think so.

Mr. HOWELL. Yes, we will.

APPLIANCE LABELING

Senator STEVENS. What about this appliance labeling? No additional funds were requested for this program in the supplemental. How much is in the 1977 budget, and have you a memorandum of agreement on that with the FTC and Commerce?

Mr. BAKKE. Mr. Chairman, we started our work initially on appliances with the Department of Commerce, specifically the Bureau of Standards. And we do have in effect a memorandum of understanding because we just started transferring the fairly large amount of money to them to do specific work on test procedures. That transfer is taking place right now, and actually the National Bureau of Standards has already begun work under our direction on the 13 test procedures that have to be completed on schedule as outlined by the EPCA.

The total amounts of money you see in 1977 are $1.2 million, and we think that is sufficient to operate the program from our point of view.

Senator STEVENS. Do you know how much total is in the budget of all three agencies that are involved by any chance in terms of appliance labeling?

Mr. BAKKE. No. We can get that. The 1977 money for National Bureau of Standards is $430,000. We really do not know at this point the budgeting for the FTC. We have not started our work with them because the test procedures and all of the information must be gathered on a time schedule as set forth by Congress before any of the labeling can take place.

Senator STEVENS. This is strictly energy labeling?

Mr. BAKKE. Energy labeling, yes, and the Federal Trade Commission does not come into the act until we have the information and are ready to start the labeling.

Senator STEVENS. Any predictions yet as to what kind of savings will come out of the implementation program?

Mr. BAKKE. Yes, we do have a savings estimate. I will find that, sir, if you want to go on to another question.

ENERGY RESOURCE DEVELOPMENT

Senator STEVENS. All right. What about this energy resource development activity? You have a $2.2 million increase.

How much of that is related to EPCA in the energy resource development area?

Mr. ROSENBERG. Mr. Chairman, all of the increases that are not accounted for by inflation are related to EPCA. We have not requested any additional increases that are not tied to the normal increases in salaries and things of that sort.

CONVERSION TO COAL-BURNING

Senator STEVENS. How much of it is related to the powerplant coal conversion program?

Mr. ROSENBERG. Mr. Chairman, we have approximately 100 people tied to that. Sixty-four are directly working on orders and the remaining 36 tied to support activities such as determining whether coal is available, working on powerplant productivity which would be the increasing of the productivity of plants that use coal or that are already using coal, the various siting and coal financed type problems.

So we estimate approximately 100 people directly tied to the program.

Senator STEVENS. How does this budget compare to 1975 and 1976 in the power and coal conversion?

Mr. ROSENBERG. With respect to the 1976, it is a continuation of the supplemental.

With respect to 1975, even within our own program, we have reprioritized 23 positions that were not dedicated directly toward this. So we have gone from about 37 to 64 directly into the coal conversion program, but have only requested of the Congress an additional 6 people.

The bulk of that differential comes from reprioritizing our other people within the program.

COAL MINE LOAN GUARANTEE PROGRAM

Senator STEVENS. The supplemental order yesterday has only a small amount for the newly authorized coal mining guarantee program.

We don't find any mention of this program in the 1977 statement of the energy resource development. Is there any money in the 1977 budget to continue that program?

Mr. ROSENBERG. We have requested four people and $200,000 in contractual funds.

As I indicated yesterday, Senator, we are undertaking an extensive review of what the program would have to be, how it would work, how we would staff it up, who would be the client, et cetera. And, when we determine how the program should be implemented as a loan program, we would have to request supplemental funds justifying it on a level of activity that we do not now know.

Mr. HOWELL. To answer your question on how much is in there exactly—there is $304,000 in the coal mine loan guarantee.

ENERGY SAVINGS FROM APPLIANCE LABELING

Senator STEVENS. Did you find your information?

Mr. BAKKE. The savings estimates for the appliance efficiency and labeling program are 35,000 barrels a day in energy savings in energy equivalent and 10,000 barrels a day of imported oil. For 1985, however, it is 760,000 barrels a day of total energy savings and 220,000 barrels a day in just oil reduction by 1985.

Senator STEVENS. Is there any contract money in that $304,000 for 1977?

Mr. HOWELL. Yes, about $200,000.

Senator STEVENS. It is not detailed. Can you give us any idea of what you are going to use it for?

Mr. HOWELL. Yes, I am sure we can submit that. We will get it from the program office and we will submit it.

Senator STEVENS. Now, is this another area where we need a nonduplication agreement? We are the ones who look at the request of Interior for their studies of coal and oil production and development, and now I am speaking to their OCS leasing and Federal coal leasing, their oil and gas production and they are all within the province of the Interior Department.

Why are you getting into those areas?

Mr. ROSENBERG. Going back to coal mine loan guarantees, Mr. Chairman, if I may make one point: First, on page J–9, you will see listed a contract of $200,000 that spells out, in general terms, what the funds would be for. The Congress, not as a result of administration requests, gave us the financing responsibility in this area. We are mandated, Senator, to administer a $750 million loan program. However, before we begin to do the program we have to know who the candidates will be and how we should make such a loan guarantee program work without the Government losing its shirt.

Senator STEVENS. Why can't you rely on the Interior Department's experts over there?

Mr. ROSENBERG. Well, it will be our responsibility to make specific loans on specific projects. We have to make findings, for example, that financing should not be available for a specific project and that companies have the necessary management expertise. I don't believe the Department of Interior is determining whether or not the banking type transactions should be made. The Department of Interior's regulations are more in the area of complying with safety and health.

DUPLICATION OF INTERIOR DEPARTMENT ACTIVITIES

Senator STEVENS. We are back to talking about energy resource development now. The Interior Department is in business to study the needs, the areas, the potential, the capability of OCS leasing and oil and gas production. It seems to us that you are going to get some overlap here if you do that, too.

Mr. HILL. Let me just add a little bit here. In the resource development area, there are some broad overlaps between FEA and Interior and other agencies including the Department of Commerce, ERDA and others.

In the data area, for example, both Interior and FEA have specific data mandates and reserve kinds of mandates. We have, I think, over the last year gone very far down the line in sorting out our information and data systems and putting those on a common basis where they are doing part of it and we are doing part of it. But all of our requirements are being met. We then find that in various legislative mandates, FEA has certain responsibilities which frequently overlap.

One example is that in the strategic reserve section of the EPCA. FEA has to do a study regarding the leasing and the development of the petroleum reserves. As you know, under the Naval Petroleum Reserves Production Act of 1975, NPR–4 is transferred to the jurisdiction of the Department of Interior. And we have already worked on an agreement there where DOD and Interior are part of the team

that is doing the study required of FEA under the Energy Policy and Conservation Act. There will be further responsibilities for Interior as they go into development. We have already sent them a letter saying we think those future responsibilities are theirs. We will be glad to cooperate with them in any way they feel necessary, just as they are cooperating with our current study.

Senator STEVENS. We understand how you got where you are—because we hadn't made up our mind on what to do with that——

Let me ask you one question.

We are not talking about those kinds of studies. We are talking about energy resource development activities and you are very modest about budgeting for this admittedly, but you are putting your nose under the tent here in an area that we are funding very, very substantially for Interior. Interior does have under EPCA the OCS lease bidding activity, coal leasing and oil and gas production.

We can understand where you have to have this for your guarantee program. You have to have a special complement there. They are not in that area. But the basic facts that you rely on for your loan program—are you going to build up a complement in FEA in effect to second guess the Interior studies as to potential for energy development?

Mr. ROSENBERG. In the loan program, Senator?

COAL MINE LOAN STUDIES

Senator STEVENS. Yes. I come in and I make an application for a loan to develop a small coal mine in Alaska.

Now, Interior studied that already. I can tell you it has. Are you going to make a study of the potential of that coal mine before you review my application for a loan?

Mr. ROSENBERG. We haven't decided how we are going to handle that, Senator. It would be my hope that we would rely on whatever data were available and concentrate our efforts on whether or not your organization could, in fact, deliver what you say you can deliver or whether you have got the contracts to sell the coal and essentially make a banking type of judgment.

Senator STEVENS. Our version was you were the SBA for energy resourcing, banking activities in this area. But FEA doesn't have a Bureau of Mines and FEA doesn't have the USGS. We have been fighting to prevent this building of same type of competence in different departments. Now we want to know—are you going to rely on the existing agencies that we are properly funding to get you that information?

Mr. ROSENBERG. Yes, Senator. And before we did anything, we would have to present a supplemental request to this committee explaining how we will go about doing it. We do not have funds in this budget to do more than understand how we can set up this type of financing program. Then we must come back to the committee and request your assistance in funding a staff and a work program.

Senator STEVENS. We also just acquired jurisdiction over Pet 4 in this committee so that we will be able to keep that one straight, too, as far as the duplication of funding in this energy area.

I think before long, we will be the Energy and Interior Subcommittee.

Mr. HILL. Let me add, Senator, in this coal loan program, we do not envision building up a substantial expertise in trying to assess, when an applicant comes in for coal, whether or not there is actually coal there. We expect the applicant and other government agencies like the Bureau of Mines to be responsible for that. There are several findings that will have to be made before we can actually provide any financial assistance.

One of those is a credit welfare test and, as far as I know, there is no expertise built up in government at this time in terms of people who can assess that, vis-a-vis, a particular application for a particular development for a particular coal mine.

ALASKA PIPELINE

Senator STEVENS. Well, let us get particular about something I know a little bit about and that is the Alaskan oil pipeline.

Now, why are you into the study of the energy transportation processing facilities and requirements for Alaskan oil pipeline?

Mr. HILL. Well, I think we are into that for several reasons.

Senator STEVENS. Where is your legislative authority even to be in it?

Mr. HILL. The Federal Energy Administration Act has a number of specific mandates for FEA to continue to examine national energy problems or energy problems on a national scale and on a regional scale and to make whatever recommendations are necessary to ensure that those problems are overcome.

Senator STEVENS. I understand the basic authority. We have a special project coordinator there and we have Department of Interior in there monitoring it on a day-to-day basis.

Mr. HILL. Mr. Chairman, we are not involved in the monitoring of the construction of that pipeline. Our concern is that given the radical change in energy economics since that pipeline was started and as a resulting different demand situation in California from the change in those energy economics, that there is likely to be some limited period of time when that oil delivered to that pipeline does not have an immediate market in southern California. It has nothing to do with the construction of the pipeline itself which is clearly a Department of Interior responsibility, but we have to take into account what that does mean in terms of the total national energy situation.

It has to be worked into the cutoff of crude oil from Canada and all of our northern tier problems where FEA is running allocation programs and looking at alternatives. It has to be looked at in terms of possible other alternatives to that short-term period.

As I said, the exchange agreements, the project board managing the pipeline does not have that particular mission. Whereas, we think the FEA Act, itself, gives us that mandate to ensure that these types of things are taken care of in an expeditious manner.

Senator STEVENS. It says the Secretary of Interior shall take steps to ensure the equitable distribution of Alaskan oil throughout the United States in the Pastore Act. You feel now that is your authority specifically in the Pipeline Act?

Mr. HILL. The Energy Resources Council agreed that this was a study that FEA should undertake in conjunction with the other agencies.

USE OF ALASKAN OIL

Senator STEVENS. As you know, I asked Mr. Zarb to arrange a meeting for me with that council because of what I consider to be rather strange statements that had been made. One we discussed with your staff and we have that figured out now, I think.

But another one, I read in the paper the other morning that your regional person said that Alaskan oil is going to be surplus on the west coast. My friend Senator McGovern made a statement on the floor the next day saying that shows we made a mistake building the Alaskan pipeline, that we should have come down through Canada.

Now, as a practical matter, you may have a surplus of oil, but you are not going to have a surplus of Alaskan oil. If you were sitting in California with a refinery, even if you had to modify it, and you were going to buy Alaskan oil at $10 a barrel or buy Indonesian oil at $15.41—which one are you going to sign up with to buy for 20 years?

Mr. HILL. You are going to sign up for the Alaskan oil.

Senator STEVENS. Obviously. So anyone who talks about a surplus of Alaskan oil doesn't know what they are talking about. But beyond that the real problem about it is that I just came back from Canada 3 weeks ago where I discussed this with their ministers. I asked one man specifically, with Senator Stevenson in there with me, that if we had made the decision to build the pipeline through Canada would it be under construction now. And he said no. You are dealing with the luxury of what to do with all this energy in an apparent relative shortage. I am getting tired of being beaten over the head by my colleagues about making a mistake over the oil pipeline. In my mind, the role of who does what with the Alaskan oil is given to the Secretary of Interior specifically by the Alaskan Pipeline Act.

Mr. HILL. Mr. Chairman, we have a mandate and a legal requirement to allocate all national oil whether it comes from Alaska or Louisiana or Texas or wherever and we have to, under the Allocation Act, be concerned about the equitable distribution of all domestic oil.

Senator STEVENS. Well, what is the matter with that man of yours out in San Francisco who said—if it is correctly reported, and I understand they have a problem about it being reported before—but if he was accurately quoted in that story that came from Seattle the other day, he said, "You know, it is too bad we didn't think about all these things. We don't have a national energy policy."

It is my understanding the administration did have a national energy policy, but we haven't been able to put it together with Congress. But the fact of the matter is the impact of what he said is, again, that we made a mistake with the Alaskan oil pipeline. Correct me if I am wrong.

Mr. HILL. Mr. Chairman, I do not think the construction of the Alaskan pipeline was a mistake and the fact that we now have very different energy economics than we had at the time that program

was started and have some regional imbalances as a result of those economics does not mean in any sense that the pipeline was a mistake. It was an absolute necessity, and I wish oil was flowing through there 2 years ago or 3 years ago.

But just because I think that we have some short-term imbalances in our regional distribution system, or the results in this change of economics with oil going from $2 a barrel to $12 a barrel, does not in any way mean that the pipeline was a mistake. We have to have that pipeline today.

RESPONSIBILITY FOR DISTRIBUTION OF OIL

Senator STEVENS. Now it seems we have the Sohio pipeline proposal, we have a series of things being done by the industry. Why do you need money to follow up on this when, again, the Pastore amendment says it is the Secretary of Interior's function and he has money to carry out those responsibilities?

Mr. HILL. Mr. Chairman, under the Emergency Petroleum Allocation Act in the EPCA, we have a legal requirement to ensure an equitable distribution of petroleum supplies. We also have a requirement to make pricing decisions regarding Alaskan oil once it begins to flow through the pipeline. We have to know what the alternatives are for the Alaskan oil, both from an equitable distribution point of view and in order to make wise pricing decisions and to make wise recommendations to the Congress on that if we are going to carry out our act.

PIPELINE POLICY

Senator STEVENS. I hope you do. Well, if you do make wise pricing recommendations, it will be interesting. At the time we passed that act, we had no notice that our northern neighbor was going to cut off the supply of exports of Canadian crude into the west coast.

And anybody now who second guesses the judgment we made based upon the supply that is coming from Canada, whom we considered to be strong and reliable, and says we made a mistake because of the changes in Canada's attitude—I think he ought to have his head examined.

The real problem we have, though, is we are getting ready to face another question about the gas pipeline. As we proceed to develop the information as to where the gas pipeline should go, I assume that you will be in on that, too, if the administration's bill or anything similar to it is passed.

It doesn't exactly give us great confidence to support a bill like that when we keep reading these statements that indicate we made a mistake in the past.

Mr. HILL. Mr. Chairman, if anyone in FEA has said we made a mistake in the past, they have made the mistake. I just don't think you can take a situation today and go back 7 years, and extrapolate back several years to a decision and conclude that a mistake was made.

Nobody had any idea at the time the act was passed of what was going to happen to the world oil prices; nobody had any idea the Canadians were going to cut us off. That language about a mistake is just wrong.

I want to stress that we see this as a temporary phenomenon as a result of the Canadians cutting us off, as a result of the change in energy economics. But it is one that will be sorted out over time in terms of the use of that oil in the West.

But until that is sorted out because of these changing circumstances, we think there should be some means to insure that the Alaskan oil doesn't sit in the ground and that is what we are trying to insure.

DISTRIBUTION OF ALASKAN OIL

Senator STEVENS. How much money are you going to use for setting Alaskan oil distribution?

Mr. Hill. What is in our budget?

Mr. ROSENBERG. For 1976, we are using about $50,000, Senator, and substantial assistance from various Federal agencies that also have roles. EPA is doing an analysis, for example, of the air quality problems of tankage facilities in California to receive the oil. The Department of Interior is assisting in doing an EIS in connection with the Sohio pipeline. The Federal Power Commission is doing studies.

I think our function here is to try to coordinate the various Federal agencies to expedite their decisionmaking in this area, as well as the State agencies that, in many cases, through their coastal zone management programs and their air quality programs and their land use regulations will get in synchronization with each other so that we can assure that all the facilities that are needed to accept and distribute the oil are in place when they are needed.

So the bulk of our activities are with people that we already have and with contractual funds that we already have.

Senator STEVENS. I am of the impression that as we get into this period of development we are in, we are going to have a lot of questions about duplications and we are going to have some questions about things like this.

Don't misunderstand me. I am happy to have you involved in the Alaskan oil distribution system, providing it isn't duplicative and providing we don't get one recommendation from Interior and another recommendation from you.

If we get into a position where nobody knows exactly what the picture is—and I do think we are in a conflict area right now—too many people will be worried about this oil that isn't there yet. And if Indonesia cuts us off the day we start pumping oil from Alaska, there is going to be a shortage in California.

Mr. HILL. That is right. A massive shortage.

Senator STEVENS. I just wish these people would start helping us get the oil and gas down and doing less to create questions about whether or not we are right as we make the decisions.

CARIBBEAN OIL REFINERIES

Mr. HILL. I think that is clearly the case and we look at other situations where people have tried to complain that the Government made mistakes. One is the oil refineries in the Caribbean.

At one time, the Caribbean refinery complex made tremendous sense from a sheer economic point of view. It was cheaper than

domestic crude. And that particular set of refineries down there made a lot of sense vis-a-vis those economics. Now their crude is more expensive than domestic crude and people are starting to say we made a mistake. We need to have a whole new refinery system. Well, we didn't make a mistake. There are things you can't foresee and this country continues to need that refinery complex there.

Senator STEVENS. As a matter of fact, it goes back before that. I was in the Interior Department when we went down there after the war and the place was in a Navy base that didn't have any Navy personnel. We had a total problem of unemployment, a problem of welfare and a problem of trying to help a territory survive on its own income. And we gave them the right to keep the taxes that were paid to the Federal Government and then we gave incentives for industry to go down there.

The refiners said, "Why not put some refineries down there and offer some inducements to go in there?" That was a program of self-help for the Virgin Islands more than anyone else involved.

Mr. HILL. It made good energy sense, too.

Senator STEVENS. If those things go out of base, somebody had better come up with a program of what to do with all the people that are unemployed.

In addition to that, we required those refineries to make special contributions to the educational process of the Virgin Islands that nobody seems to talk about at all. I don't know of any other country that has that requirement. They do have a requirement for special schooling contributions. And they took a tremendous burden off the Federal Government as far as the Virgin Islands is concerned.

And, again, the problem is that the people who look at it today just don't know. They don't have any experience and background on how it was developed.

Mr. HILL. That is exactly my point. It was a good decision then and we think whatever changes may have occurred does not render that decision wrong and there is no reason not to continue and have a set of policies which would continue that refinery complex.

STRATEGIC PETROLEUM RESERVE PROGRAM

Senator STEVENS. I know Senator Bellmon had some problems yesterday. We still have problems about this strategic petroleum reserve. Some of us do. And now we have some problems about cost.

There is in this budget a request for $557.6 million and that is for the strategic petroleum reserve for fiscal year 1977. It is about $244 million over the 1976 request. The 1976 program is for the storage facilities and studies; 1977 is for oil purchases.

So we are dealing with sort of a different problem than we had yesterday.

Do you really anticipate purchasing all that oil in 1977?

Mr. HILL. These are no-year funds. We anticipate beginning the purchase of oil in 1977.

Senator STEVENS. Well, when? And does it have to be $577 million plus? When are you going to start pushing that forward?

Mr. HILL. I think February of 1977 is when we plan to start purchasing which is a few months after the fiscal year begins.

Senator STEVENS. Now, here again the SPR program goes up to 150 positions in the 1977 budget. Why do we need that many people to administer a storage program?

Mr. ROSENBERG. Mr. Chairman, in addition to continuing to build a facility which is going to gather momentum, we are contemplating developing the full 500 million barrels of oil. We are beginning to get into new phases cumulatively, as we move past the planning on some sites, then the acquisition, and then the construction. We are building on to a broader program. And then, of course, we have got the management of the facilities once they are built, the filling of the facilities and the development of the regulations, both on the industrial regulation side and on the Government regulation side to implement a use program in the event of an embargo.

So the program builds in stages and we think that 150 people is about the level that would be required during the construction period to have a complete program.

I think after the construction period is over and it is fully filled, 5, 6, or 7 years from now, it is no longer necessary to have a major construction program, but we are just building up to a very elaborate activity and this is how we phased into it.

WORKLOAD DATA ON POSITIONS

Senator STEVENS. Do you have workload data on the need for that number of positions?

Mr. ROSENBERG. We will submit that for the record.

[The information follows:]

The program is not a simple contracting function. It is an extremely complex regulatory, planning, and construction management program that will plan and manage a several billion dollar program that is to protect our Nation from the catastrophic economic effects of another oil interruption. The number of personnel required to plan and manage this complex program is 150. The 1976 request of 100 reflects the lead time necessary to staff this program with qualified personnel

Decisions concerning two major program elements, namely regional refiend product storage for the Regional Petroleum Reserve and the Industrial Petroleum Reserve, have been deferred. Construction of numerous local storage facilities and the implementation of the Industrial Petroleum Reserve will require additional personnel.

ROYALTY OIL

Senator STEVENS. The reason I mention the royalty oil, it was pointed out to me at the meeting and I do recall it, having participated in some of those contracts myself. There is a requirement that if the Government elects to take royalty oil, the producer must store it for up to 30 days. Are you familiar with that?

Mr. HILL. My understanding is that if we elect to take it, we can force the producer to store it for up to 30 days.

Senator STEVENS. Has that been examined in terms of any type of leverage as to having the producers of oil under the Federal domain provide that type of storage in lieu of making that or exercising that option?

Mr. ROSENBERG. Mr. Chairman, it is our intention to fully explore all options relating to industry storage as part of the total strategic reserve plan and submit that report to the Congress.

If we were to recommend an implementation of an industrial storage program, there may be a number of ways that industry could receive

their credit under that program. We certainly would take that into account.

Senator STEVENS. I am saying you have tremendous leverage on a producer if you have a right to exercise your royalty option, to take oil instead of cash, and if you exercise that, he has to store it for up to 30 days.

Now, if I were producing oil on the public domain, that would make me shiver a little bit, if you really decide to do it. And I think maybe that might convince them to participate in the storage program on an incentive basis.

Mr. ROSENBERG. Mr. Chairman, this summer we expect to have a series of public hearings on what are the options to the Government of implementing the industrial storage program——

Mr. HILL. Of course, this option would be a part of it.

COST OF OIL FOR STORAGE

Senator STEVENS. As I understand it, this 150 million barrels, which is the early storage goal, is going to cost us $1.6 billion at the current price.

Mr. HILL. That is correct.

Senator STEVENS. What makes you think we are going to get it in 1977 and 1978 at that price?

Mr. HILL. Well, our estimates indicate that during the period that we will be purchasing oil, that the average price domestic refiners will be paying is $11. That is based on several assumptions. One is that domestic oil prices, the 766 composite, will continue to escalate through that period, both because of the automatic escalator as provided for in the law and the fact that we have the option to come back to Congress and ask for additional escalators.

Right now the average price to the refiners in the country is about $10.20. We think that in about a year it is going to be a little bit below $11, but by the end of purchase period it will be a little bit above.

So it is also based on the assumption that OPEC prices will continue to increase during this period.

Senator STEVENS. This is crude oil?

Mr. HILL. Yes, sir.

Senator STEVENS. Have you compared this west coast surplus to the problem of storage? And with all that surplus down there temporarily, why don't you divert that to storage?

Mr. ROSENBERG. Mr. Chairman, if, in fact, there is a west to east movement of oil, either the Prince Rupert program or the SOHIO proposal will be taken into account very substantially by our strategic reserve planners. Certainly there will be no need, for example, to take into account storing oil on the west coast.

Senator STEVENS. Are you going to store foreign oil?

Mr. HILL. We will have to store a mix of oil in terms of quality, in terms of gravity and sulphur characteristics. Some of this oil, when we go out to purchase it, will come from foreign sources.

EFFECT OF STORAGE ON OIL PRICES

Senator STEVENS. It is interesting to see history repeat itself. What we are really doing is going into a stockpile program; aren't we? We are going into a stockpile program in the mineral field. Everybody decried it when we did it before.

Have you made any study of what is going to happen to the oil prices by the mere fact that you have this much in storage?

Mr. HILL. Yes, we have. We will be filling at the rate of approximately 250,000 barrels a day once building gets underway. That is compared to domestic consumption of about 17 million barrels a day and compared to international consumption reported at around 50 million barrels a day. Our analyses indicate that since it is a very small proportion, it is going to have largely no impact on world prices.

Senator STEVENS. Well, if we are correct, the completion of the oil pipeline from my State and the additional 1.2 million barrels a day should have a depressing effect on the price of oil in the United States, should it not? An increase in supply? If you assume your overseas supply continues and you are not having that much increased demand.

Mr. HILL. That is right. Once the Alaskan oil begins to offset foreign oil, there will be a reduction in oil prices.

Senator STEVENS. There should be, at least.

Mr. HILL. There will be.

Senator STEVENS. Why don't you start to buy it then—this oil for this reserve—after July 1 when our oil comes on the market?

Mr. HILL. We will be buying oil during that period.

Senator STEVENS. You will be buying in February according to this.

Mr. HILL. We will start buying, but we will not start buying all of the oil during that period.

Mr. ROSENBERG. The actual acquisitions will be more in terms of schedule and will be very much a function of the facility development for which we have certain schedules, but they could slip.

USE OF RESERVES

Senator STEVENS. I understand this reserve can be withdrawn by executive order. Is that right?

Mr. HILL. That is correct.

Senator STEVENS. It doesn't take an act of Congress like the oil-mineral stockpile did?

Mr. HILL. There are certain findings that must be made by the President to utilize reserves. Those findings are fairly strict and they all focus on a situation where there is a physical disruption of supply just to the United States market.

The act does not permit the use of this reserve for purposes of trying to manipulate domestic prices. It doesn't permit the use of the reserve if prices are getting too high. We cannot let some out, say, to draw the reserve down, like we frequently use some of the agricultural reserves. This reserve use is strictly related to a major disruption kind of finding, such as the 1973 embargo.

Senator STEVENS. Well, Senator Bellmon raised some serious questions yesterday, as you know, off the record. He indicated he still has a great deal of problems with this budget request.

We would appreciate it if you could give us some sort of time frame of expenditure based on your estimates of your storage completion and your initial expenditures for acquisition of oil.

He has some real problems about your ability to move storage east to west, and I think you ought to have some statement for the record on how you currently contemplate meeting the problems that he raised off the record.

Mr. HILL. We will provide that.

Senator STEVENS. He had hoped to be here today, but he was called out of town.

[The information follows:]

OIL RESERVE DISTRIBUTION

The distribution system is a critical element in the design of the Petroleum Reserve System. Not only must we store sufficient quantities of oil but it must be of the type or product needed and it must be delivered to the refiner and users who are impacted by an oil interruption at a rate commensurate with the level of shortfall. In order to more fully insure the smooth and efficient operation of the Reserve, no matter what is the origin of an oil interruption, FEA plans to utilize sites that are associated with or can be tied into the current oil distribution/refinery system and to the maximum extent practical to use sites that can deliver oil to the point of entry of foreign oil into the U.S.

The Gulf Coast salt domes appear to be ideal storage sites due both to their low cost and their good distribution potential.

The distribution analysis, discussed below, assumes storage of all crude oil on the basis that if the distribution system is adequate in this case, it will also apply if the distribution requirements are reduced by local product storage in the region. However, it should be pointed out that the analysis of how to most economically meet the regional needs for refined products is not complete and no decision can be reached at this time, on the extent, if at all, the Gulf Coast storage of crude can be substituted for local product storage.

In studying how the drawdown from the ESR and the SPR would be distributed, the FEA identified the eight storage areas listed below:

Storage Area	Petroleum Markets Comprising the Storage Area
1. East Coast	Northeast Atlantic
2. Capline-St. James	St. James
3. Texoma-Port Neches	Port Neches
4. Freeport-Seaway	Freeport
5. Downstream Midwest	Northern Inland Southern Inland Central
6. West Coast	Contiguous West Coast
7. Noncontiguous	Caribbean Noncontiguous West Coast
8. Offshore	

Figure 1 shows a map of these areas, each of which contains major existing distribution facilities (see Figure 2). For example, the Capline-St. James area contains ports along the Mississippi River, such as St. James and New Orleans, and is the point of origin of the Capline Pipeline.

An important requirement for selection of the initial sites for conversion of salt domes and mines will be their accessibility to the major pipelines that deliver crude oil to inland refineries--Capline, Texoma, and Seaway. Equally important will be the availability of port facilities for unloading and loading of ships, including the possible use of barges for lightering ships or for movements to other Gulf ports.

It is essential to the success of the program that the ability to move reserve crude to refineries and products to consuming markets be assured. Storage sites and the substitution of crude oil for products cannot be determined solely on the basis of the lowest cost for facilities without regard for the effective operation of the reserve during a severe supply interruption.

Thus, based on projected petroleum market needs, site availability, and access to distribution facilities, storage sites in only the first five storage areas are being considered in the ESR. A severe interruption of four million barrels per day has been analyzed. For this interruption, conservation and demand restraint measures would be expected to achieve a savings of almost one billion barrels per day and the Reserve would make up the balance of three million barrels per day. The crude oil from the reserve would have to be delivered to the affected market as is shown below:

Petroleum Market	Distribution Method	Oil from the Reserve (thousand of barrels/day)
Atlantic	Ship	630
Caribbean	Ship	900
St. James	Ship or Barge	150
Port Neches	Ship or Barge	150
Freeport	Ship or Barge	270
Subtotal		2100
Central and Northern	Pipeline	900
Subtotal		3000
Conservation	N/A	1000
Total		4000

As can be seen in the above table, a major portion of the crude oil would be delivered to the affected refineries by ship or barge. Preliminary analysis indicates, however, that even if no idle shipping capacity

existed prior to a supply interruption, there would be sufficient international capacity to move the petroleum from storage to refineries and to markets. American ships and ships from friendly nations would be idled by the supply interruption, and the average round-trip times for tankers carrying reserve crude would be considerably less than round-trip times for tankers carrying imports. (See Figures 3 and 4). Use of foreign flag vessels for transport between U.S. ports would, however, require a waiver of Jones Act provisions.

Moreover, transit times would be greatly reduced compared with shipments from producing countries, such as 50 days the round-trip time from the Middle East via the Suez Canal. (See Figure 1). By comparison, round-trip transit times from Gulf Coast storage sites would be approximately 14 days to Atlantic ports and 6 days to the Caribbean. A Gulf-to-East Coast movement of crude would thus require less than one-third of the ship tonnage now required for Middle East-to-East Coast shipments. For Gulf-to-Caribbean movements, less than one-eighth of the tonnage for Middle East shipments would be required. Movements from the Caribbean to the East Coast would continue at the same or lower levels as before a supply interruption. Storage in the Gulf Coast area would supply the pipelines and Gulf Coast refineries largely without the necessity for ships. Consequently, there would be about nine ships idled by oil interruption to the U.S. alone for every one needed to move oil from the petroleum reserve.

Although shipments from the Gulf would require shallow draft vessels or lightering to deep draft ships, the reduction in tonnage requirements, combined with the lower level of consumption that would be enforced during a severe shortage, support the preliminary conclusion that shipping capacity would be available and permit at least major reliance on storage in low-cost salt domes and mines in the Gulf.

Sites for ESR storage will be designed with connections to ports and existing pipelines so that interrupted crude imports can be replaced from storage to the extent provided by a drawdown and allocation plan in effect at the time.

Local, site specific, distribution analysis has been or is being done on every candidate site. FEA required the design, cost, and feasibility study contractors to design each storage site to be capable of discharging the total stockpile at each site in 150 days by one or more methods.

In some cases, the existing local infrastructure would be inadequate during an oil interruption and could not handle the contemplated volumes of oil from the reserve. Consequently, the design of these storage

66-307 O - 76 - pt. 5 -- 60

Figure 1

1. EAST COAST
2. CAPLINE - ST. JAMES
3. TEXOMA - PORT NECHES
4. FREEPORT - SEAWAY
5. DOWNSTREAM MIDWEST
6. WEST COAST
7. NON-CONTIGUOUS
8. OFFSHORE

FEA STORAGE AREAS

Figure 2

TRANSPORTATION FACILITIES WITHIN STORAGE AREAS

Area	Pipelines	Ports	Waterways
1. Freeport - Seaway	Seaway 36" Humble 16" Phillips	Freeport Texas City Corpus Christi Galveston Houston Sea Dock	Houston Shipping Lane Intracostal Waterway
2. Texoma-Port Neches	Texoma 26" Texas 22" Cities Service	Port Neches Orange Port Arthur Beaumont Lake Charles	Lake Charles Shipping Canal Intracostal Waterway
3. Capline-St. James	Capline 40" Humble 2-16" Texas 22" Shell 16"	St. James Donaldsonville San Gabriel Hahnville New Orleans Sulphur Venice Pilottown Plaquemine Loop Meraux Norco Corvent	Mississippi River Intracoastal Waterway
4. Downstream Midwest	Mid Valley 22" Ashland 24" Capline 40" Ozark 22" Shell 10" Texaco-Cities Service Mobile 20" Amoco 8" 2-12", 20" Arco 22" Chicap 26"		

Area	Pipelines	Ports	Waterways
5. East Coast		Portsmouth, NH New York, NY Buffalo, NY Dover, NJ Linden, NJ Newark, NJ Paulsboro, NJ Perth Amboy, NJ Port Reading, NJ Westville, NJ Chester, PA Marcus Hook, PA Philadelphia, PA Delaware City, DE Wilmington, DE Baltimore, MD Newport News, VA Yorktown, VA Savannah, GA Pensacola, FL	
6. West Coast		Benicia, CA El Segunda, CA Long Beach, CA Los Angeles, CA Martinez, CA Paramount, CA Richmond, CA San Francisco, CA San Pedro, CA Wilmington, CA Portland, OR Anacortes, WA Bellingham, WA Ferndale, WA Tacoma, WA	
7. Non-Contiguous		Pearl Harbor, HA Barbers, Point, HA Honolulu, HA Ponce, PR St. Croix, VI	
8. Offshore		Dedicated Single Point Mooring	

Figure 3

ROUND TRIP TANKER TRANSIT TIMES
(Under Normal Supply Conditions)

Origin	Destination (Petroleum Market)	Round Trip Transit Time[1]
Middle East (Via the Suez Canal)	Atlantic Caribbean Port Neches St. James Freeport	50 days
Middle East (Via the Cape of Good Hope)	Atlantic Caribbean Port Neches St. James Freeport	68 days
West Africa	Atlantic Caribbean Port Neches St. James Freeport	31 days
South America (Venezuela)	Atlantic Caribbean Port Neches St. James Freeport	18 days
Indonesia	Atlantic Caribbean Port Neches St. James Freeport	80 days

[1] Includes loading and discharge time totaling 4 days. Assumes a steaming rate of 15 knots.

Figure 4
U.S. CRUDE OIL IMPORTS
1974
1.
2.
3.
4.
5.
Alaska 420
South America 60
Far East 210
Alaska 180
Alaska 60
South America 35
Far East 125
Alaska 420
South America 60
Far East 210
Alaska 180
Alaska 60
South America 35
Far East 125
Canada 465
Canada 45
Canada 180
MINN.
N. DAK.
S. DAK.
MONT.
WYO.
IOWA
ILL.
MICH.
IND.
OHIO
KY.
TENN.
MO.
ARK.
LA.
OKLA.
KAN.
COLO.
N. MEX.
ARIZ.
UTAH
NEV.
IDAHO
WASH.
ORE.
CALIF.
ALASKA
HAWAII
Caribbean Refineries

site systems will include additional new tanks, pipelines, pump stations, piers, docks, etc. to insure the Reserve oil can be delivered.

FEA has been assisted in the port, barge, and shipping analysis by the Maritime Administration. The ongoing effort will insure that the design of the Petroleum Reserve System will be based on the available (and projected) ships and barges that the port facilities needed to support both normal commerce and the Strategic Petroleum Reserve will be adequate during an oil interruption.

Despite this preliminary indication that there will be no local, regional, or total distribution system limitation affecting the use of the Petroleum Reserve during an oil interruption, the factors in the distribution analysis are complex. Detailed analysis of shipping requirements and capabilities under various supply interruption conditions is continuing and will be discussed extensively in the December 1976 report to Congress.

IMMEDIATE OBJECTIVES

In order to comply with the mandatory requirement of the Energy Policy and Conservation Act of 1975, the objectives of the ESR and the SPR for the next eighteen months are to acquire sites and construct oil storage and related distribution facilities, commencing in fiscal 1976, and begin filling the facilities early in 1977 so that by the end of FY-1977, 50 million barrels of oil will be in storage.

In addition to the construction and fill objectives the Strategic Petroleum Reserve Office must submit five reports to Congress in the next eighteen months, i.e., --

- NPR-4 Exploration and Development Procedures.
- Strategic Petroleum Reserve Plan.
- Electric Utility Storage.
- Coal Storage.
- Remote Oil and Gas Reserve.

In addition to the schedule and quantity requirement, FEA fully supports the congressional guidance to implement the Reserve in the most economical manner and to provide for all regional needs for petroleum products. To meet these objectives many activities need to be undertaken and extensive analyses need to be accomplished to provide a strong basis for the numerous programmatic decisions affecting the efficiency and costs of this program. Program staffing, planning

funds and acquisition appropriations are essential in FY-76 if the Reserve is to be implemented in a manner required by the Act. These activities are described below:

Acquisition of sites and rights-of-way will begin shortly. Property appraisals and negotiations are being held in abeyance pending availability of appropriations. Final site selection and acquisition will take place upon completion of the NEPA process at the end of FY-76. Associated with the acquisition of properties is the successful completion of feasibility studies, distribution system analysis, and environmental impact statement availability.

Following property acquisition the sites will be converted to storage of oil. Associated with these activities are the need for selecting architect/engineering, construction management and construction contractors. Qualification of A/E and C/M firms are in progress. In addition long leadtime (LLT) items such as pipes and pumps must be procured, but is also being held in abeyance pending funds. In parallel to site conversion, related facilities such as pipelines, docks, ballast treatment facilities must be designed and constructed; the design will commence this summer.

Specifications for oil must be determined, sources identified, purchases made and arrangements made for transport of the petroleum to the sites in accordance with capacity availability. The program activities during the next 18 months depend on major decisions that must be made during that period.

The chioce of sites will be influenced by the decision on whether the Regional Petroleum Reserve will be through storage of products in the affected regions or by storing crude or products in central locations not necessarily in the affected region. The decision to store in the affected region could increase the program budget by as much as an additional $1 billion.

Storage sites must be decided upon based on EIS, feasibility studies, economic analysis and distribution system analysis. Implied in these decisions are the decisions associated with the type and amounts of oil to be stored at each site. Additionally, an assessment must be made as to the ultimate size of the storage system. A comprehensive use plan must be developed and decided upon in addition to decisions associated with whether to implement the IPR and if so to what extent and in what manner. Decisions regarding the sources of oil must also be made based upon the wide discretion provided the Administrator in the Act.

If funds were to be made available in FY-77 rather than FY-76, program delays equal to the delay in availability of funds would result because

of the requirement to defer the consumation of activities for which funds are required by that respective amount of time. Although a good portion of the funds required in FY-76 would be obligated in FY-76, some portion may not be obligated until early FY-77 due to the complexity of negotiations/condemnation and other legislative requirements such as NEPA. Funds would be outlayed in FY-77 and beyond until the sites were complete and filled to their design capacity.

The three hundred and thirteen million dollars required in FY-76 includes funds at $1.00-$1.30 per barrel for site acquisition, design, and conversion to storage of oil and design and construction of all necessary distribution facilities.

Funds have also been requested for continued and additional studies necessary such as environmental impact assessments, feasibility studies, coordination and management support, site specific geologic studies, special congressional reports, and development of a site inventory plan. Additionally, funds are necessary for 100 people in FY-76 and a total of 125 through the FY-76 TQ.

Very large sums of money are involved in both the construction of the storage facilities and in the purchase of oil. The legislative schedule requirements mandate the early resolution of many complex technical issues and the early commencement of activities described above needed to implement the reserve. These decisions will set the course for the Early Storage Reserve and the Strategic Petroleum Reserve. The quality of these decisions and actions is dependent upon the availability of staff personnel and contractual design, engineering, and analysis. Significant savings in both the facilities and in oil purchase can be achieved with proper planning.

MANAGEMENT OF THE STRATEGIC PETROLEUM RESERVE

Management of this complex system and the vast resources required mandates that the Government institute a comprehensive monitoring, accounting, and management system. This will include not only Strategic Petroleum Reserve Office personnel but also the General Accounting Office which Mr. Zarb has requested establish a permanent team to monitor the program.

The manning level requested is considered to be the minimum necessary to carry out the activities necessary to achieve the goals of the Early Storage Reserve. The manning level requested includes personnel necessary for management and operation which includes the procurement of all properties, equipment, design and engineering services, construction services, and purchase and transportation of petroleum products. It also includes the preparation of all internal management reports, and external

reports such as those to Congress. The preparation of environmental analysis and reports and the obtaining of all permits is also a function of this activity. Management information systems must also be developed and implemented in order to control costs and scheduling.

The manning levels reflect managers for the site construction that will take place. Day-to-day monitoring of site activity as well as overall system construction is necessary. Assessment with regard to optimal combinations of sites and system configurations are necessary. This will require personnel to conduct site tradeoff analysis, determine product/crude mix and specifications, analyze refinery yields and transportation systems. Much of this analysis will be a one time effort. Therefore, the storage program office plan only includes permanent positions for this staff that will be required throughout the lifetime of the program and plans extensive contractor support under the management of FEA for the one time analysis.

Decisions have been deferred in two major areas, namely, Regional Petroleum Storage and Industrial Petroleum Reserve. If it is necessary to construct, lease, or purchase storage facilities within the regions, it will be necessary to increase the personnel requirements to manage this additional construction. The current budget request does not include any personnel to manage the construction of local storage facilities. Similarly, the decision concerning Industrial Petroleum Reserve has been deferred until the analysis is complete. The current manning request only includes the personnel for the analysis and development of possible regulations for the Industrial Petroleum Reserve. It does not include the personnel for the implementation of the Industrial Petroleum Reserve. If it is subsequently decided to implement the Industrial Petroleum Reserve, additional personnel will be required.

Regulations will be necessary and must be developed for the use of the reserve and for the Industrial Petroleum Reserve if it is implemented. Procedures must also be developed for the maintenance of the reserve and its security.

The manning levels will include engineers with a variety of disciplines, physical scientists, program analysts, information systems specialists, operations research specialists in addition to lawyers, accountants, and architects.

PUBLIC AFFAIRS STAFF

Senator STEVENS. Just to finish up here with some items about administration, I mentioned the decentralization of the congressional staff. What about the decentralization of communications and public affairs staff? Is that increasing the dollar cost as you do that? It is the same with the congressional affairs person as the public affairs person. If you send one of them out to the region, I assume that takes just that many more people here in Washington to deal with him.

Mr. HILL. Mr. Chairman, we have had a single public information officer in each of the regional offices since the beginning of FEA. We have 10 regional public information, public affairs officers. We plan to continue with those 10, although we are keeping them in the regional offices. One per office.

We are reducing the headquarters public affairs function. We had a total of 112 in headquarters and we are going down to 60 in headquarters, as reflected in the 1977 budget before you now.

Now, going from 112 to 60 is being achieved in two ways. One, we are actually reducing the number of positions related to certain functions. We are abolishing, if you will, those functions and that is roughly half of the reduction. The other half of the reduction in the public affairs budget represents reorganizations of certain functions that have been in that office for the last couple of years to other parts of FEA; but there is a net reduction in public affairs in total even though the regions are being maintained with the one person each that we have had all along.

STAFF STATISTICS

Senator STEVENS. Why don't you give us a statement for the record showing all of your communications, public affairs and congressional relations staff and the staff expenses by activity for 1975 and 1976 compared to this, to 1977.

Mr. HILL. For 1977, OK.

[The information follows:]

FEDERAL ENERGY ADMINISTRATION

Public Affairs Functions by Office for FY 1977
(dollars in thousands)

Office	Administration		Media Relations		Visual and Electronic Communications		Publications & Public Inquiries		Regional Operations		Editorial Projects	
	Pos.	Amt.	Pos.	Amt.	Pos.	Amt.	Pos.	Amt.	Pos.	Amt.	Pos.	Amt.
Communications & Public Affairs ...	5	$142	7	$367	15	$1,019	16	$760	10	$215	12	$358
Management & Administration			4	97								
Energy Policy & Analysis												
Conservation & Environment												
Energy Resource Development			2	48								
International Energy Affairs												
Total	5	$142	13	$512	15	$1,019	16	$760	10	$215	12	$358

OFM:6/14/76

FEDERAL ENERGY ADMINISTRATION

Public Affairs Functions by Office for FY 1977
(dollars in thousands)

Office	Admin. Operations		Marketing and Education		Freedom of Infor.		National Energy Info. Ctr.		International Affairs		Total Pub. Affrs. Functions	
	Pos.	Amt.	Pos.	Amt.	Pos.	Amt.	Pos.	Amt.	Pos.	Amt.	Pos.	Amt.
Communications & Public Affairs	5	$392									70	$3,253
Management & Administration	8	193			8	193					20	483
Energy Policy & Analysis							3	72			3	72
Conservation & Environment			4	96							4	96
Energy Resource Development			2	48							4	96
International Energy Affairs									5	121	5	121
Total	13	$585	6	$144	8	$193	3	$72	5	$121	106	$4,121

OFM:6/14/76

FREEDOM OF INFORMATION FUNCTION

Senator STEVENS. It looks like, again, you are just moving them around. Is that right?

Mr. HILL. Mr. Chairman, we are doing some moving around. For example, the freedom of information function, which has been in the Office of Public Affairs, has been building up over time and we now have 10 people working with the freedom of information. We are physically moving that entire office to the Office of Management and Administration. It is my judgment that given the infrastructure of Management and Administration that that particular function fits better in this other office.

Senator STEVENS. Have you duplicated administrative structures in the regional offices as in the Washington office? Do you have that kind of function in the regional office? Who is going to handle it in the regional office?

Mr. HILL. Most of the freedom of information requests that FEA has received have come into headquarters.

OFFICE OF PRIVATE GRIEVANCES AND REDRESS

Senator STEVENS. What about the shift of private grievances and redress from the regulatory to the administrative activity? Will that gain anything in terms of administrative burden?

Mr. HOWELL. It won't add any additional burden, but I think it will be more effective and administratively it will be more efficient. The director of private grievances and redress reports directly to the administrator and, therefore, it should be shown under the administrator rather than under Mr. Smith's Office of Regulatory Programs.

Senator STEVENS. Does the whole staff function go over there?

Mr. HOWELL. It is contained in the Office of Private Grievances and Redress as an office and, as such, will report directly to the administrator.

Senator STEVENS. No reprogramming involved in that?

Mr. HOWELL. There is no reprogramming there, sir. As a matter of fact, there is an increase and this increase is directly as a result of the increase in the compliance effort.

EXECUTIVE DIRECTION AND ADMINISTRATION

Senator STEVENS. Your FEA budget history under Executive Direction and Administration started out with a $36 million program not including the State activities and went down to $27.3 million and now you are going back up to $31.5 million. You have a 15-percent-plus increase in that area in 1 year—despite the reshuffling of your administrative activity in terms of the grievance area.

Why do you have to have so much more in terms of this administrative area, as far as the request is concerned?

Mr. HOWELL. My figures show that actually in 1976 we had 1,019 man-years and in 1977 we have requested 1,055 and between those 2 years I don't see any big increase.

In 1975 we had 908 man-years and in 1977 we estimate 1,055 and I think those can be accounted for. It takes approximately one man in support for every eight and a fifth in a program. One man

in administration and support, and administration is primarily support for a program function.

Senator STEVENS. We took the State reimbursement figures out of the comparison.

Mr. HOWELL. In 1977, that is correct. We dropped from 5 million in 1976 to none in 1977.

Senator STEVENS. What I am saying is, if you take those State reimbursement amounts out of 1975 and 1976 which is what you have to do to get a comparison, that is where you get the increase. We show an increase that is rather substantial if you do that, both in man-years and in dollars, in administration costs. Oherwise you are comparing apples and oranges under EDCA because you transfered functions out of 1977 that are in 1975 and 1976.

Why don't you do that for the record for us? Why don't you make that comparison?

Mr. HOWELL. We would be happy to do that, Mr. Chairman.

ADMINISTRATION FUNDING

Senator STEVENS. Then, if your conclusions are the same as ours, tell us why you need such increased funding and manpower for administration in view of——

Mr. HOWELL. We are prepared to document it, Mr. Chairman.

Mr. HILL. Mr. Chairman, a lot of increases in the Office of General Counsel and in the Office of Private Grievances and Redress have very specific programmatic rationale.

[The information follows:]

This question can only be answered in several stages. Fiscal Year 1975 was the first year of life for the Agency. The organization itself had to be established, procedures formulated, and structures created. Over half of the employees were new to the government. Due to the exigencies of the situation, Management and Administration absorbed costs for many of the program organizations that it would not have done in an established Agency. For example, office supplies for all Headquarters offices were charged to a Consolidated Account within Management. The rental of reproduction machines was also charged to this account rather than an individual office. Because of the fluid situation during the formative months, it was not cost effective to use the man-power needed to associate these charges with the requesting organization. The circumstances, in part, account for the apparent cost excesses in this area.

It must also be noted, in considering the Executive Direction and Administration request, that the Office of General Counsel and the Office of Private Grievances and Redress are included within this line item. The Federal Energy Administration is, by legislation, a regulatory Agency. It is establishing precedents in areas which, until the onset of the oil embargo, had received little attention. Top legal and interpretative talent is required to establish regulations and procedures that attain the National objectives in a timely manner with the least inconvenience to the taxpayer. The Congress was instrumental in establishing this philosophy by requiring that an Office of Private Grievances and Redress be established and permitting the Agency to avail itself of the recommendations of the Advisory Committees. These activities alone represent approximately 20 percent of the total funds requested for Executive Direction and Administration and account for 27 percent of the increase. When the new Office of Nuclear Affairs is added on, 41 percent of the increase is identified. The remainder of the additional funds are associated with overall support costs for new programs legislated for implementation by the Agency.

At times, the Agency has been criticized for some of its management practices, such as in the area of Public Affairs. When this has occurred, we have thoroughly investigated the situation and voluntarily taken steps to correct any deficiencies.

66-307 O - 76 - pt. 5 -- 61

Comparative Analysis of Man Years and Dollars for Executive Direction and Administration

($000)

	1975			1976			1977		
	Pos.	Man Years	Amt.	Pos.	Man Years	Amt.	Pos.	Man Years	Amt.
Executive Direction and Administration.....	934	908	46,027	1,136	1,019	32,300	1,014	1,034	31,554
State Reimbursement Program.	...	...	-10,000	...	...	-5,000	...	...	...
Total	934	908	$36,027	1,136	1,019	$27,300	1,014	1,034	$31,554

NEED FOR CLEAR ANSWERS

Senator STEVENS. The balance of our questions are in greater detail about the things I mentioned when Mr. Zarb was here. I wish you would answer them for the record.

I also think that I should advise you that there were two other Senators who had intended to be here who had other commitments. They have also submitted questions.

Now, I hope you realize that we are trying to be prepared to be your advocates when we get involved in these committee markups, and it is going to be difficult for us to do if we don't get some rather clear answers. The time factor in this review is probably different from most since we had such a substantial change in this budget request at a late date.

AGREEMENT WITH ERDA

I appreciate your taking the time. Is it correct that this agreement you gave us with ERDA establishes a steering committee?

Mr. HILL. That is correct.

Senator STEVENS. That is only to reach a further agreement.

Mr. HILL. Well, it establishes the principle that will guide the specific program agreements and then it establishes a steering group to carry out the specific program agreements such as conservation activities. But the principles against which the steering groups and the specific program agreements will operate are spelled out in the memorandum.

Senator STEVENS. We are most interested in the program agreement as to division of responsibility in program areas. When will we get that?

Mr. HILL. I think we can provide what we have there within the next several days and can also provide you with specific areas where we are going to execute joint programs through one of the specific agreements in the very near future. Building standards is one of those areas, for example, which not only relates to our State grant program activities, but ERDA has a lot of research going there. The objective is to reach a specific program agreement for any R&D activities that we need for that program which are done by ERDA.

Senator STEVENS. Well, we would like to have them and one of the problems that we get into is this question of funds between agencies that both come before this committee. We think that if funds are going to be allocated, we ought to have that prerogative as we review the total budget obligations under our new budget procedure up here. And we would appreciate it if you would set up a procedure.

Are you going to anticipate, then, that the steering committee will be an ongoing thing and we could assume there is some sort of warning device of conflict or duplication or overlap that would lead to a resolution on an ad hoc basis?

Mr. HILL. Yes, sir. And we would be glad to, if any of your staff wanted to actually work with us and, as you say, focus on some of these questions, we would be glad to have that occur, as well.

Senator STEVENS. We will review that, but for the time being—I don't know whether the chairman would want to participate or not—but for the time being we would like the specific division and

responsibility agreement or any ad hoc decisions and elimination of responsibility in one area or another. We want to be notified as we proceed through this question.

Mr. HILL. We will, Mr. Chairman. We will get all of the answers to your questions here immediately.

Senator STEVENS. We do mark up the supplemental Tuesday. We don't mark up the general bill for another few weeks.

Mr. HILL. And I would like to thank you and the committee staff for the work that you have put in to assist us in light of this very late appropriation request. We are extremely appreciative.

ADDITIONAL QUESTIONS

Senator STEVENS. As I said earlier, we have additional questions which we will submit to be answered for the record.

Mr. HILL. Yes, sir, we will be happy to answer them.

[The questions and answers follow:]

STATE PROGRAMS

Question: The GAO produced a report just last week that found fault with FEA's coordination of state and local programs. GAO said lack of coordination and direction not only between FEA and the states but among FEA's regional offices and between the regions and Washington. What are your comments?

* * * * * * * * *

Part of the problem, FEA said, was regional office manpower utilization. Are you planning any adjustments?

* * * * * * * * *

What are you doing to utilize state energy offices more effectively and to improve state input into energy planning and program needs?

Answer: The GAO review of the State Program may have been somewhat premature, since this program is just getting underway.

The regions have been involved in this program from the start. Regional staff have been brought in to assist in the preparation of regulations, and we have solicited their suggestions and recommendations in the review of these regulations. In addition, there has been almost daily contact thru phone calls, frequent mailings, telefacsimiles and conference calls regarding the program.

The Office of State and Local Programs has worked very closely with the National Governor's Conference, which was the organization designated by the States to serve as their representative on this program. The NGC has contributed opinions on many issues, and they have reviewed various versions of the regulations. In addition, on several occasions, the viewpoints of the States were directly solicited regarding this program.

Formal opportunity for the States to present comments on the State Program will be provided by a series of public hearings in each of the 10 Regional cities, plus Washington, D.C. These will occur once the proposed regulations for preparation of a State Energy Conservation Plan have been published in The Federal Register, which should appear in the next couple of weeks.

ENERGY POLICY AND ANALYSIS PROGRAM

Question: Let's go to the details of the energy policy and analysis activity, which goes more than $7 million over the 1976 request. How much of that increase is directly related to EPCA requirements?

Answer: All of the $7 million increase of the 1976 request is related to EPCA requirements. The position level for Policy and Analysis remains about the same at 467 positions but the dollar level increases by about $7 million. The increase of $7 million is broken into $5 million increase for contracts of which almost $4 million is for data support to Regulatory, Conservation and Energy Resources development programs and $2 million is for the full annualization of the position increase requested in late FY 76. The remaining amount will be used for economic analysis and energy forecasting and statistical studies in support of those programs.

Question: Under energy forecasting you show a $304,000 increase in contracts for state conservation programs. What is the total for that work, and what kind of work is it?

Answer: The total for state conservation programs is $879,000 of which $304,000 is in the Policy and Analysis budget and $575,000 is in the Conservation and Environment request. The funds will provide statistical, modeling, and forecasting support for state conservation programs and will provide general energy consumption and conservation guidelines for each state. Immediate applicable products of the activity will be estimates of potential conservation contribution by state and the production of forecasts of state energy consumption.

Question Under long-range forecasting, the justification states you are participating in synthetic fuels commercialization studies. This is a major new ERDA program proposed by the President. What are you doing that ERDA can't?

Answer: The justification states that this is a completed FY 76 activity. The study was done in conjunction with ERDA as the combined government synthetic fuel commericialization study. No funds are requested to do this again in FY 77. This study formed the basis for the major new ERD program proposed by the President.

Question:
How much of your funding is devoted to supporting the Strategic Petroleum Reserve?

Answer:
A total of $750,000 is provided in Policy and Analysis' budget to support the Strategic Petroleum Reserve.

Question: You have an office of coal, nuclear and electric power under policy and analysis. What data work is this office doing that agencies with direct responsibility for the programs are not?

Answer: In FY 1977, the Office of Coal, Nuclear and Electric Power Analysis will refine and extend statistical forecasting and analysis for these energy sources. Coal efforts will include periodic forecasts of national coal production and consumption, electric utility coal consumption trends, economic analysis and current monitoring statistics, coal demand forecasts by state for four end uses, analysis of effects on coal production and prices of alternative demand assumptions and the analysis of flexibility of short-term coal production. Nuclear goals include forecasts of power plants on line by 1985 (by year), annual and lifetime fuel cycle requirements for alternative nuclear power growth scenarios, forecasts of power

plant fuel and capital costs, plant reliability, analysis of fossil fuel replacement value of existing solar heating systems (by system, by region), current statistical monitoring, examination of life cycle costs of home heating conservation alternatives and improvement forecasts of cycle costs. Electric power efforts include: forecasts of electric power supply, demand and financial variables; data and statistical support for an economic analysis of electric power to provide input to PIES and the National Energy Outlook; and special studies of issues related to peak-load growth, fuel adjustment clauses, power plant capital costs, fuel conversion to achieve mid-term goals, and general periodic reports mandated by law.

Question: What is the total policy and analysis support cost for regulatory programs, which have a data service of their own?

Answer: The total cost to support Regulatory Programs in FY 77 is $7.0 million. The bulk of that cost is detailed on pages H-26 and H-27 listing the specific regulatory activities requiring ADP support. In addition, Policy and Analysis provides economic analyses of regulatory activities ($1M), statistical analyses in support of pricing and allocation ($0.8M) and regulatory policy review ($0.5M).

Question: Under data services, the justification states that a $1.2 million contracting increase is needed in policy and analysis to support conservation and environment programs. That nearly doubles the requested 1976 level. Please explain why the new conservation programs require that kind of data support increase.

Answer: The Energy Policy and Conservation Act requires extensive support for conservation programs, particularly the state programs, appliance labeling and industrial programs. These programs are data intensive programs and include such things as the collection of consumption data, the extension of the Federal Energy Conservation System to include cost benefit analyses, the development of a 10-year plan for buildings housing Federal employees, appliance labeling system to record relative consumption and energy efficiency data on all major appliances, and the development of a data system to measure the effectiveness of the FEA/EPA automobile fuel economy program.

Question: Please provide a breakdown of the policy and analysis support for energy resource development programs, including strategic petroleum reserve, for which you are requesting a $1.2 million contracting increase.

Answer: Total Policy and Analysis support for energy resource development programs is $4.5 million and is broken out as follows: ADP contractual support for energy development programs is itemized on page H-28 of the budget submission and range from strategic reserves through coal conversion, facility siting, materials allocation and financing incentives studies. Total ADP costs, including Federal personnel, is approximately $2.6 million. In addition, $1.2 million will be devoted to forecasting and statistical analysis in both short and long term supply and demand forecasts and $0.7 million on economic analysis for strategic storage, coal conversion and loan guarantee studies as detailed on page H-12 of the budget submission.

Question: What is the status of the National Energy Information Center? Please give us the cost of this center to date, including total amounts budgeted for fiscal year 1976 and 1977.

Answer: In FY 76 the National Energy Information Center (NEIC) continued to expand the scope and depth of its information bank. The Federal Energy Information Locator System was modified to provide a quick access source of information on a broad range of energy issues. In addition, an in-house, on-line information storage and retrieval system was initiated in order to

make more extensive use of available data bases. Standard terms and methods for energy-oriented vocabulary control and indexing were developed; and a national referral system was initiated. The NEIC also was assigned the lead for all functions of the Interagency Council on Energy Information.

In FY 77, greater utilization of the expanding capabilities of the NEIC by the Congress, the public, and both Federal and State agencies necessitates a continuation of contract support for basic NEIC functions such as the bibliographic data base, the Federal Energy Information Locator System, the technical reference collection, and the Federal-State clearinghouse service, as well as the archival functions supporting those activities. In addition, the FEA program offices responsible for conservation and environment and for energy resource development are initiating programs in information exchange and technology transfer, which will require substantial data base management, principally through the medium of the NEIC. The FY 77 request reflects the functional transfer of three positions from Communications and Public Affairs to NEIC.

The newest activity of the NEIC has been establishment of the Federal Interagency Council on Energy Information. The Federal Interagency Council on Energy Information was established on December 16, 1975, on the initiative of the Federal Energy Administration and with the concurrence of the Office of Management and Budget. FEA's Deputy Assistant Administrator for Data Services currently serves as chairman of the Council. A senior staff member from FEA's National Energy Information Center is the Council's executive secretary.

- Membership on the Council currently includes 12 agencies of the Executive Branch (FEA, OMB, ERDA, EPA, DOD, DOI, DOL, DOT, Treasury, FPC, DOC, and NRC). GAO, NAS, and NSF participate as observers.

- The main thrust of Council activities is the coordination of Federal programs concerned with the collection and dissemination of energy information.

- The Council has already started work on the following tasks:

  1. A survey of energy information requirements of Federal offices.
  2. A program for standardization of terms used for energy information.
  3. A registry of energy data collected by Federal agencies.
  4. A determination of voids in current Federal energy data collection programs.

- Additional work is planned regarding the dissemination of energy information and the standardization of formats for the preparation of machine-readable energy data.

The Council meets bimonthly. Task groups meet on an ad hoc basis.

In FY 76 $1.4 million was devoted to this activity and in FY 77 approximately $1.8 million is requested. The increase will be used to meet the increased state activities in conservation programs as well as expansion of the Federal Energy Information Locator System (FEILS) which will be the central directory of energy data sources in the Federal establishment.

GAO REVIEW OF ENERGY POLICY

Question: As you know, the GAO has just issued a lengthy review of FEA's Project Independence study. Generally, GAO gave you good marks on the study but did recommend several improvements and refinements. What is FEA doing about the GAO recommendations?

Answer: GAO recommended that before anything else FEA should document the models of the Project Independence Evaluation System (PIES). That documentation has begun; documentation for the integrating framework will shortly be completed, and we began documentation on the supply models last month.

GAO also suggested that we examine the implications of relying on a static model rather than a dynamic one, and we have been moving in the direction of converting the models but have run into a number of technical problems that will prevent us from quickly achieving that goal.

Finally, GAO felt PIES needed greater interaction with the economy and the environment; we agree and are currently studying how regional demographic and econometric models can be added to the system.

Question: Earlier this month the GAO wrote FEA with a report on its examination of coal export policies. Generally, GAO felt that FEA should be doing a better job of gathering coal export information. Do you agree?

Answer: The GAO report is presently being evaluated to determine the necessity for collecting additional coal export information. Upon completion of our evaluation we will submit a written statement to appropriate Congressional committees on actions we will take with respect to the GAO recommendation.

Question: The GAO was particularly concerned over exports of metallurgical coal, which is not as abundant as other coal resources. It said FEA should collect more precise and detailed information to help determine if these exports should be limited. Are you budgeting for this need? If so, how much?

Answer: Yes, we have requested $100,000 in our Fiscal Year 1977 budget submission for a study of the metallurgical coal supply/demand picture through 1985 to assist in developing policies regarding coal exports.

CONSERVATION AND ENVIRONMENT PROGRAM

Question: The request for the conservation and environment activity, aside from the $50 million state program grants, is $12.5 million. As noted earlier, this is little more than one-fourth of the 1976 requested program.

One of the reductions is in the Appliances Program, which goes from the requested 1976 level of $2.4 million to $1.2 million. Since this involves the new Appliance Labeling Program, why are you cutting back?

Answer: Most of the activity for the Appliance Efficiency Program will be initiated and funded in FY 1976. Funds for appliance labels will be appropriated from FTC resources.

Question: Please detail for the record the funding and personnel requested for appliance labeling in 1976 and 1977 and explain how you expect to achieve the goals listed in the justification with these resources.

Answer: In FY 1976, FEA's Appliance Efficiency and Labeling Program has been authorized 18 positions and $2.4 million. As

directed by the Energy Policy and Conservation Act, approximately $1 million of this amount will go to NBS for the development of test procedures for the first nine categories of appliances. Funds for the development of appliance labels will come out of FTC resources.

In FY 1977, FEA's requested budget for this program asks for 18 positions and $1.2 million. Approximately $430,000 of this amount will be passed to NBS for the development of test procedures for the final 5 categories of appliances. Remaining funds, $400,000, excluding support costs, will be used to study potential energy savings in the "other" category as indicated in EPCA, and State-pre-emption for this program.

Question: Your justification speaks of implementing a 10-year conservation plan for Federal buildings as well as other programs to cut energy use in structures. Why, then, are you cutting this activity from $11.3 million to no more than $1 million?

Answer: The 10-year conservation plan for Federal buildings falls under the Federal Energy Management Program (FEMP). FY 1976 funding for this program is $1.4 million. In FY 1977 this activity will receive $.9 million. It is anticipated that much of the activity surrounding this program will be initiated in FY 1976.

Question: One of your buildings conservation efforts is to improve and promote energy efficiency in residences. Just last week the Committee received a press release announcing an ERDA program in this same area using existing technology. Which agency is supposed to be doing this work?

Answer: According to the Memorandum of Understanding signed by the two agencies on April 30, 1976, "FEA will be recognized as having primary responsibility with respect to all matters of pricing, end-use, and general industry regulation. . ." ERDA will be recognized as having primary responsibility with respect to matters involving energy research and development of new technology."

Question: FEA held 200 seminars on the Vanpool Program, according to the justification. How much are you spending in total on this program in 1976 and what is budgeted for 1977?

Answer: In FY 1976 approximately $1.4 million has been allocated for the Vanpool Program, including seminars, and test marketing demonstrations. In FY 1977, we have requested $100,000 for the evaluation of this program.

Question: The conservation subactivity table on page M-1 shows 10 positions and $260,000 budgeted in both 1976 and 1977 for "Weatherization." There is no explanation in the narrative. What is involved here?

Answer: These ten positions along with $260,000 in support costs have been allocated to the Weatherization Program in anticipation of the Weatherization Assistance Act of 1975, Title I of H.R. 8650. Over the past months this unit has

been preparing extensively for the implementation of this program. Technical studies and surveys have been conducted so that upon authorization and appropriation, weatherization assistance can be speedily directed to low income households before impendence of another winter.

Question: Marketing and Education goes from $5.4 to $1.9 million in this request. What are the principal program reductions proposed?

Answer: There will be only limited funding of further advertising and education activities, but work will continue on programs initiated in FY 1976.

Question: How much are we spending on implementing a national advertising campaign in FY 1976 and how are we spending it?

Answer: In FY 1976 the Office of Conservation and Environment has allocated $1.2 million for public service advertising. These funds are being expended through contracts with advertising companies.

Question: The education and information activities of Marketing and Education appear to duplicate those of Public Affairs. Why are these activities split?

Answer: C&E's Office of Marketing and Education focusses its efforts strictly on conservation education activities. The Office of Public Affairs devotes its resources and staff to other FEA issues. Any duplication that may have occurred in the past should be eliminated, given the new reorganization presently underway in Public Affairs.

ENERGY RESOURCE DEVELOPMENT PROGRAM

Question: What is the total funding under energy resource development for nuclear energy? How does it compare with 1975 and 1976?

Answer: In FY 1977 the funding for a nuclear energy office within ERD will be $250,000 for nine positions. This compares with no funding in FY 1975 or currently being provided by ERD for a nuclear energy office in FY 1976. The ERD nuclear office will be responsible for the development, evaluation and recommendation of integrated policies, plans and actions to assure the availability of the resources and facilities to support this country's nuclear power program. These efforts will include the development of appropriate construction schedule reporting systems, both for nuclear powerplant and for fuel cycle facilities. This office would again be responsible for analyzing all phases of nuclear regulation and provide a coordinating role for the regulatory activities of the various agencies involved.

Question: What specifically are you doing under ERD to "encourage" synthetic fuels, oil shale and municipal waste programs? How does your work differ from ERDA in this respect?

Answer: With regard to synthetic fuels including shale oil, our principal task is to develop a long-range policy. We will attempt

to determine the degree that we as a Nation can depend on synthetic fuels between now and the end of the century.

Much of the needed basic information is presently available to the Federal Government at scattered locations. To date, little concern has been given to long-range policy study. The recent Synthetic Fuels Task Force report prepared under the auspices of the Office of Management and Budget was directed toward a specific target date of 1985. This study analyzed the effect of immediate constraints to synfuels production. Little or no analysis was directed to long-term constraints such as water availability and environmental degradation, which have been identified but not properly analyzed.

Neither ERDA not Interior is presently looking at the long-range policy aspects of synfuels production. This is an area of responsibility that has been assigned to FEA under the broad mandate to develop an overall energy strategy.

FEA's solid waste efforts center on the policy aspects of energy resource recovery. We are studying the institutional and financial barriers which are significant handicaps to the recovery of energy and resources. FEA's solid waste program differs from ERDA in that they are developing new technologies and hardware whereas we are involved with policy formation.

It should be noted that FEA serves as the staff to the Energy Resources Council. In this capacity, FEA provides advice to the Executive Branch on synthetic fuels and related subjects.

Question: Why are you studying enhanced oil and gas recovery? ERDA has a sizeable program in this area.

Answer: FEA's interest in enhanced oil and gas recovery originally derived from our concern that our price control programs were inhibiting introduction of improved recovery methods. Shortly after our first review of the price control programs after taking them over from the Cost of Living Council, FEA initiated an intensive study to determine the status of price incentives to enhanced oil recovery (EOR).

A study performed under contract for FEA has recently been completed in support of our price control rulemakings to implement the Energy Policy and Conservation Act. The third phase of those proceedings is currently underway with hearings scheduled for later this month.

FEA's Energy Resource Development (ERD) staff is participating in evaluating and extending the contract work supporting our rulemakings. ERD also has responsibilities in investigating the constraints to EOR projects which might appear economically feasible but are not being undertaken for some reason.

Question: Tell us what you are doing specifically in the solar commercialization area that is not being done by ERDA and is outside ERDA's province?

Answer: The best expression of FEA's role vis-a-vis ERDA is contained in a recent ERDA publication entitled, "A National Plan for Energy Research, Development and Demonstration (ERDA 76-1, Volume 1)," which contains the following language:

> "ERDA's focus is the technological character of the energy system, while FEA's focus is the economic (price regulatory)

and operational aspects of the energy system. The activities of the two agencies do, of course, overlap and complement each other.

In addressing technological problems, ERDA must recognize the possible institutional and social barriers to implementation of both existing and new technology and, hence, must interact strongly with FEA as the companion agency that can mount attacks on such problems. In modifying the present energy system, FEA should recognize the existence of technological issues and, hence, must interact strongly with ERDA, the agency that can mount attacks on such problems."

In practice, FEA works cooperatively with ERDA on each of its solar endeavors to ensure that there is no duplication. For example, the Solar Energy Government Buildings Project (described in the attachment) has an FEA-led management team, with participation from ERDA, DOD, GSA, and NASA. In each case, a project undertaken by FEA is typified by dimensions that go well beyond what normally is considered to be R, D&D.

Question: What are the "institutional barriers" to geothermal energy that you plan to identify and eliminate? Why isn't this within ERDA's jurisdiction?

Answer: "Institutional barriers" (all non-technical barriers to geothermal development" that FEA has identified and which are currently being evaluated by an interagency panel, headed by FEA, comprise the following:

1. Federal Taxation and Investment Credit Policy
2. Federal-State Utility Rate Structure Policy
3. Federal-State Environmental Protection Policy
4. Federal Lands Management Policy (Leasing)
   - -- Preleasing Procedures: Public vs Private Assessments
   - -- Compensation Strategies
   - -- Cumulative Acreage Limitation
   - -- Renewal Terms: Leasehold Periods
   - -- Readjustment of Terms and Conditions
   - -- Leasehold Size Limitations
   - -- Work Requirements

No one agency has jurisdiction over all the problem areas involved. Because the topics concern Federal lands, minerals, environmental considerations, taxation and utility regulation there are numerous Federal agencies involved. Each agency has been mandated to carry out programs associated with the problem areas cited. It is the mandate of FEA to develop and implement National policies and programs to increase production and utilization of energy from domestic sources, including geothermal energy. This mandate is being carried out by coordinating the activities of the several agencies involved toward achieving this goal.

ERDA has established the Geothermal Advisory Council, in accordance with the Geothermal Research, Development and Demonstration Act of 1974 (P.L. 93-410), and has designated FEA as lead agency over the Institutional Barriers Panel, an interagency organization whose function is to advise and make recommendations to the Council on matters pertaining to institutional problems impeding the development of geothermal energy.

Question:
Why do you need a $100,000 contract study of clean air and clean water act amendments? At what are you aiming specifically, and what do you expect to achieve?

Answer:
The proposed amendments to the Clean Air Act (CAA) presently under active consideration by the Congress are comprehensive in their scope. Certain provisions in particular, e.g. for the prevention of significant deterioration, and to define best available control technology, have major policy implications for FEA. We are concerned that the legitimate pursuit of clean air be balanced with energy and economic considerations, such that the national goals of increased energy independence and a strong economy may also be advanced to the fullest extent possible.

Similarly, the National Commission on Water Quality has recently submitted their recommendations to the Congress for amendments to the Federal Water Pollution Control Act (FWPCA) (Public Law 92-500). Major overhaul of this environmental legislation is, accordingly, also in the early stages of review.

Both the CAA and the FWPCA have direct bearing upon energy resource development. The FEA Office of Energy Resource Development (ERD) recognizes a cogent need that consultant services for technical analyses on the potential impacts of the proposed amendments to the CAA and the FWPCA upon the development of new energy resources, such as coal-fired power plants, strip-mining of coal, synthetic fuel plants, oil shale extraction and processing, etc. Additionally, the ERD program of conversions of existing oil-fired facilities to burning coal as directed by ESECA is potentially directly affected by the proposed legislation.

Furthermore, and perhaps more importantly, there is presently no known comprehensive attempt to evaluate and assess the affects on energy resource development of the pending air and water amendments taken together as a synergistic system. Essentially all energy resource development projects interact to a critical extent with both the atmospheric and aquatic environments. It is imperative that integrated analyses be conducted which would address the interrelationships between the CAA and the FWPCA, and hence the combined potential energy and economic impacts on energy resource development.

In response to the question of what ERD expects to achieve, we hope to obtain competent, objective, technical analyses of these complex issues for transmittal to the Congress. We believe that the availability of these studies will contribute materially to the legislative and regulatory process by providing sound scientific, engineering, energy, and economic bases for appraisal and formulation of balanced amendments to major environmental laws, and implementing regulations.

Question: Why is the ERD activity request for rent, communications, and utilities increasing so sharply--from $150,000 to $1.2 million?

Answer: The increase reflects the S.L.U.C. amount chargeable to Energy Resource Development. Previously these space charges were borne by the Executive Direction and Administration activity in the FEA budget but are now being included within the ERD estimates for FY 1977.

The following questions were submitted by Senator McGee:

Question: I note that in Fiscal Year 1976, $5,000,000 has been requested to aid the States in energy conservation planning, and that in Fiscal Year 1977, $48,900,000 is requested to administer the State Energy Conservation Program. How will these funds, if appropriated, be allocated to the states, and how much would Wyoming receive in Fiscal Year 1976, and Fiscal Year 1977?

Answer: Wyoming will be eligible for a maximum of $48,784 in planning assistance from FEA. This figure is based on a distribution plan of 50% based on equal shares and 50% based on population (Bureau of the Census, "Current Population Reports", Series P-25, No. 603, Table I, and Series P-26, No. 520, Table I, 1973).

The FY 1977 budget request for the State Energy Conservation Program includes 2 elements:

- grants to States for the development and implementation of State energy conservation plans. $45,000,000
- technical assistance in support of State Energy Conservation Program. . . . . $ 3,350,000

In order to satisfy the intent of Congress to include a measure of energy savings in awarding State grants FEA is developing a formula based on 3 factors: (1) a percentage to be distributed by population, (2) a percentage to be distributed equally; and (3) a percentage to be distributed according to projected energy savings. The first two factors will provide a base sum to each State and the third will provide an incentive for achieving significant energy savings.

Wyoming's specific share of the $45 million will depend on the quality and content of the plan which it prepares. The maximum grant that the State would be eligible for is approximately $460,000, assuming that all 56 eligible States submit plans of equally high quality. (More definite figures for each state will not be available until the final version of the funding formula is ready.)

Question: How will the State Energy Conservation Program operate once the State's Energy Conservation Plans are approved by FEA? Will FEA personnel be assigned to Wyoming to assist state officials?

Answer: The question of the future operation of the State Energy Conservation Program concerns the FEA plan for providing technical assistance to the States. At this time, that plan is still in rudimentary form and needs to be much refined. Several decisions have been reached. First, this Program is to be as decentralized as possible for FEA.

The FEA regional offices are to have primary responsibility for advising and assisting the States in the preparation and implementation of their plans. Thus the two or three people in Region VII assigned to the State Program will be the liaison with the six states in that region, which includes Wyoming. Second, we are tentatively planning a set of workshops for all the States to assist them in the preparation of their plans. Common problems arising from these workshops could be the basis of future meetings and consultations. Third, the States will generally have independent control over the implementation of their plans following FEA approval and award of financial assistance. FEA plans to conduct periodic financial and program audits in accordance with standard program management procedures.

Question:
In Fiscal Year 1976 you estimate that an additional 930 positions will be needed to administer the provisions of the Energy Policy and Conservation Act. How many of these positions will be allocated to your Denver Office; and how many specifically assigned to deal with administering the EPCA in Wyoming?

Answer:
Of the additional 930 positions requested, 443 will be allocated to Federal Energy Administration Regional Offices. 398 of the increase is in the Office of Regulatory Programs. 60% of the Regulatory Programs increase will be in the compliance area but have not been designated for Denver or Wyoming. A total of 8, positions in areas other than compliance, is requested for the Denver Regional Office. These 8 positions will support the Wyoming Office, although none will be specifically assigned there.

The following questions were submitted by Senator Hatfield:

Question: What are the objectives of the electric rate demonstration program currently underway in the FEA Office of EC&E?

Answer: The demonstrations will assess consumer response to the new rate structure, show the effectiveness of load management practices and technologies, and promote electricity conservation. These projects support FEA's efforts to encourage utility energy conservation efforts. The projects include experimental peak pricing, "lifeline," and inverted rate structures; various load control technologies; and utility-sponsored conservation education activities. The projects are supported by the FEA, State and local regulatory agencies, and individual utility systems. The goal of these efforts is to identify proven methods of increasing the overall efficiency of generation, transmission, and use of electricity. Ultimately, such improved efficiency would result in reduced consumer costs, as well as energy savings.

Question: Would you describe the demonstration projects now being funded--specifically, the number of projects, their cost and duration, the nature of each project and the expected benefits?

Answer: FEA is presently funding 10 electric utility demonstration projects that focus on the comparison issues of structural rate reform and load management. These projects are being conducted in the States of Vermont, Connecticut, New York, New Jersey, Ohio, Michigan, Wisconsin, Arkansas, Arizona, and the City of Los Angeles; and are funded through cooperative agreements with local public agencies. A Fact Sheet describing the activities and expected benefits of these projects is enclosed for the record.

(The information follows:)

FEDERAL ENERGY ADMINISTRATION
OFFICE OF ENERGY CONSERVATION AND ENVIRONMENT
Utilities Conservation Policy Demonstrations

October 27, 1975

Electric utilities account for roughly 25 percent of the Nation's total consumption of fossil fuels, and there are substantial energy inefficiencies not only in the generation of electricity, but also in its transmission, local distribution, and end-use. The electrical utilities are also experiencing a serious financial crisis resulting from increasing production costs and deteriorating load factors (average load/peakload). The load factor problem is particularly important because capital requirements are driven to peakloads, whereas revenues are derived from total load. This situation forces utilities to retain older, inefficient generators to meet peakloads, or to acquire relatively inexpensive new peaking generators--typically, simple-cycle turbines inefficiently burning scarce fossil fuels--for peaking purposes.

The Federal Energy Administration is committed to solving this complex problem. On one hand, we must insure the capability of utilities to supply adequate electricity to the Nation at reasonable prices. On the other hand, we must conserve energy by minimizing the inefficiencies and wastage which occur not only in the consumption of generator fuels, but also in the ultimate consumption of electricity itself. Although in some limited respects these two objectives may conflict, we believe that this is not generally the case and that energy conservation need not complicate but can actually enhance the financial situation of utilities.

In fact, it would appear that a balanced growth of both electricity usage and peak demand would be in the mutual interest of such diverse groups as regulatory authorities, environmentalists, consumers, and utility executives. Such a balanced growth pattern would minimize the consumption of scarce fossil fuels in electricity generation, moderate the need for construction of new capacity, reduce the pressure for rate increases, and improve utility revenues. It would also create a more stable base for future coal-, nuclear-, and hydro-generated electrification of the economy, as an alternative to the direct combustion of fossil fuels.

66-307 O - 76 - pt. 5 -- 62

To encourage the regulatory, corporate, and personal adaptations needed to fulfill this potential, FEA's Office of Energy Conservation and Environment has initiated a program of field demonstrations. Demonstration projects involving cost-based rates, load-control technology, and end-use conservation activities are being cooperatively supported by FEA, State, and local regulatory agencies and individual utility systems. The first such project was funded in October 1974 through the Vermont Public Service Board. Additional proposals were then solicited in January 1975, and of the 34 responses, six were selected for funding. Those seven demonstration projects, funded in fiscal year 1975 for a total of $1.6 million, are summarized on the following sheets.

In addition to the tasks described in the project summaries, the administrators of all demonstrations will submit two reports which:

1. Evaluate the impact of the proposed load-management techniques on a utility system's load and capacity factors, revenues, expansion requirements, and other critical variables;

2. Analyze the economic, institutional, technological, and other relevant factors which would either impede or foster the systemwide implementation of any successfully demonstrated load-management techniques.

The primary purpose of these load-management demonstration projects is to lower the institutional barriers to structural rate reform and the adoption of load-control systems. In structuring this broadly based program, FEA recognizes the variety of operating environments in the diversified electrical system in the United States and the need for a data base that adequately reflects this wide diversity.

ARIZONA FUEL AND ENERGY OFFICE

Contact: Dr. Robert M. Handy
Executive Director
Arizona Solar Research Commission
Room 435
1645 W. Jefferson
Phoenix, Arizona 85607

602/271-3682

Participating Utility

Arizona Public Service Company

Period of Performance

June 1975--January 1977

Cost

	FY 75	Future	Total
FEA/C&E	$210,000	$ 69,000	$279,000
Local	192,000	215,000	407,000
Total	$402,000	$284,000	$686,000

Summary

This study will investigate the feasibility of increasing the efficiency of electrical generation and end-use consumption through nonconventional rate structures and the use of customer- and utility-controlled demand-management systems.

Specific devices and techniques to be examined include: Electric rates which vary during the day and between the summer and winter months; automatic switches which prevent the simultaneous operation of high wattage appliances; warning systems to help consumers control consumption during times of peak demand; appliances and processes having inherent load-shaping characteristics such as air-conditioning waste heat recovery systems, ice storage systems for cooling, and solar energy assisted water heating systems; and demand-management control systems which could be implemented by the utility during unexpected interruptions in electrical generation.

Preliminary results of all experiments will be available by late 1976.

ARKANSAS PUBLIC SERVICE COMMISSION

Contact: Edward Davis
Executive Director
Arkansas Public Service Commission
Justice Building
Little Rock, Arkansas 72201

501/371-1794

Participating Utility

Arkansas Power and Light Company

Period of Performance

June 1975--October 1976

Cost

	FY 75	Future	Total
FEA/C&E	$210,000	$131,000	$341,000
Local	19,000	16,000	35,000
Total	$229,000	$147,000	$376,000

Summary

The Arkansas Public Service Commission and the Arkansas Power and Light Company will perform an analysis of the changes of electrical consumption by approximately 1,000 residential, commercial, and industrial customers under three pricing schemes:

a. Time-of-day rates for the summer peak period;

b. An increased summer/winter differential;

c. Increased unit costs of electricity for large consumers.

The experimental groups will be representative towns in the utility's service areas, and there will be no prepayments announced nor blind rebates to customers which may affect their behavior. Additionally, communications and educational materials will be distributed to the participants to insure maximum response to the experiment.

Preliminary results of the experiment will be available in mid-1976.

CONNECTICUT PUBLIC UTILITIES COMMISSION

Contact: Mr. Ralph Reuss
Chief Engineer
Connecticut Public Utilities Commission
State Office Building
165 Capitol Avenue
Hartford, Connecticut 06115

203/566-2048

Participating Utility

Connecticut Light and Power Company

Period of Performance

June 1975--March 1977

Cost

	FY 75	Future	Total
FEA/C&E	$230,000	$117,000	$347,000
Local	27,000	11,000	38,000
Total	$257,000	$128,000	$385,000

Summary

The submitting agency will conduct a field test of the response to unconventional rate schedules by 200 residential

customers. The specific objectives of the experiment are to: (a) Qualify and quantify customers' responses to the use of electrical energy under rate schedules which change during the course of the day; and (b) determine the energy conservation, electricity demand deferral, and cost-saving potential of such a rate attributable to changes in consumption patterns of residential customers.

The proposed rate schedule will be offered to a group of residential customers whose consumption over the past year has been measured under a previous experiment conducted by Connecticut Light and Power Company. The consumption of the customers in the test group will be compared to their previous consumption and to the consumption of a control group whose use will be monitored for the duration of the project. Preliminary results will be available after the first full year of the experiment; i.e., by mid-1976.

CITY OF LOS ANGELES

Contact: Mr. Michael Moore
Project Officer
Los Angeles Department of Water and Power
111 N. Hope Street
Los Angeles, California 90051

213/481-6331

Participating Utility

Los Angeles Department of Water and Power

Period of Performance

June 1975--June 1979

Cost

	FY 75	Future	Total
FEA/C&E	$170,000	$ 630,000	$ 800,000
Local	665,000	1,570,000	2,235,000
Total	$835,000	$2,200,000	$3,035,000

Summary

The purpose of this study will be to collect original data on changes in the amount of electricity consumed under a variety of experimental rate schedules by the residential, commercial, and industrial customers of one of the largest municipal utilities.

The rate experiment is divided into two parts: One part will entail comparing the consumption of the 165 largest commercial and industrial customers under a new rate schedule with their previous consumption and the consumption of other commercial and industrial customers under the old rate schedules. The second part will consist of measuring the consumption of 2,000-2,500 residential customers under a variety of different rate schedules including flat rates, time-of-day rates, and peakload rates with several different levels of rates for each type of rate schedule. Comparisons will be made between groups under different rate schedules and a control group.

Additionally, the technical reliability and administrative feasibility of alternative rate structures, especially European electric rate schedules, will be analyzed.

The final report of the alternative rate structure study will be ready by the end of 1975 and preliminary reports of customers' reactions to the new rate schedules will be available after the first full year of the experiment.

NEW JERSEY STATE ENERGY OFFICE

Contact: Charles Richman
Acting Administrator
Department of Public Utilities
New Jersey State Energy Office
101 Commerce Street
Newark, New Jersey 07102

202/648-3290

Participating Utility

Jersey Central Power and Light

Period of Performance

July 1975--June 1978

Cost

	FY 75	Future	Total
FEA/C&E	$160,000	$1,150,000	$1,310,000
Local	120,000	1,222,000	1,342,000
Total	$280,000	$2,372,000	$2,652,000

Summary

The proposal has two primary objectives: First, to measure the reaction of approximately 1,000 residential customers to a time-of-day rate structure which incorporates higher rates for electricity during periods of the greatest demand and lower rates during periods of lowest demand. The sample of customers will be divided into three groups with control groups within each division: (1) Residential with no electric water heaters; (2) residential with electric water heaters; and (3) residential with electric water heaters and space heating.

Second, to concurrently conduct a pilot demonstration of time-of-day metering and electric demand control technology to determine technical and economical suitability for widespread application in the utility's service area.

Preliminary data will be available by early 1977.

PUBLIC UTILITY COMMISSION OF OHIO

Contact: Mr. John Borrows
Director, Utilities Department
Public Utility Commission of Ohio
111 N. High Street
Columbus, Ohio 43215

614/466-7111

Participating Utility

Dayton Power and Light Company
Toledo Edison Company
Buckeye Power Company

Period of Performance

June 1975--September 1977

Cost

	FY 75	Future	Total
FEA/C&E	$220,000	$163,000	$383,000
Local	150,000	154,000	304,000
Total	$370,000	$317,000	$687,000

Summary

This study proposes to investigate the changes in customers' consumption patterns which would result from the implementation of new rate schedules and demand deferring technology.

A group of 300 residential customers will be surveyed to establish demand for electricity over time (daily, monthly, etc.) and by appliance (water heating, air-conditioning, and space heating) under conventional and peak demand/ offpeak demand electric rate schedules. In the industrial sector, a computer model will be developed to simulate changes in demand and analyze the impact of those changes on the efficient operation of the utility.

Concomitant with the rate experiment, a feasibility study will be conducted of decreasing demand for electricity at peak periods through the use of utility-controlled electric water heaters, space heaters, and air-conditioners. The data obtained will build upon the Buckeye Power Company's existing water heater control program.

The impact on electric service costs of inexpensive offpeak residential heat storage systems will also be analyzed.

Preliminary results for all experiments except the industrial simulation model will be available by the middle of 1976.

VERMONT PUBLIC SERVICE BOARD

Contact: John C. Romano
Energy Systems Analyst
Vermont Public Service Board
120 State Street
Montpelier, Vermont 05602

802/828-2321

Participating Utility

Green Mountain Power Company

Period of Performance

November 1974--May 1976

Cost

	FY 75	Future	Total
FEA/C&E	$360,274	0	$360,274
Local	76,535	0	76,535
Total	$436,809	0	$436,809

Summary

The Vermont Public Service Board is testing general customer acceptance and the load- and financial-management effectiveness of a broad range of rate designs, load-control systems, and signaling devices. Six nontraditional rate designs consisting of inverted demand, offpeak, three-part, peak kilowatt demand, contract, and interruptible demand with the necessary associated equipment will be tested on 120 volunteer residential customers.

The second part of the test consists of selecting 10 residential customers with existing hot water heat systems who will be willing to replace their existing heating unit with a hydronic heat storage unit. The new units would be powered by electricity under an offpeak rate schedule.

Primary results of these experiments will be available early in 1976.

MICHIGAN PUBLIC SERVICE COMMISSION

Contact: Mr. Robert Benko
Director, Office of Research
and Economic Planning
Michigan Public Service Commission
Law Building
525 West Ottawa Street
Lansing, Michigan 48913

517/373-3244

Participating Utility

Detroit Edison

Period of Performance

August 1975--August 1976

Cost

	FY 76	Future	Total
FEA/C&E	$253,000	0	$253,000
Local	129,000	0	129,000
Total	$382,000	0	$382,000

Summary

Because industrial customers consume approximately 37 percent of Detroit Edison's peak generating capacity, industry represents an area in which benefits derived from altering system peaks and conserving energy are both significant and feasible. Therefore, the proposed project will emphasize load management and energy conservation programs for industrial electric customers. With the assistance of the Detroit Edison staff, surveys will be conducted in test group industries, past energy consumption will be documented, an energy management program will be developed and implemented specifically for electricity, and resulting electrical consumption will be measured to determine the effectiveness of the program. Measurement will be made of overall usage and any savings achieved at system peak times, and the effect of these electrical savings, if any, on total energy consumption. Finally, an analysis will be made,

based on the pilot test results, of the applicability and potential for the extension of this program to achieve improved energy management and electrical load shaping by industrial customers.

Preliminary results will be available by January 1976.

WISCONSIN PUBLIC SERVICE COMMISSION

Contact: Mr. J. Robert Malko
Wisconsin Public Service Commission
432 Hill Farms State Office Building
Madison, Wisconsin 53702

608/266-0699

Participating Utility

Wisconsin Public Service Corporation

Period of Performance

August 1975--August 1980

Cost

	FY 76	Future	Total
FEA/C&E	$200,000	$171,000	$371,000
Local	167,225	201,475	368,700
Total	$367,225	$372,475	$739,700

Summary

By instituting a series of time-of-day rate structures to moderate- and high-use residential customers, the Wisconsin Public Service Corporation will examine the following aspects of such nontraditional electricity rates:

Measure the changes in the total amount of electricity consumed, the time of consumption and peak demands;

Compare the effects of time-of-day rates between the moderate- and high-use customers. The proposed experimental rates will serve as a basis for a realistic estimate of the economics of expanding the pricing techniques to include additional customers;

Evaluate costs and problems that occur as a result of special metering equipment and time-of-day rate designs;

Determine the customers' ability to understand a complex rate structure;

Define which factors (such as income, age, and family size) affect the customer's willingness or ability to respond to various pricing signals.

Four innovative rate structures will be tested by two major groups of residential customers: those using between 600-1,500 kWh who have both electric air conditioning and water heating but not electric space heating; and those using more than 1,500 kWh who have electric air conditioning, water heating and space heating. A control group in both usage categories will also be utilized.

Preliminary results will be available by mid-1977.

C&E RATE DEMONSTRATION PROGRAM
SELECTED CHARACTERISTICS OF PARTICIPATING UTILITIES

Utility	Installed Capacity (MW)	Sales in Millions kWh	Customers as a Percent of Sales				Fuel Consumption				
			Res	Comm	Ind	Other	Coal	Oil	NG	Nucl	Hydro
Arizona Public Service Corp.	1,984	8,098	29%	32%	22%	17%	68%	14%	18%	--	--
Arkansas Power and Light	3,202	14,504	38%	24%	38%	--	--	52%	43%	2%	3%
Connecticut-N.E. Utilities	6,668	20,126	36%	26%	27%	11%	1%	67%	--	30%	2%
Los Angeles Water and Power											
New Jersey Central Power and Light	7,156	27,309	41%	25%	31%	3%	12%	45%	--	41%	2%
Ohio-Dayton Power and Light	2,185		34%	19%	33%	14%	99%	.5%	.5%	--	--
Toledo Edison	1,042	6,500	25%	17%	47%	11%	95%	2.5%	2.5%	--	--
Buckeye Power	600	2,700	90%	--	--	10%	100%	--	--	--	--
Vermont	195	1,102					6%	25%	--	31%	38%
Michigan-Detroit Edison	8,953	32,526	31%	17%	47%	5%	80%	15%	5%	--	--
Wisconsin-Wisconsin Public Service Corp.	1,078	4,776	28%	25%	35%	12%	83%	.9%	11%	4%	.5%

Note: due to rounding, some of the columns may not add up to 100%

C&E RATE DEMONSTRATION PROGRAM

EXPERIMENTAL RATE STRUCTURES AND LOAD MANAGEMENT TECHNOLOGIES

	Rates/Load Management Technology	Customer Class
WISCONSIN	Time-of-Day LRIC Future embedded costs 7 test groups	Residential
CONNECTICUT	Peakload Pricing	Residential
VERMONT	Peakload Pricing Storage heaters Inverted Rate Peak kilowatt demand rate 3-part Rate Contract Rate Interruptible Rate	Residential
ARIZONA	Offpeak rates Ice storage system Solar energy assisted heat pump	Residential
CITY OF LOS ANGELES	"3 types exp. tariffs" Flat rates Time-of-Day, Peakload Pricing	Residential Large Customers " "
ARKANSAS	Increased Summer/Winter Differential, flattened rate structures Time-of-Day	Residential) Commercial) all rates Industrial)
OHIO	Time-of-Day Radio control of space conditioning	Residential
NEW JERSEY	Peakload Pricing	Residential
MICHIGAN	Energy Management Program to measure saving achieved at system peak times	Industrial

NEW YORK STATE PUBLIC SERVICE COMMISSION

Contact:

Mack Ketchum
Acting Chief Regulatory Branch Section
Office of Research
New York Public Service Commission
Empire State Plaza
Albany, NY 12223
518/474/1722

Participating Utility

Consolidated Edison of New York Incorporated

Period of Performance

January 1, 1976-January 1, 1977

Cost

FY 1976

FEA/C&E	210,000
Local	533,000
Total	743,000

Summary

The purpose of this demonstration is to determine whether it is worthwhile to use a two-part peak power pricing tariff for residential and small commercial customers, and to ascertain whether the system load leveling benefits attained from a peak pricing scheme justify the costs of metering. It is also to provide at the end of the one year contract, a preliminary report covering both technical and economic considerations of a variety of load management options as pertaining to Consolidated Edison.

The rate experiment portion of the contract will incorporate two residential test groups, each consisting of 370 customers whose annual electricity consumption exceeds 2000 Kwhr, as well as a control group of 370 customers. In the small commercial class test rates will be applied to two groups of 280 customers with an annual consumption over 2000 Kwhrs. As in the residential test, there will also be a control group of 280 customers. These experiments will continue for several years.

FEA RATE DEMONSTRATION PROGRAM

EXPERIMENTAL RATE STRUCTURES AND LOAD MANAGEMENT TECHNOLOGIES

	Rates/Load Management Technology	Customer Class
WISCONSIN	Time-of-Day LRIC Future embedded costs 7 test groups	Residential
CONNECTICUT	Peakload Pricing	Residential
VERMONT	Peakload Pricing Storage heaters Inverted Rate Peak kilowatt demand rate 3-part Rate Contract Rate Interruptible Rate	Residential
ARIZONA	Offpeak rates Ice storage system Solar energy assisted heat pump	Residential
CITY OF LOS ANGELES	"3 types exp. tariffs" Flat rates Time-of-Day, Peakload Pricing	Residential Large Customers " "
ARKANSAS	Increased Summer/Winter Differential, flattened rate structures Time-of-Day	Residential) Commercial) all rate. Industrial)
OHIO	Time-of-Day Radio control of space conditioning	Residential
NEW JERSEY	Peakload Pricing	Residential
MICHIGAN	Energy Management Program to measure saving achieved at system peak times	Industrial
NEW YORK	Time-of-Day	Residential Commercial

66-307 O - 76 - pt. 5 -- 63

Question: Are there plans for further demonstration projects?

Answer: Under current budget constraints, we cannot initiate further new projects. We will continue to monitor the projects implemented in FY 1976.

Question: What was your budget request to OMB for rate demonstration projects for FY 1977, and what did OMB allow?

Answer: Our original FY 1977 budget for the Electric Utilities Demonstration Program requested $11,500,000 for 20 additional demonstrations on the feasibility and effectiveness of peak load pricing and other load management techniques. OMB did not allow for any funding for this program in FY 1977. C&E appealed this mark in February 1976 by asking for $7,680,000 in FY 1977 to allow for second-year funding of FY 1976 projects. This request was also denied.

Question: What level of funding for FY 1977 would enable FEA to carry out the full program of demonstration projects, and what would be accomplished with this level of funding?

Answer: $12,000,000 would enable FEA to initiate an additional 20 demonstrations and further fund our FY 1976 projects. Our projections show that effective load management can reduce the need for new installed capacity by about a third between now and 1985. This represents a potential capital savings, including cost of capital, of at least 49 billion dollars over the next decade.

Question submitted by Senator Glenn

Question: What was your budget request to OMB for rate demonstration projects in FY 1977 and what did OMB allow for each?

Answer: Our original FY 1977 budget for the Electric Utilities Demonstration Program requested $11,500,000 for 20 additional demonstrations on the feasibility and effectiveness of peak load pricing and other management techniques. OMB did not allow for any funding for this program in FY 1977. C&E appealed this mark in February 1976 by asking for $7,680,000 in FY 1977 to allow for second-year funding of FY 1976 projects. This request was also denied.

Our original request to OMB for Fiscal Year 1976 was $10,000,000 and our present allowance from OMB is $9,586,000 for rate demonstration projects.

Question: How many rate demonstration projects which are presently underway would be discontinued if no funding is available in FY 1977?

Answer: The limited funds available for the Electric Utilities Demonstration Program in FY '77 would preclude second year funding of ten FY '76 projects. Because of the wide variation in utility operating characteristics, the highly cyclical nature of utility loads, and the differential impact of various rate forms, it is essential to gather data for more than a single heating or cooling season.

Question: Is FEA presently intervening in electric utility rate cases? What have the results been?

Answer: FEA to date has intervened in eleven regulatory cases. These interventions, all well received, have been solely on the basis of invitation by State Regulatory Commissions. The general purpose of FEA testimony is to: (a) advocate structural rate reform; (b) advocate implementation of load management techniques and controls; (c) advocate end-use conservation practices and technologies; and (d) transfer technical load management.

Question: What funding level is available in FY 1976 and how much is FEA requesting in FY 1977 for electric utility rate case intervention?

Answer: To date FEA has expended approximately $150,000 for Intervention in FY 1976. Our FY 1977 budget allows $50,000 for this program.

Question: Is FEA presently providing any technical assistance to State Utility Commissions? If so, how much in FY 1976?

Answer: Technical assistance is provided to State Utility Commissions by the Electric Utility Demonstration Projects. FEA is presently funding 10 projects in the States of Vermont, Connecticut, New York, New Jersey, Ohio, Michigan, Wisconsin, Arkansas, Arizona, and the City of Los Angeles and FEA expects to spend approximately $9.6 million on this effort during Fiscal Year 1976.

SUBCOMMITTEE RECESS

Senator STEVENS. The committee, then, will be recessed until the Tuesday markup as previously scheduled.

[Whereupon, at 12 noon, Friday, April 30, 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, MAY 19, 1976

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

The subcommittee met at 10:10 a.m., room 1114, Everett McKinley Dirksen Office Building, Hon. Henry Bellmon presiding.

Present: Senators Stevens, Bellmon, Young, and Chiles.

FUNDS APPROPRIATED TO THE PRESIDENT

PETROLEUM RESERVES

STATEMENT OF CAPT. GEORGE G. DOWD, JAGC, USN, DIRECTOR

ACCOMPANIED BY:

COMDR. GORDON R. GILMORE, CEC, USN, DEPUTY DIRECTOR
LT. COMDR. TODD J. REULING, JAGC, USN, DEPUTY COUNSEL
LT. BARRON R. BENROTH, CEC, USN, PROGRAM MANAGER, NOSRs
FRANK L. HOUTMAN, COMPTROLLER
CAPT. H. R. JONES, OFFICE OF THE COMPTROLER, USN
RICHARD V. MURPHY, PROJECT MANAGER, NPR–4

BUDGET REQUEST

Senator BELLMON. The subcommittee will come to order. Senator Stevens has been delayed briefly and will be in very soon. In the meantime, we will proceed.

This is the time scheduled to hear budget estimates for the new petroleum reserves account established under funds appropriated to the President. For the most part the activities under this account were conducted under Defense appropriations under Naval Petroleum Reserves.

In a budget amendment transmitted last April 26, the President proposed an appropriation of $421.3 million for petroleum reserves, increasing the original naval petroleum reserves request by some $200 million. This proposal was in response to Public Law 94–258, the Naval Petroleum Reserves Production Act of 1976.

The proposed appropriation is an increase of nearly $352 million over funding in fiscal 1975 and $303.6 million over appropriations to date for the current fiscal year. The pending second supplemental

appropriations bill, if enacted, will add $24.1 million to the fiscal 1976 amount, also in response to a budget request. That would make the 1977 request an increase of $279.5 million over 1976.

The justification for the amended 1977 request will be printed in full in the record. First, however, to make the record complete I believe it would be wise to include Public Law 94–258 and pertinent portions of the budget amendment, printed as House Document 94–476, in the record as well.

PREPARED STATEMENT

Captain Dowd, we have your prepared statement, and we will print it in the record in full.

[The statement follows:]

STATEMENT

Mr. Chairman and Members of the Committee, I appreciate this opportunity to appear before you to discuss the requested appropriation Naval Petroleum and Oil Shale Reserves for fiscal year 1977.

There are four Naval Petroleum Reserves and three Oil Shale Reserves which were created by executive order during the period 1912 through 1924. The creation of the Reserves was subsequently confirmed by statute which set forth their fundamental program and purpose. The statute directs the Secretary of the Navy, subject to the approval of the President, to explore and develop the Reserves for the production of a supplemental supply of oil when required for national defense.

When an oil shortage occurred toward the end of World War II, Congress called on the Navy to explore and develop its two most important Reserves, Naval Petroleum Reserve No. 1 (Elk Hills, California), and Naval Petroleum Reserve No. 4, located on the North Slope of Alaska. Naval Petroleum Reserve No. 1 was authorized to produce 66,000 barrels of oil per day (BOPD) during the remainder of the wartime period. Considerable progress was made on these programs, at both Reserves, but they were prematurely terminated in 1953. Comparatively little further exploration and development was accomplished on the Reserves until, in 1974, faced with another national oil shortage, Congress took action to explore and develop Naval Petroleum Reserve No. 1 and to explore Naval Petroleum Reserve No. 4, by passage of the supplemental appropriation act of 1974 and by authorizing a separate appropriation commencing in fiscal year 1975. The exploration and development programs are currently being implemented. At NPR-1, 11 exploratory wells and 292 development wells will be completed by the end of Fiscal Year 1976. At NPR-4, a geophysical exploration survey of 4,755 line miles has just been completed. A total of three exploratory wells have been completed and materials needed for next winter's drilling program of five wells have been purchased for shipment on this summer's annual supply barge to that Arctic Reserve.

Continuation of the exploration programs in NPR Nos. 1 and 4, and the development and production programs in NPR-1 and NPR-3 make up the major part of our 1977 budget request of $406.2 million. The budget is in four parts; $25.9 million for regular operations, $89.7 million for exploration, $121.2 million for development, and $169.3 million for production. (See the following table.)

Fiscal Year - 1977 (In Thousands)

	Operations	Exploration	Develop.	Production	Total
NPR-1	4,290	7,870	105,746	168,064	285,970
NPR-2	20	--	--	--	20
NPR-3	183	757	15,150	1,260	17,350
NPR-4	20,279	80,213	--	--	100,492
NOSR	100	900	300	--	1,300
HQTRS	984	--	--	--	984
	25,856	89,740	121,196	169,324	406,116

OPERATIONS

Fiscal Year - 1977 (000's)

Naval Petroleum Reserve No. 1	4,290
Naval Petroleum Reserve No. 2 & 3	203
Naval Petroleum Reserve No. 4	20,279
Naval Oil Shale Reserves	100
Headquarters	984
	25,856

The regular operations budget provides for the following continuing programs:

(1) Maintenance of wells and facilities;

(2) Administration of oil and gas leases on Navy's lands in NPR-2 California;

(3) Logistical support, environmental clean-up and studies, and the drilling of one development gas well in the Barrow area of NPR-4 in Alaska. The purpose of this is to assure sufficient current and future gas supplies to meet increasing demands of the federal installation in the Barrow area as well as the residents of city of Barrow;

(4) Management of the Naval Oil Shale Reserves located in Colorado and Utah, including management of grazing, timber, wildlife and recreation; and

(5) Administration of the Reserves and the utilization of Petroleum and Oil Shale consultants.

EXPLORATION

Fiscal Year - 1977 (000's)

Naval Petroleum Reserve No. 1	7,870
Naval Petroleum Reserve No. 3	757
Naval Petroleum Reserve No. 4	80,213
Naval Oil Shale Reserves	900
	89,740

The exploration budget provides for the following programs in Fiscal Year 1977:

(1) The drilling of four exploratory wells at NPR-1 including one deep-test well, and three exploratory wells at NPR-3 to further define the limits of those fields;

(2) The drilling of five exploratory wells at NPR-4, 2,880 line miles of seismic survey; and

(3) Geologic evaluation and seismic survey of the Naval Oil Shale Reserves in Utah and Colorado.

DEVELOPMENT

Fiscal Year - 1977 (000's)

Naval Petroleum Reserve No. 1	105,746
Naval Petroleum Reserve No. 3	15,150
Naval Oil Shale Reserves	300
	121,196

The development budget provides for the following programs:

(1) The drilling and equipping of 88 additional Shallow Zone and 145 Stevens Zone wells, as well as installation of surface facilities to permit the production of approximately 160,000 BOPD in Naval Petroleum Reserve No. 1 in California;

(2) The commencement of the development program in Naval Petroleum Reserve No. 3 in Wyoming, which includes acquisition of drilling equipment, installation of surface facilities, and the drilling of approximately 104 development wells; and

(3) The preparation of a master pre-development plan for the Naval Oil Shale Reserves.

PRODUCTION

Fiscal Year - 1977 (000's)

Naval Petroleum Reserve No. 1	168,064
Naval Petroleum Reserve No. 3	1,260
	169,324

The funds requested for production are required for the following purposes:

(1) Lifting costs at NPR-1 of .25¢ per barrel for approximately 47.5 million barrels of oil;

(2) Improvement of essential facilities at NPR-1;

(3) Construction of a gas processing plant and installation of new gathering and gas and water injection facilities at NPR-1;

(4) Acquisition and/or initiation of construction of one or more pipelines between NPR-1 and shipping points or refineries;

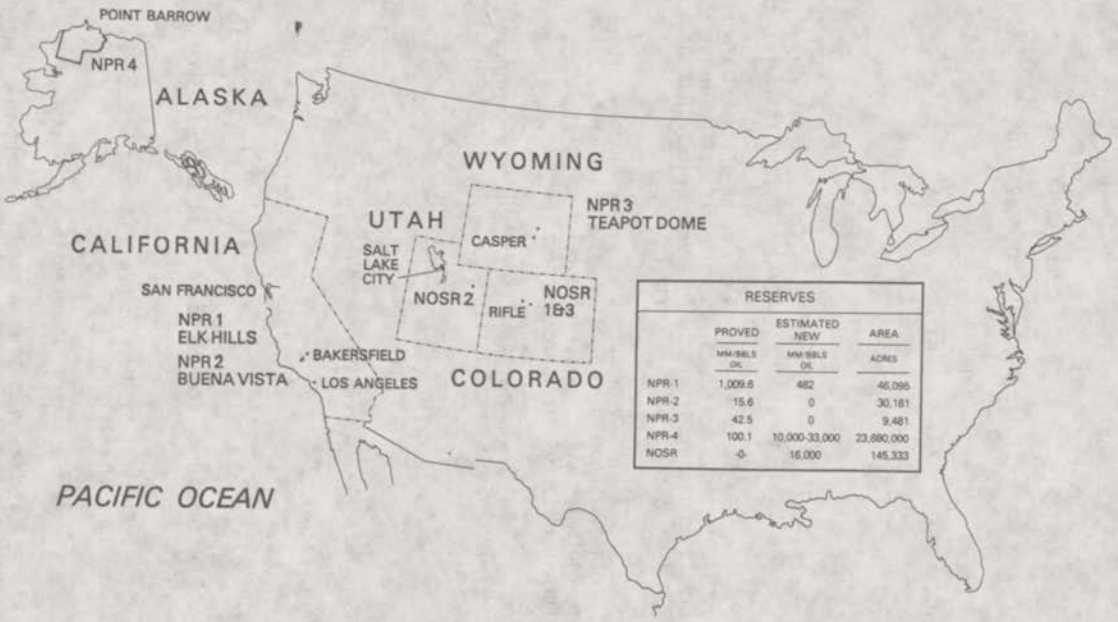
(5) Lifting costs at NPR-3 of .50¢ per barrel for approximately 2.5 million barrels of oil; and

(6) Addition of 46 civilian positions.

This concludes my statement Mr. Chairman. I shall be pleased to provide any additional information you may desire.

NAVAL PETROLEUM AND OIL SHALE RESERVES IN CONTINENTAL UNITED STATES

LOCATION MAP



RESERVES	PROVED	ESTIMATED NEW	AREA
	MM/BBLS OIL	MM/BBLS OIL	ACRES
NPR-1	1,009.6	482	46,096
NPR-2	15.6	0	30,181
NPR-3	42.5	0	9,481
NPR-4	100.1	10,000-33,000	23,680,000
NOSR	-0-	16,000	145,333

2762

Public Law 94-258
94th Congress, H. R. 49
April 5, 1976

An Act

To authorize the Secretary of the Interior to establish on certain public lands of the United States national petroleum reserves the development of which needs to be regulated in a manner consistent with the total energy needs of the Nation, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Naval Petroleum Reserves Production Act of 1976". Naval Petroleum Reserves Production Act of 1976. 42 USC 6501 note.

TITLE I—NATIONAL PETROLEUM RESERVE IN ALASKA

DEFINITION

SEC. 101. As used in this title, the term "petroleum" includes crude oil, gases (including natural gas), natural gasoline, and other related hydrocarbons, oil shale, and the products of any of such resources. 42 USC 6501.

DESIGNATION OF THE NATIONAL PETROLEUM RESERVE IN ALASKA

SEC. 102. The area known as Naval Petroleum Reserve Numbered 4, Alaska, established by Executive order of the President, dated February 27, 1923, except for tract Numbered 1 as described in Public Land Order 2344, dated April 24, 1961, shall be transferred to and administered by the Secretary of the Interior in accordance with the provisions of this Act. Effective on the date of transfer all lands within such area shall be redesignated as the "National Petroleum Reserve in Alaska" (hereinafter in this title referred to as the "reserve"). Subject to valid existing rights, all lands within the exterior boundaries of such reserve are hereby reserved and withdrawn from all forms of entry and disposition under the public land laws, including the mining and mineral leasing laws, and all other Acts; but the Secretary is authorized to (1) make dispositions of mineral materials pursuant to the Act of July 31, 1947 (61 Stat. 681), as amended (30 U.S.C. 601), for appropriate use by Alaska Natives, (2) make such dispositions of mineral materials and grant such rights-of-way, licenses, and permits as may be necessary to carry out his responsibilities under this Act, and (3) convey the surface of lands properly selected on or before December 18, 1975, by Native village corporations pursuant to the Alaska Native Claims Settlement Act. All other provisions of law heretofore enacted and actions heretofore taken reserving such lands as a Naval Petroleum Reserve shall remain in full force and effect to the extent not inconsistent with this Act. 42 USC 6502. 43 CFR app. 43 USC 1601 note.

TRANSFER OF JURISDICTION

SEC. 103. (a) Jurisdiction over the reserve shall be transferred by the Secretary of the Navy to the Secretary of the Interior on June 1, 1977. 42 USC 6503.

(b) With respect to any activities related to the protection of environmental, fish and wildlife, and historical or scenic values, the Secretary of the Interior shall assume all responsibilities as of the date

Rules and regulations.

of the enactment of this title. As soon as possible, but not later than the effective date of transfer, the Secretary of the Interior may promulgate such rules and regulations as he deems necessary and appropriate for the protection of such values within the reserve.

(c) The Secretary of the Interior shall, upon the effective date of the transfer of the reserve, assume the responsibilities and functions of the Secretary of the Navy under any contracts which may be in effect with respect to activities within the reserve.

(d) On the date of transfer of jurisdiction of the reserve, all equipment, facilities, and other property of the Department of the Navy used in connection with the operation of the reserve, including all records, maps, exhibits, and other informational data held by the Secretary of the Navy in connection with the reserve, shall be transferred without reimbursement from the Secretary of the Navy to the Secretary of the Interior who shall thereafter be authorized to use them to carry out the provisions of this title.

(e) On the date of transfer of jurisdiction of the reserve, the Secretary of the Navy shall transfer to the Secretary of the Interior all unexpended funds previously appropriated for use in connection with the reserve and all civilian personnel ceilings assigned by the Secretary of the Navy to the management and operation of the reserve as of January 1, 1976.

ADMINISTRATION OF THE RESERVE

Petroleum production, prohibition. 42 USC 6504.

SEC. 104. (a) Except as provided in subsection (e) of this section, production of petroleum from the reserve is prohibited and no development leading to production of petroleum from the reserve shall be undertaken until authorized by an Act of Congress.

Explorations.

(b) Any exploration within the Utukok River, the Teshekpuk Lake areas, and other areas designated by the Secretary of the Interior containing any significant subsistence, recreational, fish and wildlife, or historical or scenic value, shall be conducted in a manner which will assure the maximum protection of such surface values to the extent consistent with the requirements of this Act for the exploration of the reserve.

(c) The Secretary of the Navy shall continue the ongoing petroleum exploration program within the reserve until the date of the transfer of jurisdiction specified in section 103(a). Prior to the date of such transfer of jurisdiction the Secretary of the Navy shall—

(1) cooperate fully with the Secretary of the Interior providing him access to such facilities and such information as he may request to facilitate the transfer of jurisdiction;

Information, submittal to congressional committees.

(2) provide to the Committees on Interior and Insular Affairs of the Senate and the House of Representatives copies of any reports, plans, or contracts pertaining to the reserve that are required to be submitted to the Committees on Armed Services of the Senate and the House of Representatives; and

(3) cooperate and consult with the Secretary of the Interior before executing any new contract or amendment to any existing contract pertaining to the reserve and allow him a reasonable opportunity to comment on such contract or amendment, as the case may be.

(d) The Secretary of the Interior shall commence further petroleum exploration of the reserve as of the date of transfer of jurisdiction specified in section 103(a). In conducting this exploration effort, the Secretary of the Interior—

Contracts.

(1) is authorized to enter into contracts for the exploration of the reserve, except that no such contract may be entered into until

at least thirty days after the Secretary of the Interior has provided the Attorney General with a copy of the proposed contract and such other information as may be appropriate to determine legal sufficiency and possible violations under, or inconsistencies with, the antitrust laws. If, within such thirty day period, the Attorney General advises the Secretary of the Interior that any such contract would unduly restrict competition or be inconsistent with the antitrust laws, then the Secretary of the Interior may not execute that contract;

(2) shall submit to the Committees on Interior and Insular Affairs of the Senate and the House of Representatives any new plans or substantial amendments to ongoing plans for the exploration of the reserve. All such plans or amendments submitted to such committees pursuant to this section shall contain a report by the Attorney General of the United States with respect to the anticipated effects of such plans or amendments on competition. Such plans or amendments shall not be implemented until sixty days after they have been submitted to such committees; and

Plans, submittal to congressional committees. Report by Attorney General.

(3) shall report annually to the Committees on Interior and Insular Affairs of the Senate and the House of Representatives on the progress of, and future plans for, exploration of the reserve.

Report to congressional committees.

(e) Until the reserve is transferred to the jurisdiction of the Secretary of the Interior, the Secretary of the Navy is authorized to develop and continue operation of the South Barrow gas field, or such other fields as may be necessary, to supply gas at reasonable and equitable rates to the native village of Barrow, and other communities and installations at or near Point Barrow, Alaska, and to installations of the Department of Defense and other agencies of the United States located at or near Point Barrow, Alaska. After such transfer, the Secretary of the Interior shall take such actions as may be necessary to continue such service to such village, communities, installations, and agencies at reasonable and equitable rates.

STUDY OF THE RESERVE

SEC. 105. (a) Section 164 of the Energy Policy and Conservation Act (89 Stat. 871, 889), is hereby amended by deleting in the first sentence "to the Congress" and by inserting in lieu thereof "to the Committees on Interior and Insular Affairs of the Senate and House of Representatives".

42 USC 6244.

(b)(1) The President shall direct such Executive departments and/or agencies as he may deem appropriate to conduct a study, in consultation with representatives of the State of Alaska, to determine the best overall procedures to be used in the development, production, transportation, and distribution of petroleum resources in the reserve. Such study shall include, but shall not be limited to, a consideration of—

42 USC 6505.

(A) the alternative procedures for accomplishing the development, production, transportation, and distribution of the petroleum resources from the reserve, and

(B) the economic and environmental consequences of such alternative procedures.

(2) The President shall make semiannual progress reports on the implementation of this subsection to the Committees on Interior and Insular Affairs of the Senate and the House of Representatives beginning not later than six months after the date of the enactment of this Act and shall, not later than one year after the transfer of jurisdiction of the reserve, and annually thereafter, report any findings or

Report to congressional committees.

conclusions developed as a result of such study together with appropriate supporting data and such recommendations as he deems desirable. The study shall be completed and submitted to such committees, together with recommended procedures and any proposed legislation necessary to implement such procedures not later than January 1, 1980.

42 USC 6505.

(c) (1) The Secretary of the Interior shall establish a task force to conduct a study to determine the values of, and best uses for, the lands contained in the reserve, taking into consideration (A) the natives who live or depend upon such lands, (B) the scenic, historical, recreational, fish and wildlife, and wilderness values, (C) mineral potential, and (D) other values of such lands.

(2) Such task force shall be composed of representatives from the government of Alaska, the Arctic slope native community, and such offices and bureaus of the Department of the Interior as the Secretary of the Interior deems appropriate, including, but not limited to, the Bureau of Land Management, the United States Fish and Wildlife Service, the United States Geological Survey, and the Bureau of Mines.

Report to congressional committees.

(3) The Secretary of the Interior shall submit a report, together with the concurring or dissenting views, if any, of any non-Federal representatives of the task force, of the results of such study to the Committees on Interior and Insular Affairs of the Senate and the House of Representatives within three years after the date of enactment of this title and shall include in such report his recommendations with respect to the value, best use, and appropriate designation of the lands referred to in paragraph (1).

ANTITRUST PROVISIONS

42 USC 6506.

Sec. 106. Unless otherwise provided by Act of Congress, whenever development leading to production of petroleum is authorized, the provisions of subsections (g), (h), and (i) of section 7430 of title 10, United States Code, shall be deemed applicable to the Secretary of the Interior with respect to rules and regulations, plans of development and amendments thereto, and contracts and operating agreements. All plans and proposals submitted to the Congress under this title or pursuant to legislation authorizing development leading to production shall contain a report by the Attorney General of the United States on the anticipated effects upon competition of such plans and proposals.

Post, p. 309.

AUTHORIZATION FOR APPROPRIATIONS

42 USC 6507.

Sec. 107. (a) There are authorized to be appropriated to the Department of the Interior such sums as may be necessary to carry out the provisions of this title.

Community municipal services and facilities, Federal financial assistance.

(b) If the Secretary of the Interior determines that there is an immediate and substantial increase in the need for municipal services and facilities in communities located on or near the reserve as a direct result of the exploration and study activities authorized by this title and that an unfair and excessive financial burden will be incurred by such communities as a result of the increased need for such services and facilities, then he is authorized to assist such communities in meeting the costs of providing increased municipal services and facilities. The Secretary of the Interior shall carry out the provisions of this section through existing Federal programs and he shall consult with the heads of the departments or agencies of the Federal Government concerned with the type of services and facilities for which financial assistance is being made available.

TITLE II—NAVAL PETROLEUM RESERVES

SEC. 201. Chapter 641 of title 10, United States Code, is amended as follows:

(1) Immediately before section 7421 insert the following new section:

"§ 7420. Definitions 10 USC 7420.

"(a) In this chapter—

"(1) 'national defense' includes the needs of, and the planning and preparedness to meet, essential defense, industrial, and military emergency energy requirements relative to the national safety, welfare, and economy, particularly resulting from foreign military or economic actions;

"(2) 'naval petroleum reserves' means the naval petroleum and oil shale reserves established by this chapter, including Naval Petroleum Reserve Numbered 1 (Elk Hills), located in Kern County, California, established by Executive order of the President, dated September 2, 1912; Naval Petroleum Reserve Numbered 2 (Buena Vista), located in Kern County, California, established by Executive order of the President, dated December 13, 1912; Naval Petroleum Reserve Numbered 3 (Teapot Dome), located in Wyoming, established by Executive order of the President, dated April 30, 1915; Naval Petroleum Reserve Numbered 4, Alaska, established by Executive order of the President, dated February 27, 1923 (until redesignated as the National Petroleum Reserve in Alaska under the jurisdiction of the Secretary of the Interior as provided in the Naval Petroleum Reserves Production Act of 1976); Oil Shale Reserve Numbered 1, located in Colorado, established by Executive order of the President, dated December 6, 1916, as amended by Executive order dated June 12, 1919; Oil Shale Reserve Numbered 2, located in Utah, established by Executive order of the President, dated December 6, 1916; and Oil Shale Reserve Numbered 3, located in Colorado, established by Executive order of the President, dated September 27, 1924;

"(3) 'petroleum' includes crude oil, gases (including natural gas), natural gasoline, and other related hydrocarbons, oil shale, and the products of any of such resources;

"(4) 'Secretary' means the Secretary of the Navy;

"(5) 'small refiner' means an owner of a refinery or refineries (including refineries not in operation) who qualifies as a small business refiner under the rules and regulations of the Small Business Administration; and

"(6) 'maximum efficient rate' means the maximum sustainable daily oil or gas rate from a reservoir which will permit economic development and depletion of that reservoir without detriment to the ultimate recovery.".

(2) Section 7421(a) is amended— 10 USC 7421.

(A) by striking out "of the Navy";

(B) by striking out "and oil shale";

(C) by striking out "for naval purposes" and inserting in lieu thereof "for national defense purposes"; and

(D) by striking out "section 7438 hereof" and inserting in lieu thereof "this chapter".

(3) The text of section 7422 is amended to read as follows: 10 USC 7422.

"(a) The Secretary, directly or by contract, lease, or otherwise, shall explore, prospect, conserve, develop, use, and operate the naval petroleum reserves in his discretion, subject to the provisions of subsection

(c) and the other provisions of this chapter; except that no petroleum leases shall be granted at Naval Petroleum Reserves Numbered 1 and 3.

"(b) Except as otherwise provided in this chapter, particularly subsection (c) of this section, the naval petroleum reserves shall be used and operated for—

"(1) the protection, conservation, maintenance, and testing of those reserves; or

"(2) the production of petroleum whenever and to the extent that the Secretary, with the approval of the President, finds that such production is needed for national defense purposes and the production is authorized by a joint resolution of Congress.

"(c)(1) In administering Naval Petroleum Reserves Numbered 1, 2, and 3, the Secretary is authorized and directed—

"(A) to further explore, develop, and operate such reserves;

"(B) commencing within ninety days after the date of enactment of the Naval Petroleum Reserves Production Act of 1976, to produce such reserves at the maximum efficient rate consistent with sound engineering practices for a period not to exceed six years after the date of enactment of such Act;

"(C) during such production period or any extension thereof to sell or otherwise dispose of the United States share of such petroleum produced from such reserves as hereinafter provided; and

"(D) to construct, acquire, or contract for the use of storage and shipping facilities on and off the reserves and pipelines and associated facilities on and off the reserves for transporting petroleum from such reserves to the points where the production from such reserves will be refined or shipped.

Any pipeline in the vicinity of a naval petroleum reserve not otherwise operated as a common carrier may be acquired by the Secretary by condemnation, if necessary, if the owner thereof refuses to accept, convey, and transport without discrimiation and at reasonable rates any petroleum produced at such reserve. With the approval of the Secretary, rights-of-way for new pipelines and associated facilities may be acquired by the exercise of the right of eminent domain in the appropriate United States district court. Such rights-of-way may be acquired in the manner set forth in the Act of February 26, 1931, chapter 307 (46 Stat. 1421; 40 U.S.C. 258(a)), and the prospective holder of the right-of-way is 'the authority empowered by law to acquire the lands' within the meaning of that Act. Such new pipelines shall accept, convey, and transport without discrimination and at reasonable rates any petroleum produced at such reserves as a common carrier. Pipelines and associated facilities constructed at or procured for Naval Petroleum Reserve Numbered 1 pursuant to this subsection shall have adequate capacity to accommodate not less than three hundred fifty thousand barrels of oil per day and shall be fully operable as soon as possible, but not later than three years after the date of enactment of the Naval Petroleum Reserves Production Act of 1976.

"(2) At the conclusion of the six-year production period authorized by paragraph (1)(B) of this subsection the President may extend the period of production in the case of any naval petroleum reserve for additional periods of not to exceed three years each—

Investigation.

"(A) after the President requires an investigation to be made, in the case of each extension, to determine the necessity for continued production from such naval petroleum reserve;

Report to Congress.

"(B) after the President submits to the Congress, at least one hundred eighty days prior to the expiration of the current production period prescribed by this section, or any extension thereof,

a copy of the report made to him on such investigation together with a certification by him that continued production from such naval petroleum reserve is in the national interest; and

"(C) if neither House of Congress within ninety days after receipt of such report and certification adopts a resolution disapproving further production from such naval petroleum reserve.

"(3) The production authorization set forth in paragraph (1)(B) of this subsection, in the case of Naval Petroleum Reserve Numbered 1, is conditioned upon the private owner of any lands or interests therein within such reserve agreeing with the Secretary to continue operations of such reserve under a unitized plan contract which adequately protects the public interest; however, if such agreement is not reached within ninety days after the date of enactment of the Naval Petroleum Reserves Production Act of 1976 the Secretary is authorized to exercise the authority for condemnation conferred by section 7425 of this chapter.".

(4) The first sentence of section 7423 is amended by deleting "of the Navy" and "or products". 10 USC 7423.

(5) Section 7424 is amended— 10 USC 7424.

(A) by deleting "of the Navy" in the text of subsection (a) preceding clause (1);

(B) by deleting "and oil shale" in subsection (a)(1) in the text preceding subclause (A); and

(C) by deleting "in the ground" in clause (1)(A) of subsection (a).

(6) Section 7425 is amended by deleting "of the Navy". 10 USC 7425.

(7) Section 7426(a) is amended by striking out "the Secretary of the Navy" and inserting in lieu thereof "Subject to the provisions of section 7422(c), the Secretary". 10 USC 7426.

(8) The first and second sentences of section 7427 are amended by striking out "of the Navy". 10 USC 7427.

(9) Section 7428 is amended by striking out "within the naval petroleum and oil shale reserves shall contain a provision authorizing the Secretary of the Navy" and inserting in lieu thereof "within Naval Petroleum Reserve Numbered 2 and the oil shale reserves shall contain a provision authorizing the Secretary". 10 USC 7428.

(10) The first sentence of section 7429 is amended by deleting "of the Navy". 10 USC 7429.

(11) The text of section 7430 is amended to read as follows: 10 USC 7430.

"(a) In administering the naval petroleum reserves under this chapter, the Secretary shall use, store, or sell the petroleum produced from the naval petroleum reserves and lands covered by joint, unit, or other cooperative plans.

"(b) Notwithstanding any other provision of law, each sale of the United States share of petroleum shall be made by the Secretary at public sale to the highest qualified bidder, for periods of not more than one year, at such time, in such amounts, and after such advertising as the Secretary considers proper and without regard to Federal, State, or local regulations controlling sales or allocation of petroleum products. Public sale.

"(c) In no event shall the Secretary permit the award of any contract which would result in any person obtaining control, directly or indirectly, over more than 20 per centum of the estimated annual United States share of petroleum produced from Naval Petroleum Reserve Numbered 1.

"(d) Each proposal for sale under this title shall provide that the terms of every sale of the United States share of petroleum from the naval petroleum reserves shall be so structured as to give full and

66-307 O - 76 - pt. 5 -- 64

equal opportunity for the acquisition of petroleum by all interested persons, including major and independent oil producers and refiners alike. When the Secretary, in consultation with the Secretary of the Interior, determines that the public interests will be served by the sale of petroleum to small refiners not having their own adequate sources of supply of petroleum, the Secretary is authorized and directed to set aside a portion of the United States share of petroleum produced for sale to such refiners under the provisions of this section for processing or use in such refineries, except that—

"(1) none of the production sold to small refiners may be resold in kind;

"(2) production must be sold at a cost of not less than the prevailing local market price of comparable petroleum;

"(3) the set-aside portion may not exceed 25 per centum of the estimated annual United States share of the total production from all producing naval petroleum reserves; and

"(4) notwithstanding the provisions of subsection (b) of this section, the Secretary may, at his discretion if he deems it to be in the public interest, prorate such petroleum among such refiners for sale, without competition, at not less than the prevailing local market price of comparable petroleum.

"(e) Any petroleum produced from the naval petroleum reserves, except such petroleum which is either exchanged in similar quantities for convenience or increased efficiency of transportation with persons or the government of an adjacent foreign state, or which is temporarily exported for convenience or increased efficiency of transportation across parts of an adjacent foreign state and reenters the United States, shall be subject to all of the limitations and licensing requirements of the Export Administration Act of 1969 (83 Stat. 841) and, in addition, before any petroleum subject to this section may be exported under the limitations and licensing requirement and penalty and enforcement provisions of the Export Administration Act of 1969, the President must make and publish an express finding that such exports will not diminish the total quality or quantity of petroleum available to the United States and that such exports are in the national interest and are in accord with the Export Administration Act of 1969.

50 USC app. 2401 note.

"(f) During the period of production or any extension thereof authorized by section 7422(c), the consultation and approval requirements of section 7431(a)(3) are waived.

Waiver.
Ante, p. 307.
Post, p. 311.

"(g)(1) Prior to the promulgation of any rules and regulations, plans of development and amendments thereto, and in the entering and making of contracts and operating agreements relating to the development, production, or sale of petroleum in or from the reserves, the Secretary shall consult with and give due consideration to the views of the Attorney General of the United States with respect to matters which may affect competition.

Rules and regulations.

"(2) No contract or operating agreement may be made, issued, or executed under this chapter until at least thirty days after the Secretary notifies the Attorney General of the proposed contract or operating agreement. Such notification shall contain such information as the Attorney General may require in order to advise the Secretary as to whether such contract or operating agreement may create or maintain a situation inconsistent with the antitrust laws. If, within such thirty day period, the Attorney General advises the Secretary that a contract or operating agreement may create or maintain a situation inconsistent with the antitrust laws, then the Secretary may not make, issue, or execute that contract or operating agreement.

Contract or operating agreement, notification.

"(h) Nothing in this chapter shall be deemed to confer on any person immunity from civil or criminal liability, or to create defenses to actions, under the antitrust laws.

"(i) As used in this section, the term 'antitrust laws' means— "Antitrust laws."

"(1) the Act entitled 'An Act to protect trade and commerce against unlawful restraints and monopolies', approved July 2, 1890 (15 U.S.C. 1 et seq.), as amended;

"(2) the Act entitled 'An Act to supplement existing laws against unlawful restraints and monopolies, and for other purposes', approved October 15, 1914 (15 U.S.C. 12 et seq.), as amended;

"(3) the Federal Trade Commission Act (15 U.S.C. 41 et seq.), as amended;

"(4) sections 73 and 74 of the Act entitled 'An Act to reduce taxation, to provide revenue for the Government, and for other purposes', approved August 27, 1894 (15 U.S.C. 8 and 9), as amended; or

"(5) sections 2, 3, and 4 of the Act of June 19, 1936, chapter 592 (15 U.S.C. 13a, 13b, and 21a).

"(j) Any pipeline which accepts, conveys, or transports any petroleum produced from Naval Petroleum Reserves Numbered 1 or Numbered 3 shall accept, convey, and transport without discrimination and at reasonable rates any such petroleum as a common carrier insofar as petroleum from such reserves is concerned. Every contract entered into by the Secretary for the sale of any petroleum owned by the United States which is produced from such reserves shall contain provisions implementing the requirements of the preceding sentence if the contractor owns a controlling interest in any pipeline or any company operating any pipeline, or is the operator of any pipeline, which carries any petroleum produced from such naval petroleum reserves. The Secretary may promulgate rules and regulations for the purpose of carrying out the provisions of this section and he, or the Secretary of the Interior where the authority extends to him, may declare forfeit any contract, operating agreement, right-of-way, permit, or easement held by any person violating any such rule or regulation. This section shall not apply to any natural gas common carrier pipeline operated by any person subject to regulation under the Natural Gas Act or any public utility subject to regulation by a State or municipal regulatory agency having jurisdiction to regulate the rates and charges for the sale of natural gas to consumers within the State or municipality. Rules and regulations. 15 USC 717w.

"(k) The President may, at his discretion, direct that all or any part of the United States share of petroleum produced from the naval petroleum reserves be placed in strategic storage facilities as authorized by sections 151 through 166 of the Energy Policy and Conservation Act or that all or any part of such share be exchanged for petroleum of equal value for the purpose of placing such petroleum in such strategic storage facilities.". 42 USC 6231-6246.

(12) Section 7431 is amended— 10 USC 7431.

(A) by inserting "(a)" immediately before "The Committees";

(B) by striking out "or oil shale" in clauses (1) and (2);

(C) by striking out "and oil shale" in clauses (2) and (3);

(D) by striking out "oil and gas (other than royalty oil and gas), oil shale, and products therefrom" in clause (3) and inserting in lieu thereof "petroleum (other than royalty oil and gas)"; and

(E) by adding at the end thereof the following new subsections:

"(b)(1) During the period of production authorized by section

Ante, p. 307.
Report to congressional committees.

7422(c), the Secretary shall submit to the Committees on Armed Services of the Senate and the House of Representatives any new plans or substantial amendments to ongoing plans for the exploration, development, and production of the naval petroleum reserves.

Report to Congress.

"(2) All plans or substantial amendments submitted to the Congress pursuant to this section shall contain a report by the Attorney General of the United States with respect to the anticipated effects of such plans or amendments on competition. Such plans or amendments shall not be implemented until sixty days after such plans or amendments have been submitted to such committees.

Reports to congressional committees.

"(c) During the period of production authorized by section 7422(c), the Secretary shall submit annual reports as of the first day of the fiscal year to the Committees on Armed Services of the Senate and the House of Representatives, and such committees shall cause such reports to be printed as a Senate or House document, as appropriate. The Secretary shall include in such reports, with respect to each naval petroleum reserve, an explanation in detail of the following:

"(1) the status of the exploration, development, and production programs;

"(2) the production that has been achieved, including the disposition of such production and the proceeds realized therefrom;

"(3) the status of pipeline construction and procurement and problems related to the availability of transportation facilities;

"(4) a summary of future plans for exploration, development, production, disposal, and transportation of the production from the naval petroleum reserves; and

"(5) such other information regarding the reserve as the Secretary deems appropriate.".

10 USC 7432.

(13) Section 7432 is amended to read as follows:

"§ 7432. Naval petroleum reserves special account

"(a) There is hereby established on the books of the Treasury Department a special account designated as the 'naval petroleum reserves special account'. There shall be credited to such account—

"(1) all proceeds realized under this chapter from the disposition of the United States share of petroleum;

"(2) the net proceeds, if any, realized from sales or exchanges within the Department of Defense of refined petroleum products accruing to the benefit of any component of that department as the result of any such sales or exchanges;

"(3) such additional sums as may be appropriated for the maintenance, operation, exploration, development, and production of the naval petroleum reserves;

10 USC 7433.

"(4) such royalties as may accrue under the provisions of section 7433; and

"(5) any other revenues resulting from the operation of the naval petroleum reserves.

"(b) Funds available in the naval petroleum reserve special account shall be available for expenditure in such sums as are specified in annual appropriations Acts for the expenses of—

"(1) exploration, prospecting, conservation, development, use, operation, and production of the naval petroleum reserves as authorized by this chapter;

"(2) production (including preparation for production) as authorized by this chapter, or as may hereafter be authorized;

"(3) the construction and operation of facilities both within and outside the naval petroleum reserves incident to the production and the delivery of petroleum, including pipelines and shipping terminals;

"(4) the procurement of petroleum for, and the construction and operation of facilities associated with, the Strategic Petroleum Reserve authorized by sections 151 through 166 of the Energy Policy and Conservation Act; and

"(5) the exploration and study of the National Petroleum Reserve in Alaska as authorized in title I of the Naval Petroleum Reserves Production Act of 1976.

42 USC 6231-6246.

Ante, p. 303.

"(c) The budget estimates for annual appropriations from the naval petroleum reserves special account shall be prepared by the Secretary and shall be presented to the Congress by the President independently of the budget of the Department of the Navy and the Department of Defense.

Budget estimates, presentation to Congress.

"(d) Contracts under this chapter providing for the obligation of funds may be entered into by the Secretary for a period of five years, renewable, at the option of the Secretary, for an additional five-year period; however, such contracts may obligate funds only to the extent that such funds are made available in annual appropriations.".

Contracts.

(14) Section 7433(a) is amended by striking out "of the Navy". 10 USC 7433.

(15) Section 7433(b) is amended by striking out "and oil shale".

(16) Section 7434 is amended by striking out "and oil shale". 10 USC 7434.

(17) Section 7435(b) is amended by striking out "of the Navy". 10 USC 7435.

(18) Section 7436(a) is amended by deleting "of the Navy, subject to approval of the President,". 10 USC 7436.

(19) Section 7438 is amended by striking out "Secretary of the Interior" wherever it occurs and inserting therefor "Administrator of the Energy Research and Development Administration"; and by striking out "of the Navy" wherever it occurs. 10 USC 7438.

(20) The table of sections at the beginning of such chapter is amended—

(A) by inserting immediately before

"7421. Jurisdiction and control."

the following:

"7420. Definitions."

(B) by striking out:

"7432. Expenditures; appropriations chargeable."

and inserting in lieu thereof the following:

"7432. Naval petroleum reserve special account."

Approved April 5, 1976.

LEGISLATIVE HISTORY:

HOUSE REPORTS: No. 94-81 Pts. I, 2, 3 (Comm. on Interior and Insular Affairs) and No. 94-156 accompanying H. R. 5919 (Comm. on Armed Services) and No. 94-942 (Comm. of Conference).

SENATE REPORTS: No. 94-327 accompanying S. 2173 (Comm. on Armed Services) and No. 94-708 (Comm. of Conference).

CONGRESSIONAL RECORD:

Vol. 121 (1975): July 8, considered and passed House.
July 28, S. 2173 considered in Senate.
July 29, considered and passed Senate, amended, in lieu of S. 2173.

Vol. 122 (1976): Mar. 24, Senate agreed to conference report.
Mar. 31, House agreed to conference report.

WEEKLY COMPILATION OF PRESIDENTIAL DOCUMENTS:

Vol. 12, No. 15 (1976): Apr. 5, Presidential statement.

94th Congress, 2d Session - - - - - - - House Document No. 94–476

SUPPLEMENTAL APPROPRIATIONS AND BUDGET AMENDMENTS FOR ENERGY ACTIVITIES

COMMUNICATION

FROM

THE PRESIDENT OF THE UNITED STATES

TRANSMITTING

PROPOSED SUPPLEMENTAL APPROPRIATIONS FOR FISCAL YEAR 1976 AND THE TRANSITION QUARTER, AND BUDGET AMENDMENTS FOR FISCAL YEAR 1977 FOR FUNDS APPROPRIATED TO THE PRESIDENT, THE DEPARTMENT OF DEFENSE—MILITARY, AND THE FEDERAL ENERGY ADMINISTRATION

APRIL 27, 1976.—Referred to the Committee on Appropriations and ordered to be printed

---

U.S. GOVERNMENT PRINTING OFFICE
WASHINGTON : 1976

THE WHITE HOUSE,
Washington, April 26, 1976.

The SPEAKER OF THE HOUSE OF REPRESENTATIVES.

SIR: I ask the Congress to consider, for Funds Appropriated to the President, the Department of Defense-Military, and the Federal Energy Administration, fiscal year 1976 and transition quarter supplemental appropriations and amendments to 1977 appropriations requested in the 1977 budget. These requests total $354,526,000 for fiscal year 1976, $28,967,000 for the transition quarter, and $849,510,000 for fiscal year 1977.

The details of these proposals are set forth in the enclosed letter from the Director of the Office of Management and Budget. I concur with his comments and observations.

Respectfully,

GERALD R. FORD.

[Estimate No. 51, 94th Cong., 2d sess.]

EXECUTIVE OFFICE OF THE PRESIDENT,
OFFICE OF MANAGEMENT AND BUDGET,
Washington, D.C., April 26, 1976.

The PRESIDENT,
The White House.

SIR: I have the honor to submit for your consideration, for Funds Appropriated to the President, the Department of Defense-Military, and the Federal Energy Administration, proposed supplemental appropriations for fiscal year 1976 and the transition quarter and amendments to 1977 appropriations requested in the 1977 budget. These requests total $354,526,000 for fiscal year 1976, $28,967,000 for the transition quarter, and $849,510,000 for fiscal year 1977. The details of these requests are contained in the enclosure to this letter.

I have carefully reviewed the proposals for appropriations contained in this document, and I am satisfied that these requests are necessary at this time. I recommend, therefore, that these proposals be transmitted to the Congress.

Respectfully,

JAMES T. LYNN,
Director.

Enclosures.

(Proposed 1976 and transition quarter supplementals:)

FUNDS APPROPRIATED TO THE PRESIDENT

PETROLEUM RESERVES

For expenses necessary to carry out section 201 of the Naval Petroleum Reserves Production Act of 1976, $24,152,000, to remain available until expended.

For "Petroleum reserves" for the period July 1, 1976, through September 30, 1976, $15,350,000, to remain available until expended.

These funds will be used for reactivating and operating production facilities, and constructing pipeline tie-ins associated with opening up Naval Petroleum Reserves numbered 1 and 3 to maximum effective production.

OTHER INDEPENDENT AGENCIES

FEDERAL ENERGY ADMINISTRATION

SALARIES AND EXPENSES

For an additional amount for "Salaries and expenses", $16,808,000.

For an additional amount for "Salaries and expenses" for the period July 1, 1976, through September 30, 1976, $13,017,000: *Provided, That this appropriation shall be available only upon enactment into law of authorizing legislation.*

These funds will be used to carry out activities of the Federal Energy Administration authorized by the Energy Policy and Conservation Act. Primary activities include continuation of petroleum industry audits and investigations and initiation of a State grant program to promote energy conservation.

STRATEGIC PETROLEUM RESERVE

For expenses necessary to carry out sections 151 through 166 of the Energy Policy and Conservation Act of 1975, $313,566,000, to remain available until expended.

For "Strategic petroleum reserve" for the period July 1, 1976, through September 30, 1976, $600,000, to remain available until expended.

These funds will be used to carry out activities of the Federal Energy Administration authorized by sections 151 through 166 of the Energy Policy and Conservation Act of 1975. Primary activities include completion of various studies and construction of facilities needed for the petroleum storage program.

(Proposed 1977 Budget Amendments:)

FUNDS APPROPRIATED TO THE PRESIDENT

Budget appendix page	Heading	1977 request pending	1977 proposed amendment	1977 revised request
95	Petroleum reserves		$421,366,000	$421,366,000
	(Add the above heading and the following paragraph immediately after the material under the account "Middle East Special Requirements Fund":)			
	For expenses necessary to carry out section 201 of the Naval Petroleum Reserves Production Act of 1976, $421,366,000, and such sums as are available, not to exceed $557,684,000, which shall be derived from the Naval Petroleum Reserves Special Account, to remain available until expended.			

These funds will be used for production equipment and pipeline facilities for production from the Naval Petroleum Reserves and the continuing program for Oil Shale Reserves, and continued exploration and development of Naval Petroleum Reserve number 4 until it is transferred to the Department of the Interior and redesignated as the National Petroleum Reserve in Alaska. Funding to be derived from the Naval Petroleum Reserves Special Account, if available, will be used to offset appropriations requested from the General Fund for expenses necessary to carry out provisions of sections 151 through 166 of the Energy Policy and Conservation Act of 1975. Of the amount requested, $367,700,000 was included in the 1977 budget totals as an item proposed for later transmittal.

DEPARTMENT OF DEFENSE—MILITARY

Budget appendix page	Heading	1977 request pending	1977 proposed amendment	1977 revised request
247	Naval petroleum reserve	$221,300,000	−$221,300,000	
	(Delete the above heading and the paragraph thereunder.)			

Funding for this activity, authorized by section 201 of the Naval Petroleum Reserves Production Act of 1976, is being requested under the heading "Petroleum Reserves", Funds Appropriated to the President.

OTHER INDEPENDENT AGENCIES

FEDERAL ENERGY ADMINISTRATION

Budget appendix page	Heading	1977 request pending	1977 proposed amendment	1977 revised request
726	Salaries and expenses	$101,307,000	$91,760,000	$193,157,000

These funds will be used to continue petroleum industry audits and investigations, to initiate a State grant program to promote energy conservation, and to carry out other activities required by the Energy Policy and Conservation Act.

Budget appendix page	Heading	1977 request pending	1977 proposed amendment	1977 revised request
726	Strategic petroleum reserve (Add the above heading and the following paragraph immediately after the material appearing under the heading "Salaries and Expenses":) *For expenses necessary to carry out sections 151 through 166 of the Energy Policy and Conservation Act of 1975, $557,684,000, to remain available until expended: Provided, That this appropriation shall be reduced to the extent that funds are made available for this purpose pursuant to section 201 of the Naval Petroleum Reserves Production Act of 1976.*		$557,684,000	$557,684,000

These funds will be used to purchase petroleum for the strategic petroleum storage program and for other activities required by the storage provisions of the Energy Policy and Conservation Act.

NAVAL PETROLEUM RESERVES

For expenses of exploration, prospecting, conservation, development, production, use and operation of the Naval Petroleum and Oil Shale Reserves in carrying out section 201 of the Naval Petroleum Reserves Production Act of 1976 $421,366,000.

FISCAL YEAR 1977 BUDGET AMENDMENT

The Naval Petroleum Reserves Production Act of 1976 (Public Law 94-258) requires the Secretary of the Navy to produce NPR's 1, 2, and 3 at the maximum efficient rate for a period of six years. Also included in the legislation is continuance of the development programs at Naval Petroleum Reserves 1 and 3. The Secretary is also tasked with procuring pipelines for disposition of production from Naval Petroleum Reserve No. 1 and continuing exploration of the Reserve in Alaska until it is transferred to the Department of the Interior, (DOI) on 1 June 1977. Funds remaining available in NPR-4 on 1 June 1977 will be transferred to DOI.

The normal operation, exploration, and development programs have been funded for FY 1976 and FY 19TQ from the Department of Defense appropriations.

The legislation will result in the transfer of the funding responsibility from the Department of Defense to Funds Appropriated to the President in FY 1977, require supplemental appropriations to Funds Appropriated to the President in FY 1976 and TQ, and an Amendment which deletes the $221,300,000 previously requested from Defense but add that same $221.3M to increased production costs of $200,066 in FY 1977.

Funding Effect of Public Law 94-258 (000's)

	FY 1976	FY 19TQ	FY 1977
Naval Petroleum Reserves (Dept of Defense)			- 221,300
Supplementals and Amendments (Funds Appropriated to the President)	24.2	15.4	421,366

This document addresses only the Fiscal Year 1977 Amendment but also reflects costs of the supplementals discussed in an earlier submission.

PROGRAM AND FINANCING (IN THOUSANDS OF DOLLARS)

IDENTIFICATION CODE 04-25-5001-2-2-305	FY 1976 SUPPLEMENTAL	FY 19TQ SUPPLEMENTAL	FY 1977 AMENDMENT
PROGRAM BY ACTIVITIES:			
10 PRODUCTION, ACQUISITION OF FACILITIES AND OPERATION OF PRODUCTION FACILITIES IN THE NAVAL PETROLEUM RESERVES	$ 24,152	$ 15,350	$ 421,366
FINANCING:			
21 UNOBLIGATED BALANCE AVAILABLE, START OF PERIOD	.....	.....	.....
24 UNOBLIGATED BALANCE AVAILABLE, END OF PERIOD	.....	.....	.....
40 BUDGET AUTHORITY (APPROPRIATION)	$ 24,152	$ 15,350	$ 421,366
BUDGET AUTHORITY:			
40 APPROPRIATION REQUEST PENDING	24,152	15,350	421,366
RELATION OF OBLIGATIONS TO OUTLAYS:			
71 OBLIGATIONS INCURRED, NET	24,152	15,350	421,366
72 OBLIGATED BALANCE, START OF PERIOD	.....	14,490	15,573
74 OBLIGATED BALANCE, END OF PERIOD	14,490	15,573	168,547
90 OUTLAYS	9,662	14,267	268,392

NAVAL PETROLEUM RESERVE

OBJECT CLASSIFICATION (IN THOUSANDS OF DOLLARS)

IDENTIFICATION CODE 04-25-5001-2-2-305		FY 1976 SUPPLEMENTAL	FY 19TQ SUPPLEMENTAL	FY 1977 AMENDMENT
	PERSONNEL COMPENSATION:			
11.1	PERMANENT POSITIONS	.....	56	1,894
11.5	OTHER PERSONNEL COMPENSATION	.....	.....	3
	TOTAL PERSONNEL COMPENSATION		56	1,897
	PERSONNEL COMPENSATION	.....	56	1,897
12.1	PERSONNEL BENEFITS: CIVILIAN	.....	5	182
21.0	TRAVEL AND TRANSPORTATION OF PERSONS	.....	.....	188
22.0	TRANSPORATION OF THINGS	100	200	500
23.0	RENT, COMMUNICATION, AND UTILITIES	.....	.....	97
24.0	PRINTING AND REPRODUCTION	.....	.....	22
25.0	OTHER SERVICES	5,452	10,800	395,424
26.0	SUPPLIES AND MATERIALS	.....	.....	27
31.0	EQUIPMENT	18,600	4,289	23,029
99.0	TOTAL OBLIGATIONS	24,152	15,350	421,366

FUNDS APPROPRIATED TO THE PRESIDENT

Naval Petroleum Reserves

Personnel Increases

Identificiation code: 04-25-5001-2-2-305	1976	TQ	1977
Total number of permanent positions	-	16	46
Full-time equivalent of other positions . .	-	-	-
Average paid employment	-	1.5	46
Average GS grade.	-	7.88	9.91
Average GS Salary	-	12,656	16,511

SUMMARY INCLUDING PRESENT STAFF

Total number of permanent positions	70	86	113
Full-time equivalent of other positions . .	-	-	-
Average paid employment	62	20	107
Average GS grade.	9.27	9.01	9.53
Average GS Salary	17,516	16,237	17,075

SUMMARY OF OBLIGATIONS

(IN THOUSANDS)

		FY 1976 Supplemental	FY 19TQ Supplemental	FY 1977 Amendments
A	NAVAL PETROLEUM RESERVE NO. 1	$11,900	$10,824	$285,970
B	NAVAL PETROLEUM RESERVE NO. 2 & 3	11,500	4,509	32,620
C	NAVAL PETROLEUM RESERVE NO. 4	752	-	100,492
D	NAVAL OIL SHALE RESERVES	-	-	1,300
E	OFFICE OF DIRECTOR	-	17	984
	TOTAL DIRECT OBLIGATIONS IN BUDGET DOCUMENT	$24,152	$15,350	$421,366

NAVAL PETROLEUM RESERVES

		PET RES. #1	PET RES. #2	PET RES #3	PET RES. #4	TOTAL
LOCATION:						
AREA		ELK HILLS	BUENA VISTA HILLS	TEAPOT DOME	ARCTIC SLOPE	
COUNTY		KERN	KERN	NATRONA	------	
STATE		CALIFORNIA	CALIFORNIA	WYOMING	ALASKA	
ESTABLISHED BY:						
EXECUTIVE ORDER OF		PRESIDENT TAFT	PRESIDENT TAFT	PRESIDENT WILSON	PRESIDENT HARDING	
DATE		2 SEPTEMBER 1912	13 DECEMBER 1912	30 APRIL 1915	27 FEBRUARY 1923	
ACREAGE - TOTAL		46,095	30,181	9,481	23,680,000	23,765,757
GOVERNMENT		37,554	9,224	9,481	23,680,000	23,736,259
PRIVATE		8,541	20,957	---	--------	29,498
ESTIMATED REMAINING RECOVERABLE OIL RESERVES (BARRELS), 7-1-75	TOTAL	1,009,733,613	23,84[illegible],000	42,402,054	10,000,000,000	11,076,056,667
	NAVY	807,147,318	10,266,433	42,402,054	10,000,000,000	10,859,895,805
					(NOT PROVEN BY DRILLING BUT CONSIDERED CONSERVATIVE BY MANY AUTHORITIES)	
ESTIMATED NET WORTH (USING A CONSERVATIVE AVERAGE $10.00 PER BARREL OF OIL. DOES NOT CONSIDER VALUE OF NATURAL GAS)	TOTAL	$10,097,336,130	$238,410,000	$424,020,540	$100,000,000,000	$110,760,566,670
	NAVY	8,071,473,100	102,664,330	424,020,540	100,000,000,000	108,598,958,050

NAVAL OIL SHALE RESERVES

	OIL SHALE RES. #1	OIL SHALE RES. #3	OIL SHALE RES #2	
LOCATION				
COUNTY	GARFIELD	GARFIELD	UINTAH AND CARBON	
STATE	COLORADO	COLORADO	UTAH	
ESTABLISHED BY:				
EXECUTIVE ORDER OF	PRESIDENT WILSON	PRESIDENT COOLIDGE	PRESIDENT WILSON	
DATE	6 DECEMBER 1916	27 SEPTEMBER 1924	6 DECEMBER 1916	
ACREAGE	54,893 (NOS #1 & 3 ARE CONSIDERED JOINTLY)		90,440	145,333
ESTIMATED RECOVERABLE OIL FROM SHALES ASSAYING 15 GAL/TON OR MORE (BARRELS)	12,000,000,000		4,000,000,000	16,000,000,000
ESTIMATED NET WORTH (USING $10.00 PER BARREL OF OIL)	120,000,000,000		40,000,000,000	160,000,000,000

Budget Program A: NAVAL PETROLEUM RESERVE NO. 1 (In Thousands)

FY-1976 Supplemental	FY-19TQ Supplemental	FY-1977 Amendment
11,900	10,824	285,970

This Reserve, located in the Elk Hills area of Kern County, California, near Bakersfield has been in a high state of development since early in fiscal year 1975. However, in the absence of specific authority, no pipelines have been constructed outside the Reserve, nor have facilities been brought up to production capability. With the enactment of P. 94-258 it is now necessary to build pipeline tie-ins to various private facilities outside the Reserve to give the Navy the capability to transport crude oil to the available markets. It is also necessary that present gas processing facilities be reactivated and expanded to enable Navy to bring the Reserve up to full production capacity. Of further immediate concern is the necessity to prepare environmental impact statements, prepare designs, take condemnation action where necessary and commence acquisition and construction related to acquiring a Navy pipeline directly to market areas. Additionally, the Secretary is required to continue, and refine, those operations, development, and exploration programs in effect at the time of enactment of PL 94-258. The specifics are as follows:

	(In Thousands) 1976	19TQ	1977 Estimate
Regular operations			$ 4,290
Exploration			7,870
Development			105,746
Production	$11,900	$10,824	168,064
TOTAL	$11,900	$10,824	$285,970

Regular Operations

Regular operations include (1) operations in the Unit which are chiefly in the Shallow Oil Zone and consists of limited oil production under various programs designed to prevent damage to, and the loss of oil from this Zone due to oil migration, water encroachment, and other reservoir problems; (2) maintenance of all Unit wells and surface facilities in a condition of readiness to produce when required; and (3) drilling and production of protective offset wells on Navy's non-Unit lands.

$4,290

Exploration

Exploration programs planned for this Reserve for FY 1977 are shown below.

ZONES	FY 1977 Estimate Cost	Wells
A. Stevens Zone	$1,200	2
B. Carneros Zone	670	1
C. Basement Test	5,925	1
D. Geologic Evaluation	75	—
TOTAL	$7,870	4

Development

The $105.7 million in FY 1977 for development provides for drilling and equipping additional Shallow and Stevens Zone wells and for purchasing and installation of additional surface facilities on the Reserve to handle the production of up to 160,000 barrels of oil per day. The development activities planned in 1977 are:

	1977 Estimate
Wells and Equipment	$ 81,212
Buy and Install Surface Facilities	20,445
Contractors Overhead and Profit	4,089
Total (Development)	$105,746

Production

Production contemplated by PL 94-258 should reach 130,000 barrels of oil per day (BOPD) early in the transition quarter. During fiscal year 1977, gas plants will be expanded and further acquisition and construction of pipeline will be accomplished, to aid in achieving the goal of maximum efficient rate of production (approximately 350,000 BOPD) required by the Act. Specifics are as follows:

	FY-1976 Supplemental	FY-19TQ Supplemental	FY-1977 Amendment
Demothballing (Gas Processing and other Equipment)	1,400	-	-
Production (includes upgrading facilities)	1,500	3,800	15,440
Gas processing plant and gathering & injection facilities	-	-	87,138
Pipeline to Pt. Hueneme (200,000 BOPD capacity) or Riverside (350,000 BOPD capacity)			
Design	1,000	-	-
Environmental Impact Statement	1,000	-	-
Condemnation	3,000	-	-
Construction or Acquisition	-	7,000	65,000
Pipeline tie-ins to TOSCO, UNION, ARCO, SOCAL (130,000 BOPD capacity)	4,000	-	-
27 Additional Civilian Billets	-	24	486
TOTAL NPR #1	11,900	10,824	168,064

Budget Program B: NAVAL PETROLEUM RESERVE NO. 2 & 3

Naval Petroleum Reserve No. 2

(In Thousands)
1977 Estimate - $20

Reserve No. 2 is located in the Buena Vista Hills area of Kern County, California. It consists of 30,181 acres, of which 9,224 are owned by the United States and the remaining 20,957 by private interests. It is operated as a commercial oil field, since the Navy holdings are checkerboarded throughout the Reserve. All productive Navy lands in this Reserve have been leased and produced since the 1920's; 17 leases are currently held by six companies.

This budget provides for the administration of oil and gas leases on Navy's lands. Funds are to cover costs of determining royalties accruing to the Navy under the leases, and for preparing billings for these royalties.

Naval Petroleum Reserve No. 3

(In Thousands)

FY-1976 Supplemental	FY-17TQ Supplemental	FY-1977 Amendment
11,500	4,509	32,600

This Reserve, located in the Teapot Dome area of Natrona County, Wyoming was scheduled for commencment of development in fiscal year 1978. With the enactment of PL 94-258, development is being accelerated to accomplish the provisions of the Act. To this end, demothballing of facilities and procurement of drilling and production equipment must start immediately. The exploration program in effect at the time of enactment of this Act will continue, with three wells scheduled for FY 1977. Specifics follow:

	FY-1976	FY-19TQ	FY-1977 Amendment
Demothballing	1,500	-	-
Production	-	90	1,260
Production Facilities & Development Drilling	10,000	4,400	30,400
10 Additional Civilian Billets	-	19	183
Continuation of Present Program	-	-	757
TOTAL NPR #3	11,500	4,509	32,600

Budget Program C: NAVAL PETROLEUM RESERVE NO. 4

(In Thousands)
1977 - $100,492
19TQ ...
1976 752

This Reserve consists of 23,680,000 acres located on the Arctic Slope of Alaska between the Brooks Range and the Arctic Ocean. Navy conducted an exploration program on the Arctic Slope from 1944 until it was suspended in January 1953; one important oil field and two important gas fields were discovered and numerous other small discoveries were made. About $51,000,000 was expended in the program, of which 10% was spent for exploration on lands outside the Reserve. Based upon present geological and other scientific knowledge of the Reserve, it has been conservatively estimated that it should contain from 10 to 33 billion barrels of oil reserves.

Since suspension of exploration in 1953 until January 1974, the only oil and gas activity on the Reserve has been the development and operation of the South Barrow Gas Field as a source of fuel and energy for Federal installations in the Barrow area, and, since December 1964, for the residents of the City of Barrow pursuant to Public Law 87-599 approved August 24, 1962.

This budget program provides for (1) continuation of the environmental clean-up program in this Reserve, (2) development drilling the the South Barrow Gas Field and exploration for additional gas sources in the Barrow area, and (3) continuance of a 7 year oil and gas exploration program which was initiated in 1974.

Under the terms of PL 94-258 this reserve will be transferred to the Department of the Interior effective on 1 June 1977. However in compliance with that act it will be necessary for Navy to take immediate action to upgrade the metering capability of the South Barrow Gas Field to enable the Navy, and later Interior, to receive an appropriate reimbursement for the gas provided to other Agencies. The total cost in fiscal year 1976 is $752,000.

(In Thousands)

	1976 Supplemental	19TQ Supplemental	1977 Amendment
Regular operations	752	-	$20,279
Exploration	-	-	80,213
TOTAL	752	-	$100,492

OPERATIONS	FY 1976 Supplemental	FY 19TQ Supplemental	FY 1977 Amendment
	752	...	20,279

Environmental Clean-up Program

Environmental clean-up is a normal, ongoing part of operations for Naval Petroleum Reserve No. 4. Drilling operations generate empty fuel drums, litter which must be collected and transported to suitable disposal areas by heavy vehicles. Travel on the tundra with heavy vehicles is only feasible during the cold season when the tundra is frozen. However, during this period the drums and litter are hidden under the snow and frozen to the tundra. Thus, the materials must be picked up and stacked in staging areas during the summer and transported out by surface equipment during the following cold season. During FY-1977 clean-up operations are planned for Topogoruk, which is located in the central part of Naval Petroleum Reserve No. 4.

Development and Exploration in Barrow Gas Field

This program includes the drilling of one development well per year in the S. Barrow Gas Field so that gas deliverability from the field will be sufficient to meet increasing demands of the Federal installations in the Barrow area and the residents of the City of Barrow.

Exploration Program

The Supplemental Appropriation Act, 1974, appropriated $7,500,000 for the first year of a 7-year general oil and gas exploration program. The exploration activities planned for this Reserve in 1977 are:

($ In Thousands)

	FY 1977 Estimate	Cost
Geophysical Operation (Geophysical Surveys)	-----2,880 L. Mi.	$23,040
Drilling Operations Test Wells	5(9,000 to 23,000 ft)	45,000
Purchase & Ship Equipment & Materials for next year's drilling		7,000
Geologic Evaluation, Fuel, Storage Pad		5,173
TOTAL, Exploration		$80,312

Budget Program D: NAVAL OIL SHALE RESERVES

(In Thousands)
1977 Estimate - $1,300

Naval Oil Shale Reserves Nos. 1 and 3, consisting of 54,893 acres, are located in Garfield County, Colorado, and Naval Oil Shale Reserve No. 2, 90,440 acres, in Uintah and Carbon Counties, Utah. It is estimated that these Reserves contain approximately 16 billion barrels of recoverable shale oil. The total shale oil contained in the Green River formation of Colorado, Utah, and Wyoming is estimated to exceed one trillion barrels. Additionally, the Naval Oil Shale Reserves may contain significant deposits of crude oil and gas. Exploration and development programs are being initiated to ascertain these deposits.

This budget program provides for surface management and exploration and development on the three Reserves. Surface work includes management of grazing, timber, wildlife, and recreation. This work is done by the U.S. Bureau of Land Management with reimbursement from Navy. Funds are also included in the FY 1977 program for seismic exploration and the preparation of a master development plan for NOSR-1.

	FY-1977 Amendment
Operations	$ 100
Exploration	900
Development	300
TOTAL NOSR's	$1,300

Budget Program D: OFFICE OF THE DIRECTOR

(In Thousands)

FY-1976 Supplemental	FY-19TQ Supplemental	FY-1977 Amendment
-	17	984

This program funds office expenses of the Office of the Director and employment of expert consultants for the Naval Petroleum Reserves, which administers the Reserves on behalf of the Secretary of the Navy. To carry out the provisions of PL 94-258 it is necessary to hire an additional nine civilian personnel bringing the total on board to 34 for fiscal year 1977. These personnel will provide the necessary expertise to handle the increased effort in pipeline construction, procurement activity, and accounting for receipts from sale of petroleum products.

INTRODUCTION OF ASSOCIATES

Senator BELLMON. I suggest that as best you can you summarize your statements. And perhaps you would first like to introduce those who are with you at the witness table.

Captain, you may proceed.

Captain DOWD. Yes, sir, Mr. Chairman.

On my immediate left is Comdr. Gordon Gilmore, the Deputy Director of the Office of Naval Petroleum Oil Shale Reserves. On his left is Lt. Comdr. Reuling, who is the Deputy Counsel in my office. On my immediate right is Mr. Frank Houtman, the Comptroller of the Office of Director. On his right is Mr. Richard Murphy, who is the senior petroleum engineer for Operations in NPR–4 in Alaska. On his right is Lt. Barron Benroth, attached to our staff and he handles oil shale matters. And, of course, at the far end of the table is Capt. Bob Jones from the Office of the Navy Comptroller.

We appreciate the opportunity to be here this morning, and to answer your questions. The summarization of the statement which you will have included in the record is that we are here seeking appropriations which will finance the day-to-day costs of exploration, operation, maintenance and production of the Naval Petroleum Reserves, with the exception of military personnel salaries which are paid out of a separate appropriation.

The funds requested include amounts for paying the civilian employees salaries, the services of various consulting firms, the contract services for maintenance of oil field equipment, oil field facilities, large amounts for necessary drilling operations, and, of course, the acquisition of fuel, oil field supplies and equipment repair parts.

We have included in this budget request the necessary money for continuing the exploration work that the Navy is conducting at Naval Petroleum Reserve No. 1, which is Elk Hills, Calif. We are also going to continue exploration and development of the Teapot Dome field which is the NPR, or Naval Petroleum Reserve, No. 3, in Wyoming. And we have included a large request to continue the exploratory effort that the Navy has ongoing in Naval Petroleum Reserve No. 4 in the Arctic.

The original appropriation request which was submitted through the auspices of the Department of Defense for fiscal year 1977 was, as the chairman has indicated, in the nature of $221.3 million. It, of course, did not contain any request for the payment of costs associated with producing the reserves. But with the recent enactment of Public Law 94–258 Congress has authorized the Navy to commence production from Naval Petroleum Reserve No. 1 at Elk Hills and Naval Petroleum Reserve No. 3, Teapot Dome, Wyo. In order to carry out our statutory mandate to produce crude oil at the maximum efficient rate for the next 6 years, it is necessary that we continue developing the field at Elk Hills and we complete the development of the old Teapot Dome oil field in Wyoming.

We estimate that although the Elk Hills field will come on-stream gradually as the pipeline constraints are gradually lifted and as the facilities at the field itself are readied so that we can deliver whatever production we can produce, eventually the Elk Hills field will become the largest producing field in the State of California. And that the

so-called maximum efficient rate of production will reach the neighborhood of 300,000 to 350,000 barrels per day.

The Teapot Dome field, Naval Petroleum Reserve No. 3, has not been completely developed. It has been maintained over the years in a state of mothballs so to speak. Therefore in order to produce that field at the maximum efficient rate it is necessary to develop the field by drilling an additional 450-odd wells.

The maximum production which the Navy predicts from Teapot Dome during the next few years will be approximately 20,000 barrels per day.

The table attached to the summary, which I believe you have before you, is a breakdown of the appropriations which have been made available to the Navy beginning in 1975, fiscal year 1975, shortly after the Arab embargo of oil focused national attention on the possibility of utilizing the Naval Petroleum Reserves to meet some of the problems generated by that Arab boycott.

That concludes the summary of what we are requesting, Mr. Chairman, and we are ready and waiting for any questions that you or Senator Young might wish to ask.

ANTICIPATED PRODUCTION

Senator BELLMON. Captain, let me ask one or two questions. Then perhaps Senator Young will have some.

You have outlined a fairly ambitious program of spending. What is the Government expected to get? Now you mentioned the current 350,000 barrels a day from Elk Hills as being the maximum efficient rate of production. Are we fairly sure of getting that level of production?

Captain DOWD. Well, I don't want to mislead you, Senator. We don't expect to reach that level of production within the first 2 years. We have a number of constraints out there which I would be happy to go into. One of them is the fact that there is a shortage of spare pipeline capacity in the vicinity of Elk Hills which reduces our delivery to the market, oil which we otherwise could produce.

We are temporarily constrained by the fact that all of our newly planned and, now in the process of being built, our LACT automatic transfer units are not all on-stream.

Senator BELLMON. What level of production do you anticipate reaching within 2 years?

Captain DOWD. We anticipate that we would be at about the 155,000 barrel a day mark by the end of next year.

PRODUCTION DISPOSITION

Senator BELLMON. Is that oil being marketed to refineries, or what is happening to it?

Captain DOWD. Yes, sir. We plan to conduct a public sale next week. We are offering an initial volume of production in the amount of 133,000 barrels for public sale to the highest bidder with 25 percent of the production being set aside for possible purchase by small business refiners.

Senator BELLMON. Well, are the constraints in the oil price control bill going to apply to that sale?

Captain DOWD. No, sir. Public Law 94–258 specifically exempts this production from any Federal, State or local allocation regulations. I understand that the Federal Energy Administration is currently studying what the interplay between production under this law will be with the other FEA and Government entitlements program. And, I understand hearings are going to be held by FEA sometime next week on the entitlements program.

PRODUCTION COST AND ANTICIPATED RECEIPTS FROM PET 1

Senator BELLMON. I think it would be helpful if you could provide the committee with information on production costs and anticipated receipts from Pet 1 from the development stage through, say, fiscal year 1980.

Captain DOWD. We could provide that information for the record, Senator.

[The information follows:]

INCOME STATEMENT NAVAL PETROLEUM RESERVE NO. 1
(000)

Estimated Receipts:	FY 74	FY 75	FY 76	FY 7T	FY 77	FY 78	FY 79	FY 80	TOTAL
I Oil Receipts	-	-	1,980	99,000	411,840	471,240	570,240	792,000	2,346,300
II Gas Receipts	-	-	-	-	28,296	28,296	28,296	28,296	113,184
TOTAL RECEIPTS	-	-	1,980	99,000	440,136	499,536	598,536	820,296	2,459,484
Estimated Costs:									
I Development Costs	47,395	32,851	82,369	43,860	258,370	77,251	300	-	542,396
II Operations Costs	-	-	-	1,066	4,290	8,578	9,060	9,446	32,440
III Production Costs	-	-	1,500	3,800	15,440	15,500	15,500	15,500	67,240
TOTAL RECEIPTS	47,395	32,851	82,869	48,726	278,100	101,329	24,860	24,946	642,076
Gross Profit (Loss)	(47,395)	(32,851)	(81,889)	50,274	162,036	398,207	573,676	795,350	1,817,408
Percentage of Receipts to Costs				203%	158%	493%	2,407%	3,288%	383%

NPR-4 EXPLORATORY WELLS

Senator BELLMON. I also note that in your statement you point out that three exploratory wells have been completed in Pet 4. What was the result of that drilling? Did you find commercial production?

Captain DOWD. Unfortunately, we have not been successful to date, Senator. We have just completed the third exploratory well at East Lake Teshekpuk, and I suppose the geologist would be of the opinion that it was geologically valuable, but in terms of producing it is a duster.

Senator BELLMON. You drilled three dry holes?

Captain DOWD. We have drilled two dry holes and a very marginal gas producer.

BARROW GAS WELL

Senator BELLMON. And I notice that you plan to drill a well—perhaps Senator Stevens knows a little about this—to service the Barrow area. Is this called a development well as an offset to a duster? Are you sure it will be a development well?

Captain DOWD. With your permission I would like to field that one to Mr. Murphy who is our expert petroleum engineer for the South Barrow gas field as he has dealt with it for many years.

Mr. MURPHY. The South Barrow gas field was discovered in 1949, and since that time we have developed the field as the demand in the Barrow area dictated. The well we plan to drill next spring is what we call a "gut shot," a sure shot right in the middle of the field.

Senator BELLMON. What I am curious about is why are we using tax money to drill a well to service the city of Barrow? Why doesn't the city or some private group drill this well?

Mr. MURPHY. Yes, sir. The majority of the gas is used by Government agencies at Barrow. And by the public law passed in 1962 Congress authorized the Navy to sell the gas to a native co-op in the Barrow area.

Senator BELLMON. Authorized, but that doesn't require that it be done.

Mr. MURPHY. No.

Senator BELLMON. If the Congress chose not to fund this request, is there a private group that might drill the well?

Mr. MURPHY. Not to my knowledge, sir.

TEAPOT DOME

Senator BELLMON. On the other reserve, Teapot Dome, you mentioned a maximum efficient rate of 20,000 barrels per day, and I believe you mentioned that it would take 450 wells to reach this level. Now if my arithmetic is right, that is something like 18 barrels per well per day. Is this going to be economical? What do those wells cost to drill and develop each one of them?

Captain DOWD. The relatively shallow wells—Commander Gilmore, can you expand on that?

Commander GILMORE. The wells at Teapot vary in depth from about 3,000 feet for the Second Wall Creek sand, and shallow wells in the Shannon sand vary from about 900 feet to 1,100 or 1,200

feet. And then the shale wells go down to about 1,300 feet. So they are relatively——

Senator BELLMON. You say 13-hundred feet, not thousand?

Commander GILMORE. 1,300 feet for the shale wells. I believe the current—let's see. May we ask Lieutenant Benroth?

Captain DOWD. I think the key to the question as to whether they are economical, the cost per well for the shallowest zone, the Shannon Zone, is estimated at $50,000 per well. The second Wall Creek Zone which is deeper, the cost goes up to $150,000 per well. And the deepest zone at Teapot is the so-called Tensleep Zone. We plan four wells for that zone at a cost of $150,000 each.

So those 104 wells planned during fiscal year 1977 are estimated to cost $11 million.

Senator BELLMON. That is roughly $100,000 per well, right?

Commander GILMORE. Correct.

FIVE YEAR TEAPOT PRODUCTION

Senator BELLMON. And what will be the reserves for each well anticipated?

Captain DOWD. Does anybody know how to field that question? Lieutenant Benroth?

Lieutenant BENROTH. Well, if I could, I might point out that the overall average production is going to be somewhat less than that 20,000 barrels per day. That basically is a peak production rate that we are looking at. The average production over the first 5 years is expected to be on the order of about 12,600 barrels per day. And when you look at that over 5 years and look at the total investment cost as opposed to the income from 12,600 barrels a day and the average of $12 or $13 a barrel it comes out well in excess of the cost, and the operating costs that we have had involved.

Senator BELLMON. When you say "well in excess," do you have figures to show what you are anticipating? I can't imagine any investor putting up money if you only have assurance that it will be well in excess. We want to know what the returns are likely to be.

Captain DOWD. Well, we have estimated recoverable reserves at NPR No. 3 as of July 1 last year on the order of 42 million barrels.

TOTAL DEVELOPMENT COST

Senator BELLMON. What would the development costs be for the whole field to get 42 million barrels?

Captain DOWD. Do we have the total development cost? Mr. Houtman is our money man. He seems to be on top of the figures.

Mr. HOUTMAN. It is estimated that the total development cost for the field will be about $50 million, sir. In receipt—we were talking a minute ago about whether or not it would pay off—receipts are estimated at about $1.980 million in the transition quarter period, $12 million in the 1977 time frame, $35.6 million in 1978, $64.3 million in 1979, and $74.2 million in 1980. That should, from our estimates, be about the peak of the receipts. From then on in it might decline.

Senator BELLMON. What price per barrel are you using to compute those?

Mr. HOUTMAN. $11 per barrel, sir.

Senator BELLMON. Are you deducting your operating costs?

Mr. HOUTMAN. That is gross, sir. But looking at this from a purely economic point of view, it is estimated that NPR–3 costs of operations, development, production, and even exploration for the period July 1, 1976, through the end of fiscal year 1980, will be $72,847,000. During that same period, it is estimated that income will be $189 million, thus realizing a net profit of $116,153,000, or a return of 259 percent on our investment.

OPERATING COSTS

Senator BELLMON. What are your annual operating costs estimated to be?

Mr. HOUTMAN. About 50 cents per barrel for what we call the lifting cost, sir.

Senator BELLMON. I have no further questions.

Senator YOUNG. I have two or three. How many wells do you plan to drill altogether on all of the reserves? You mentioned 450 at Teapot Dome.

Captain DOWD. Yes, sir. But I don't want to confuse you. We don't plan to drill that many wells during the coming fiscal year. The 450 wells that I mentioned earlier to Senator Bellmon was the total number of wells that we estimate will be required to be drilled during the 6 year open up phase.

Senator YOUNG. How many years?

Captain DOWD. The field will be open for 6 years, Senator, before a decision will be made by Congress and the President whether they should be shut down again. But we are going to drill during 1977, how many wells?

Commander GILMORE. Around 340 wells total considering exploratory wells in Alaska, Teapot, and NPR 1, Elk Hills, Calif.

Senator YOUNG. Are those all on a contract basis, or is the Navy drilling some?

Commander GILMORE. Those are all on a contract basis, Senator.

Senator YOUNG. Competitive bid?

Captain DOWD. Competitive bid, yes, sir.

NAVAL PETROLEUM RESERVE NO. 4 TRANSFER

Senator STEVENS [presiding]. Let me go first to NPR No. 4. That is scheduled to be transferred from your jurisdiction to Interior under the legislation that has just passed, but you have ongoing duties to continue the exploration for a specific period. How long do you continue your exploration?

Captain DOWD. Our exploration will terminate next winter, Senator. In other words, our exploratory effort will cease June 1, 1977, when we transfer jurisdiction to the Department of the Interior.

Senator STEVENS. I understood there was a transition period where the Interior would have jurisdiction but you would still be carrying out the program of exploration.

Captain DOWD. No, sir. No. We have established liaison and a close working relationship with the Department of the Interior so that it will participate in the decisions and in the formulation of the exploratory program that will be conducted this coming winter.

But in accordance with the law, on June 1, 1977 Interior will pick up that exploration effort and carry it on and Navy will bow out graciously.

Senator STEVENS. Does this new law create any additional needs as far as the Navy is concerned for this period we are in now? You have requested the same amount as originally submitted for fiscal year 1977.

Captain DOWD. No, sir. You see, Public Law 94–258 does not authorize us to produce NPR 4, as you well know.

Senator STEVENS. I understand that. But we thought we were going to have complete exploration before the transfer to Interior.

Captain DOWD. I am sorry, but that is not the way it came out if that was your expectation. This coming year represents, as far as the Navy's budget is concerned and the Navy's jurisdiction is concerned, a continuation of the Navy 7-year exploration program for NPR No. 4. We plan to drill five wells.

Senator STEVENS. What year will it be?

Captain DOWD. Third year. Yes, sir. We plan to drill five exploratory wells this coming winter and we hope to have the Department of the Interior and the USGS at running speed with us this winter so that there will be no loss of momentum next summer.

Senator STEVENS. Is it your understanding that Interior will continue the exploratory effort after the program is transferred to them?

Captain DOWD. I believe that is the mandate that is clearly set forth in the recent legislation.

PET 4 PERSONNEL

Senator STEVENS. How many people are involved now in Pet 4, civilian and military, as far as you are aware?

Captain DOWD. We have an officer in charge and a staff at Anchorage. He has two officers and a total of what, four civilian employees?

Commander GILMORE. That is correct.

Captain DOWD. The operator for the Navy at NPR 4 is Husky Oil Co. of Cody, Wyo. The operator's staff at Anchorage and in the field probably runs in the neighborhood of 20 personnel. So we are talking about maybe 25 individuals.

Senator STEVENS. Do you have a breakdown of the environmental, development, and exploratory aspects and the breakoff of the barrel allocation of the $20.2 million request in Pet 4? What is that? It says a request for operations.

NAVY 7-YEAR EXPLORATORY PLAN

Captain DOWD. We have so many papers here that it is a question of finding the right one. Do you have the breakdown?

While Mr. Murphy is looking for that, I might add that in order for the Department of the Interior to be able to carry out the exploratory effort in 1978 it is essential that during the coming year we go ahead and place orders for a lot of casing and tubular goods and wellhead equipment which would then be placed on the cool barge for shipment to the Arctic Slope. Otherwise, they would have a severe logistics problem, after they assumed jurisdiction.

Senator STEVENS. We are worried that because of this transfer there actually may be a slowdown or a planing of the effort that we thought was expanding in terms of trying to find out the capabilities of the NPR–4 prior to its being designated for anything else.

Is this the amount of activity that the Navy sought? Five wells for 1977?

Captain DOWD. Yes, sir.

Senator STEVENS. Is there any budget curtailment of your effort?

Captain DOWD. Any budget curtailment?

Senator STEVENS. OMB curtailment of your request?

Captain DOWD. No, sir. This represents the third year of the Navy's original 7-year plan to explore NPR–4. Now admittedly when that plan was created 4 years ago it was a very modest proposition. We were going to go out and fully explore NPR–4 with a total of, I think, 26 exploratory wells which would be a rather ambitious project to say the least.

At the time we conceived the exploratory program we were definitely operating under budgetary constraints, and this was the most modest type of program that we thought at that time we could support and gain acceptance for. We have not come before you with any requested modification of that 7-year exploratory program. So, consequently, this fiscal year 1977 request for exploration of Pet 4 represents the 5-year well program that we originally conceived.

Next year, the fourth year, we had planned to drill seven exploratory wells. Now it remains to be seen whether the Department of the Interior will want to accelerate that. They are certainly not bound by our original program and framework.

Senator STEVENS. The demands for the real estate are different on them than they are on you. We had hoped that you would be able to complete this inventory concept before the transfer would take place.

Did you have the answer to the question about those $22.4 million and the breakdown between cleanup and environment development?

Mr. MURPHY. Yes, sir. The cleanup for fiscal 1977 is scheduled for $2 million: Office of Naval Research Suppport Services, $25,000; National Science Foundation, $20,000; operation of operator's office, $2,000,000; administrative fee and overhead, $2,503,000; POW–1 camp operations, $2,500,000; O&M Barrow, $150,000; Cool Barge, $1,500,000; aircraft support, $7,798,000; consultants, $383,000; NPR–4 office budget, $200,000; and for the Barrow area we plan to drill South Barrow No. 13 as a development well to meet the increase in demand for gas by both the civilian populace and by the Government agencies in the Barrow area. And that is scheduled to cost $1.2 million.

BARROW GAS FIELD USE

Senator STEVENS. Now straighten this up for my colleague from Oklahoma. The Barrow area is within the Naval Petroleum Reserve area. No private company can drill in there except under Government contract. There is no way to lease it under existing law. Isn't that correct?

Mr. MURPHY. Yes, sir.

Senator STEVENS. And these wells were originally drilled for the Navy's purpose and for the Federal Government's purpose. There is the naval Arctic research laboratory up there and the camps that surround it. What else do we have up there now?

Mr. MURPHY. All the Government agencies in Barrow and Brower-ville: the weather bureau, the post office, the Public Health Service, the Air Force.

Senator STEVENS. And after that gas has been made available to the Federal agencies, and Congress passed a law that allowed you to sell the amount in excess of the needs of the Federal Government to the people, the Eskimo people there in the villages.

Mr. MURPHY. Yes, sir.

Senator STEVENS. And it is sold, as I recall, on an incremental basis. You meet the Federal needs first, in other words?

Mr. MURPHY. Yes, sir.

Senator BELLMON. Will the Senator yield?

Senator STEVENS. Yes.

Senator BELLMON. We have a good many federal agencies in the city of Tulsa. Most of the ones you mentioned. Would it be possible to use this kind of authority to come down there and drill a well and serve the Federal agencies and pick up a few civilian customers the same way?

Mr. MURPHY. I would think so if you had a federally owned field in Oklahoma and Congress passed such a law.

Senator BELLMON. We have a reserve in Osage County there that you might try. What will the civilians up there pay for this gas?

Mr. MURPHY. We have been selling it to them for 50 cents.

Senator BELLMON. Is that the wellhead or the meter?

Mr. MURPHY. That is the purchase price, gate price. Since that time predicated on the theory that the Government should recover the costs that it put in the field, we have since raised the price to 76 cents and it is under litigation at this time.

Senator BELLMON. I admire the way my friend from Alaska takes care of his own.

Senator STEVENS. Senator, there was no alternative. We had the situation where the Federal agencies were receiving gas and the Eskimo people in the village, which I will remind you is 400 miles north of Fairbanks, were paying something like $1.25 a gallon for fuel oil.

And, incidentally, the bulk of them were beneficiaries of the BIA. So it was a conscious decision of Congress to share that gas with the people.

PET 4 COSTS

But let me get back to the cost, sir. You have five wells budgeted for $45 million, and my friend, the gentleman from Oklahoma, does his oil field mathematics faster than most of us here. It is obviously $9 million per well. Can you give us some understanding so we can convince our colleagues here that it is necessary to spend $9 million a well to drill test wells there in Pet 4?

Mr. MURPHY. Operating on the North Slope costs about twice as much as operating offshore in the Gulf of Mexico. To give you an

idea, just to prepare one location out in the wilderness it will cost up to $2.5 million. That is just to prepare the location. The drilling costs for a rig average around $7,000 to $8,000 a day just to rent the rig. Then you have on top of that your steel cost, your drilling mud costs, and your service costs which are exceedingly high because certain materials and supplies have to be flown in.

So an estimate of $9 million for a rank wildcat well is just what industry is paying for a medium depth well.

Senator BELLMON. Mr. Chairman, could I inquire as to what depth?

Mr. MURPHY. The two test wells that we took into the zones from which Prudhoe Bay has produced, the one went to 9,990 feet. That was the one which we drilled last year. The one we just finished drilling went to 10,664 feet.

Senator STEVENS. You drilled three didn't you?

Mr. MURPHY. Yes, sir. In 1975 we drilled Iko Bay No. 1, which is 22 miles southeast of Point Barrow, to a depth of 2,710 feet. Obviously, that well did not cost $9 million.

Captain DOWD. I should add for explanation that the original, the second-year plan for exploring Pet–4 in this past year originally called for drilling three exploratory wells. We were actually only able to drill the one at East Lake Teshekpuk, and we got ourselves caught by the fact that the cool barge was unable to get through to Barrow this fall and last summer and we were defeated by Mother Nature in our logistics program. So we were only able to drill the one well.

Senator STEVENS. This request envisions three wells before you complete the management pattern at Pet–4, which is for June of 1977.

Captain DOWD. Five wells.

Senator STEVENS. Five wells?

Captain DOWD. Five additional wells.

DRILLING SITE LOCATION

Senator STEVENS. Have you determined the location of those wells? Do you know where you are going to drill them?

Captain DOWD. Well, that is currently under review with the operator, Husky Oil Co., and I believe the USGS is sitting in on that analysis.

Mr. MURPHY. We just completed this year's seismic work the first week in May, and it has to be processed and interpreted before we come out with the exact location. We have a general idea but not specific.

Captain DOWD. We have a potential problem in the fact that we have been operating this past year, this past drilling season, in what we call zone A, which is the northeast corner of the reserve on the Arctic Ocean. Zone A is covered by a Navy environmental impact statement which indicated there would be no adverse effect on the environment by our conducting drilling operations in that zone.

However, before we are able to make a decision to expand the area for potential drilling throughout the entire reserve we must complete and review an environmental impact statement that looks at the entire reserve. And that environmental impact statement is presently being formulated by a contractor, and we expect that he will be able to complete it, I believe, in July.

Commander GILMORE. We hope to have the reviews of the statement completed and the statement filed by September.

Senator STEVENS. As far as your schedule is concerned, though, you feel that you could properly utilize the exploratory funds in the fiscal year 1977 covered by this request. Is that right?

Captain DOWD. Yes, sir. Even if we are physically constrained to zone A.

TRANSFER DURING EXPLORATION

Senator BELLMON. Mr. Chairman, could I raise a question? I am curious to know whether it is wise for there to be a transfer of the responsibility for exploration in Pet–4 from the Navy to the Interior right in the middle of this program.

From what Senator Stevens has said, it apparently was anticipated the Navy would complete this work before the transfer was made. It seems to me now that if we have to bring in another agency they are in effect going to have to go back and perhaps redo, or at least relearn, at a lot of the information that the Navy has acquired.

Senator STEVENS. That is what the conference committee agreed upon and we passed the bill just recently. That is the problem. They have no alternative now.

Senator BELLMON. I am curious if we might not be able to put some language in here giving the Navy time to go ahead and complete the exploratory program that was originally outlined. And I wonder in that Captain Dowd and the Navy are in a better position to finish this job than Interior would be.

Captain DOWD. In my opinion, we definitely are in a better position. But we, of course, are bound by the law.

Senator BELLMON. Well, we are in the business of changing the laws.

Captain DOWD. Yes, sir.

Senator BELLMON. Is there some reason why it has to be changed to Interior?

Senator STEVENS. No. I think it is just what was decided in the conference committee of what would happen. It is just one of those things, Senator. I think, as I said, there are other demands for this real estate coming from Interior agencies. And it is difficult.

I had misunderstood. As a matter of fact, I thought you had an agreement that you would continue the exploration for the balance of the contract even though the supervision would be under Interior Department.

Captain DOWD. No, sir.

Senator STEVENS. Well, it is unfortunate because the area is set aside as a petroleum reserve, but it is apparent that we are not going to be able to find out what petroleum is there before we meet these conflicting demands for the real estate. It is going to be an interesting period, Senator.

Is there any capability to accelerate the exploration within the period of time that you have left?

Captain DOWD. Practically speaking, I don't think that we could do very much in that direction. Operating up there requires such a long lead time in terms of logistics support. We have already con-

tracted and committed out of this current year's fiscal budget for equipment, tubular goods, drill muds, and other drilling materials to go next month, or in July, at least from Seattle on the cool barge.

Senator STEVENS. I hope you make it this time. I am going to marvel if you get five wells in. But it is unfortunate from my point of view, for I would have hoped we would have found more capability for petroleum production and then we could have weighted the demands and made an assessment as to what should be withdrawn.

OVERALL PROGRAM EXPANSION

Going to the whole program, though, you have quite an expansion this year. Are you geared up for that expansion through your whole Naval Petroleum Reserve operation? You have a quadrupling, I am told, of the total request for 1977 as compared to 1976.

Captain DOWD. Yes, sir. What you have here is a doubling of the original request for fiscal year 1977. And the additional $200 million roughly is required by the fact that we are about to open up and produce both Teapot Dome in Wyoming and Elk Hills in California. We are going to have operating costs associated with that production.

And as I mentioned earlier, we do want to complete the development of drilling in both of those reserves as well as continue the exploratory effort there, because Elk Hills has never been fully explored to this date.

Senator STEVENS. What is your contemplated production program? What kind of additional oil production do you anticipate from this accelerated program?

Captain DOWD. Well, we originally had hoped to open for business with 160,000 barrels a day from Elk Hills. We find that there are some obstacles to that, and so next week we are offering a total of 133,000 barrels a day for sale.

We have the problem of transporting the crude from the vicinity of Elk Hills. There are a network of private pipelines in the area of Elk Hills. We are in the process of making connections to two of those networks. And apparently the spare capacity available to transport production from Elk Hills is in the neighborhood of only maybe 110,000 to 120,000 barrels.

PIPELINE CONSTRAINT

Now, in the recent legislation, Public Law 94-258, Congress recognized the problem of the pipeline constraint and has mandated, either by going out and constructing a new pipeline or by procuring one, that at the end of the 3-year period there will be 350,000 barrels per day of pipeline capacity available to move Elk Hills crude to either a shipping point or to refineries. But at the moment, and probably for the next 2 years, we are going to have to rely on whatever private pipeline capacity exists in the vicinity of Elk Hills, and that is going to be a constraint on our production from that field.

Once we have overcome that obstacle we should be able to produce from 300,000 to 350,000 barrels per day and continue that for the 3-year period. In order to continue, and in order to produce at the

maximum efficient rate, which is the requirement laid on by that law I referred to, it is necessary to fully develop the field so we don't find ourselves faced with a premature decline in production.

NATIONAL STRATEGIC PETROLEUM STORAGE

Senator STEVENS. I had the impression from other testimony received here in this committee that there were negotiations going on with the FEA—what do you call that storage program? Critical storage?

Commander GILMORE. Strategic.

Captain DOWD. National strategic petroleum storage.

Senator STEVENS. Are you negotiating with them to move this from NPR No. 1 directly into storage? Is that going on?

Captain DOWD. No, sir. Again going back to the recently enacted legislation, our mandate at the moment is to sell to the highest qualified bidder. Now, there is provision in the law that if the President determines that the national interest requires it, that either part or all of the production from the Naval Petroleum Reserves can be designated for storage in the national strategic petroleum storage reserve system. But until that determination is made by the President, our mission is to sell the oil to the highest bidder.

Senator STEVENS. Well, there also is an exchange provision in that.

Captain DOWD. Yes, sir.

Senator STEVENS. One of the things that bothers us, we are going to have to put up the money, or we are the ones that recommend putting up the money for that strategic reserve. If there is any way to exchange this oil for oil that goes into the reserve, it is going to save a cash outlay as far as the budget is concerned. I hope that people are cognizant of that.

Captain DOWD. But there again, Senator, the decision to exchange is again in the hand of the President; within his discretion.

We, of course, are very interested in the FEA's strategic petroleum reserve project. It is eligible to appear before you for appropriations out of a special fund which was created from the sale of our production.

Senator STEVENS. Is that sweet or sour crude from Pet–1?

Captain DOWD. That is sweet crude basically. There is some production from the lower zone which has a higher sulfur content than the other, Steven Zone, production, but basically it is still under the category of sweet crude.

PRODUCTION ESTIMATES FOR PETROLEUM RESERVES 1, 2, 3

Senator STEVENS. Will you give us your production estimates for Petroleum Reserves 1, 2, and 3 for the next 10 years just for the record, please?

Captain DOWD. Yes, sir. The next 10 years?

Senator STEVENS. Yes, please. That is the committee's request.

[The information follows:]

NAVAL PETROLEUM RESERVES 1, 2, 3 ESTIMATED PRODUCTION – FISCAL YEARS 1976–1985

[*Dollars in thousands*]

	1976	197T	1977	1978	1979	1980
NPR No. 1:						
Yearly production	180	9,000	49,050	55,800	81,450	81,450
NPR No. 2:						
Yearly production	45	45	198	175.5	100	75
NPR No. 3:						
Yearly production	18	180	1,170	3,240	5,850	6,750
Total yearly production	243	9,225	50,418	59,215.5	87,400	88,275

	1981	1982	1983	1984	1985
NPR No. 1:					
Yearly production	72,725	62,985	53,330	48,495	43,650
NPR No. 2:					
Yearly production	50	35	25	20	15
NPR No. 3:					
Yearly production	5,400	4,320	3,520	2,800	2,200
Total yearly production	78,175	67,340	56,875	51,315	45,865

Estimated total production fiscal year 1976–fiscal year 1985: 594,346.5

WEST COAST OIL SURPLUS

Senator STEVENS. I have just been through a meeting with the Secretary of Commerce, Secretary of the Interior, and Administrators Train of the EPA and Zarb of FEA. On the question of whether there is going to be a surplus of oil on the west coast, some of my colleagues are making speeches—that we made a mistake, authorizing Alaska pipeline and that we are going to have a surplus on the west coast.

Now if that is the case—and incidentally, I don't believe there is a surplus unless they continue to get imports from Indonesia; there may be a surplus of sour crude on the west coast, but there is not a surplus of oil domestically—but if that is the apparent situation, why do we want to deliver Naval Petroleum Reserve No. 1 or No. 2 production to that area during this period of time at all? And aren't you going to get less for it if there is a glut on the market?

Captain DOWD. Well, the answer to your problem is one that could be directed to your colleagues. It is up to Congress to change the law, if it so desires. But what we are planning to do since we are to sell to the highest bidder, and in order to avoid criticism from conducting a sale whereby it would see our national oil sold at ridiculously low prices because of the ostensible surplus situation that may develop on the west coast, or may exist on the west coast, we have set a base price or a minimum floor for the oil which will be the highest posted price for new tier, or upper tier oil under the two-tier pricing system of FEA.

We don't know what the outcome is going to be of our first effort to sell the Navy's production next week. Certainly if a surplus exists or develops either at this sale or subsequent sales, we might find ourselves without any purchasers. Or, at least, we won't be able to sell all that we could produce. And I suppose at that time we will have to come back and ask Congress for guidance as to what we are to do.

Senator STEVENS. Well, good luck. I don't know how some of these people know what they are doing if they are demanding to sell that oil at the top price and at the same time screaming about the increasing price of gasoline.

If the Federal Government holds the price up, I don't know how it can expect it to come back down. But the real thing that bothers me is I don't know why you should be selling in that market. If these people who tell us that there is going to be a surplus there when Alaska oil gets there are correct, then you are going to be coming on the market when we have 1.2 million barrels a day coming in and it is the same kind of crude.

EAST-WEST PIPELINE

Captain DOWD. Yes, sir. But we will probably have to sell in that market because there is no east-west pipeline in existence; so we can't reach the Midwest or the east coast market.

Senator STEVENS. Well, there will be an east-west pipeline in existence if they will just get off it, and if FPC approves the request to convert the El Paso gas line into an oil line. I would hope you are cognizant of the exchange features of that law. Again that is one of the reasons we are interested in it.

I don't see any reason, if we are going to go out and buy in that market, why we shouldn't buy in some of the other markets; rather, why we shouldn't try to work out an exchange with regard to production from Naval Petroleum Reserve oil on the west coast, so there might be an incentive to move that out of that area. It will have a mutual advantage to the purchaser and the Federal Government.

How much did we request for that storage? $300 million in this fiscal year, and over $500 million for fiscal 1977 to purchase oil to put in storage at the very time you are bringing it out of storage. There isn't any worry about loss of that reservoir is there?

Captain DOWD. No, sir. Now the rationale or the argument for taking the oil out of the ground at Elk Hills and putting it in the national strategic petroleum reserve, as I understand it, is that you can bring the oil out of a salt dome at a much faster daily rate than you can out of a producing oil field.

In other words, we might be able to produce in the event of an emergency 350,000 or 400,000 barrels a day whereas out of a salt dome I have heard you could produce upwards of a million barrels a day.

Senator STEVENS. Well, we don't disagree with the program. It is just the logistics of how you get the oil there.

Captain DOWD. Of course, if there is a surplus situation on the west coast, that would impact on your exchange situation, too. Because nobody is going to exchange oil on the west coast if there is a surplus of oil there, let's say, in the——

Senator STEVENS. Yes, but you have sweet crude you say.

Captain DOWD. We have sweet crude.

Senator STEVENS. The surplus is in sour crude.

Captain DOWD. Well, there are a lot of assumptions. One of the assumptions is, of course, that industry is going to be willing to back

out of the Indonesian production, which I understand is sweet crude. In other words, our production is going to replace imported oil, but I wonder if that assumption is going to hold true or not, because industry has investments in Indonesia, politically and economically. It is a good question.

STAFF REQUIREMENTS FOR OPEN-UP PRODUCTION HEADQUARTERS

Senator STEVENS. Good luck. Will you give us for the record the military-civilian totals per reserve for 1975 and 1976, plus your estimates for 1977, as to how they carry over in this request?

Captain DOWD. Yes, sir.

Senator STEVENS. And we would like to know how those are distributed, both military and civilian, between the reserves and the Washington headquarters for the record.

Captain DOWD. Yes, sir.

[The information follows:]

STAFF REQUIREMENTS
FOR OPEN-UP PRODUCTION
HEADQUARTERS

Classification	Now Authorized	Additional Requirements	New Total
Civil Service	25	9	34
Military	8	0	8
Total	33	9	42
	NPR #1		
Civil Service	35	27	62
Military	5	1	6
Total	40	28	68
	NPR #3		
Civil Service	3	10	13
Military	4	0	4
Total	7	10	17
	NPR #4		
Civil Service	4	0	4
Military	3	0	3
Total	7	0	7
	TOTAL		
Civil Service	67	46	113
Military	20	1	21
Total	87	47	134

WASHINGTON
STAFF REQUIREMENTS
FOR OPEN-UP PRODUCTION
HEADQUARTERS
CIVIL SERVICE

POSITION/GRADE	NOW AUTHORIZED	ADDITIONAL REQUIREMENTS	NEW TOTAL
Assistant Director/Consultant Engineer-16	1	0	1
Attorney Advisor - General - 15	1	0	1
Supervisory Petroleum Engineer - 15	1	0	1
Administrative Officer - 14	1	0	1
Contract Specialist - 13	1	0	1
Petroleum Engineer - 12/13/14	3	3	6
Environmental Protection Specialist - 12	1	0	1
Budget Officer - 11	1	0	1
Contract Specialist - 11	1	0	1
Contract Administrator - 11	1	0	1
Staff Accountant - 11	1	2	3
Budget Analyst - 9	1	1	2
Administrative Assistant - 9	2	0	2
Secretary (Steno) - 9	1	0	1
Secretary - 8	1	0	1
Engineer Technician - 7/9	1	1	2
Secretary (Steno) - 7	1	0	1
Clerk Typist - 4/5	5	2	7
TOTAL	25	9	34

WASHINGTON
STAFF REQUIREMENTS
FOR OPEN-UP PRODUCTION
HEADQUARTERS
MILITARY

POSITION/GRADE	NOW AUTHORIZED	ADDITIONAL REQUIREMENTS	NEW TOTAL
Director - 06	1	0	1
Deputy Director - 05	1	0	1
Assistant Director - 04	1	0	1
Plans & Programs Officer - 04	1	0	1
Counsel - 05	1	0	1
Counsel - 04	1	0	1
Counsel - 03	1	0	1
Contracts Officer - 04	1	0	1
TOTAL	8	0	8

FIELD
STAFF REQUIREMENTS
FOR OPEN-UP PRODUCTION
NPR #1
CIVIL SERVICE

POSITION/GRADE	NOW AUTHORIZED	ADDITIONAL REQUIREMENTS	NEW TOTAL
Navy Member of Operating Committee (Engineer) - 15	1	0	1
Supervisory Petroleum Engineer - 14	1	0	1
Comptroller - 14	1	0	1
Petroleum Engineer - 13	8	6	14
Geologist - 12	2	2	4
Budget Analyst - 11	0	1	1
Contract Administrator - 11	0	1	1
Accountant - 9/11	4	3	7
Labor Contract Administrator - 9/11	2	0	2
Quality Inspection Specialist - 9/11	1	0	1
Engineer Technicians - 9	5	10	15
Administrative Assistant - 9	1	0	1
Accounts Maintenance Clerk - 5/6/7	2	0	2
Clerk Steno - 5/6/7	1	0	1
Travel Clerk - 5/6	1	0	1
Secretary - 5	1	0	1
Clerk Typist - 4/5	3	4	7
Personnel Clerk - 4/5	1	0	1
TOTAL	35	27	62
MILITARY			
Officer in Charge - 05	1	0	1
Asst. Officer in Charge - 04	1	0	1
Petroleum Engineer - 04	1	0	1
Petroleum Engineer - 02	1	0	1
Counsel - 04	1	0	1
Counsel - 03	0	1	1
TOTAL	5	1	6

FIELD
STAFF REQUIREMENTS
FOR OPEN-UP PRODUCTION
NPR #3

POSITION/GRADE	NOW AUTHORIZED	ADDITIONAL REQUIREMENTS	NEW TOTAL
CIVIL SERVICE			
Petroleum Engineer - 13	1	2	3
Supervisory Accountant - 13	0	1	1
Staff Accountant - 12	0	3	3
Contract Administrator - 11	0	1	1
Engineer Technician - 9	0	1	1
Secretary - 5	1	0	1
Clerk Typist - 5	1	2	3
TOTAL	3	10	13
MILITARY			
Officer in Charge - 05	1	0	1
Assistant Officer in Charge - 03	1	0	1
Petroleum Engineer - 02	1	0	1
Counsel - 04	1	0	1
TOTAL	4	0	4

FIELD
STAFF REQUIREMENTS
NPR #4

POSITION/GRADE	NOW AUTHORIZED	ADDITIONAL REQUIREMENTS	NEW TOTAL
CIVIL SERVICE			
Supervisory Accountant - 13	1	0	1
Contract Administrator - 12	1	0	1
Secretary (Steno) - 6	1	0	1
Secretary (Steno) - 5	1	0	1
TOTAL	4	0	4
MILITARY			
Officer in Charge - 04	1	0	1
Petroleum Engineer - 04	1	0	1
Counsel - 04	1	0	1
TOTAL	3	0	3

PRODUCTION ON PET–1

Senator STEVENS. You have added 168 million for production work for Pet–1. That is the only increase in the original budget request. Can you tell us why that was necessary?

Captain DOWD. That in part represents the production costs of lifting the oil at the rate of, I believe it is 25 cents a barrel, is our estimated cost. That is a producing cost.

Senator STEVENS. You expect to be in production before June of 1977 as far as Pet–1 is concerned?

Captain DOWD. Yes, sir. We expect to be in production by the Fourth of July.

Senator STEVENS. Of this year?

Captain DOWD. Of this year, yes, sir. The Bicentennial year.

EXPLORATION IN PET–1

Senator STEVENS. You are budgeting $7.8 million for exploration in Pet–1. How much more exploration is needed in this reserve?

Captain DOWD. The Elk Hills structure is highly faulted and the sedimentary beds are complex and variable. There is considerable area that is unexplored and possibly productive. The Carneros Zone needs much more exploration. Below the Carneros, several potential zones are completely untested. These include the Oceanic, Phacoides, and Point of Rocks. The above dictates that exploration could continue for several more years, however, our present planning only encompasses the next 5 years, during which period we plan to drill 32 exploratory wells.

REDUCTION OF PRODUCTION COSTS UNDER SURPLUS CONDITIONS

Senator STEVENS. Our oil won't be in the market until July of 1977. If there is a surplus developed at that time, what we would like to know is what would be the decrease in funding associated with the direction from this committee to reduce the production from Pet–1 in accordance with a finding of a surplus that exists at the time the Alaska oil comes out? Can you give us that for the record? Do you understand what I am asking?

Captain DOWD. You are saying that in the event a surplus exists next year——

Senator STEVENS. In July of 1977 when the Alaska oil arrives.

Captain DOWD. What reduction in the appropriations for NPR–1 would reflect.

Senator STEVENS. A decrease in production of Pet–1—would there be an associated reduction in required funding?

Captain DOWD. Yes, sir. We could provide those estimates.

[The information follows:]

Reduction of production costs under surplus conditions would be entirely dependent on two factors: The time of year the surplus occurs, and the time of year Congress directs this Office to cease production. For example, if Congress orders this Office to cease production at NPR No. 1 in April 1977, the resultant reduction of production costs would be roughly one-half of the amount budgeted for the fiscal year. However, unless specifically directed otherwise in such suggested legislation, the development of the field, the construction of gas processing facilities, and acquisition of pipelines would continue at the presently planned rate. A total of $15.4 million is budgeted for Elk Hills production costs for fiscal year 1977. Therefore, if reduced production was ordered in April 1977, the reduction would be approximately $7.7 million.

AUTHORITY TO REDUCE PET-1 PRODUCTION

Senator STEVENS. I don't want the record to be wrong. There is no surplus there yet, and I disagree that there will be a surplus. But in the event there is a surplus we would like to consider whether we could include a provision to reduce that production. Would you recommend that, by the way? Would you recommend to us that we give you authority to reduce production consistent with a finding of surplus if one does exist?

Captain DOWD. I would say, yes. However, we are operating under a mandate to go forth and produce at the maximum efficient rate.

Senator STEVENS. You are mandated as to MER right now?

Captain DOWD. Yes, sir.

Senator STEVENS. I think we ought to consider that. I would like to have your suggestion of the language that would give you some leeway to meet the surplus. I don't see any reason why there should be an artificially created surplus because you are under mandate to throw out 300,000 barrels a day from a Government reserve.

If there is no danger to it, you could produce as the demand goes up.

Captain DOWD. Of course, the whole concept, or part of the concept of producing Elk Hills was that production could be sold and the revenues generated by sale would go into a special fund. And then out of the special fund would come appropriations to the FEA for the strategic petroleum storage reserve facility acquisition and the oil to fill those salt domes. Money for the Navy to continue production and exploration development of the Reserve, money for the Department of the Interior to continue exploration in Alaska. So Elk Hills is basically a golden goose that is expected to lay a number of golden eggs.

Senator STEVENS. I don't think it would buy very many new barrels of oil. And that is the problem. We have to give you some leeway. At least there ought to be a judgment on the factor involved as to whether that production should continue if in fact the supply is depressing the price.

Captain DOWD. Yes, sir. I agree.

Senator STEVENS. We would like to have your help on that language if you would, please.

Captain DOWD. I would be most happy to make my legislative attorneys available to meet with your counsel to discuss suggested proposed language to cover this matter.

Senator STEVENS. What kind of surface facilities are you planning to install at Pet-1 under your development program?

Captain DOWD. Lease automatic custody units—LACT's—the usual christmas trees on flowing wells, and well head equipment on pumping wells—pumping units on nonflowing wells—tanks, three phase separators, oil treatment equipment—transfer pumps, cathodic protection, oil, water, gas and condensate piping—gas compression, drips, and gas processing facilities.

PIPELINE ALTERNATIVES

Senator STEVENS. You don't know if you are going to Riverside with a pipeline; is that right?

Captain DOWD. That is still in the——

Senator STEVENS. How did you get the $65 million estimate for your pipeline?

Captain DOWD. We got that estimate from testimony earlier this year when we were talking about how you would get the production from Elk Hills to market. And we identified the possibility of acquiring an existing gas pipeline which is owned by Atlantic Richfield Corp. and converting that line to a crude pipeline, and by constructing 37 or 40 miles of new pipeline at either end we would be able to move the oil from Elk Hills over the coast range from Port Hueneme to a marine terminal. And the original estimate of that was in the neighborhood of $65 million.

But we are still trying to get on top of the other alternatives. And, of course, before a Federal decision can be made to go in any direction, we have to have an environmental impact statement to outline whether there are going to be serious adverse impacts on the environment.

But one of the alternatives is the coast range to Port Hueneme and the marine terminal. Another alternative is to go south to a connection at Redlands, Calif., where we would intersect with the SOHIO proposed east-west pipeline.

Senator STEVENS. South? Did you say south?

Captain DOWD. South, yes, sir. About 110 miles south. It is in the San Bernardino Valley.

Another alternative would be to push a pipeline north toward San Francisco to Coalinga where there is a pipeline network.

Senator STEVENS. Realistically you can't use that $65 million in this fiscal year, can you? You haven't done your environmental work; you haven't decided which one of these alternatives you need. And you have 3 years to get the pipeline in place.

You are really talking about an expenditure in 1978, aren't you?

Captain DOWD. Not if the decision is finalized to go with Port Hueneme, because the first thing we would have to do is negotiate successfully with Atlantic Richfield for the acquisition of the line. And 3 years is not a very long time to place the orders, even after we make the decision.

ENVIRONMENTAL CONSIDERATIONS

Senator STEVENS. Even if you get the Hueneme line, as I understand it, you have an environmental impact statement to do, don't you?

Captain DOWD. Right. We can't make the decision to go to Hueneme unless we have a completed environmental impact statement.

Senator STEVENS. Do you have any environmental opposition to the Hueneme connection?

Captain DOWD. I think there would be strong opposition.

Senator STEVENS. I would think so, too. As an ex-Californian, I would think you are probably going to have a lawsuit. So why should we give you $65 million if the pipeline can't be built until 1978?

Captain DOWD. Well, we can't wait until the final year when we have to report that we have the pipeline before we can come and ask you for the money. We have to have the money available to place the orders for the necessary long lead time items; the pipe,

the pumps, the compressors, etc. But you are probably hitting on a valid point, and that is we are likely to find ourselves in a thicket in terms of the environmental impact.

LONG LEAD PIPELINE ITEMS

Senator STEVENS. Give me an example of some long lead-time items connected with the pipeline construction.

Captain DOWD. Some examples are line pumps, pipeline terminal equipment, and the associated electrical and electronic equipment and special valves such as main line block valves and emergency shut-down valves and associated automatic equipment. A large order of 30-inch diameter pipe is not an off-the-shelf item and will have to be milled as will special pipe with heavy wall thickness or road crossings. Other items include right-of-way purchases, pump station site purchases, and the procurement of equipment and necessary permits for railroad, creek, and river crossings and other special requirements, other than road and highway crossings, requiring special equipment and investment.

Senator STEVENS. Do you have any specific environmental impact problems with Pet–3?

Captain DOWD. No, sir.

NPR–3 FUNDING

Senator STEVENS. You don't ask for any new money for exploration in NPR–3?

Captain DOWD. Not new money.

Senator STEVENS. I mean additional to the original request.

Captain DOWD. No, sir.

Senator STEVENS. It is the same request you originally provided. You don't need any more there?

Captain DOWD. Well, we feel that we are going to be so busy at Teapot Dome the first year drilling the development wells—and I think we have programed four or 5 exploratory wells and 100 development wells—that we thought that we could rest with that. And perhaps, depending upon what we found at the end of this year's exploratory effort, we might make a decision to expand it next year.

Senator STEVENS. You did revise your budget, it has just been pointed out to me, because of recent events in reevaluating your development program for Pet–3. What were those recent events that you mentioned?

Captain DOWD. We have reduced the total request by $15 million, $15,250,000, basically because of a new look at the projected operations at Teapot Dome. And I would suggest that we might be able to provide for you a detailed breakdown for the record of how we arrived at that figure.

Senator STEVENS. All right. Does it reduce your production plans for NPR–3?

Captain DOWD. No, sir. It did not affect our production plans.

[The information follows:]

NAVAL PETROLEUM RESERVE NO. 3—DETAIL OF FISCAL YEAR 1977 DEVELOPMENT COSTS

[*Dollars in thousands*]

Development drilling	Number of wells	Cost per well	Cost
Shannon Zone	50	50	$2,500
Second Wall Creek Zone	50	150	7,500
Tensleep Zone	4	250	1,000
Total	104		11,000

Well workover	Number of wells	Cost per well	Cost
All Zones:	20	50	1,000
Surface Facilities			
Electrical distribution system over entire 9,481 acre reserve			1,000
Roads and pads			600
Operating equipment			300
Warehouse stock			
Office and warehouse facilities			
Gas injection plant			250
Water storage tanks			
Flow line system			450
New batteries			550
Total			3,150
Total Development			$15,150

LIFTING COSTS

Senator STEVENS. Now how do you get the variation in terms of lifting costs? Your lifting costs for Pet–1 are 25 cents a barrel and Pet–3 50 cents a barrel.

Captain DOWD. It is explained by the fact that at Elk Hills we have a virgin oil reservoir, the Steven Zone has been drilled but it has been immediately capped. It has never been produced. So it still has a high gas-oil ratio connected with it. This will provide the energy to lift the oil to the surface without the need of providing artificial energy by pumps for example. These wells will flow of their own course.

At Teapot we are dealing with an oil field that was producing for many, many years, and the fizz, so to speak, has gone out of the coke bottle. So in order to produce the oil there it is going to have to be lifted out of the ground by pumps. And it is the difference between providing the additional horsepower to lift the oil out of the ground as opposed to having it flow to the surface at Elk Hills.

PET–4 CONTRACTOR SUPPLIES

Senator STEVENS. I take it you are providing supplies and long lead time items to the contractors throughout this program for Pet–4 as well as the south 48. Is that right?

Captain DOWD. Yes. We have ordered many of the long lead-time items for delivery, trying to march along with the progress of our development. Pet–4 is the worst in terms of actually acquiring the equipment and then physically delivering it to the Slope.

Senator STEVENS. But you have a drilling operator rather than a contractor, right?

Captain DOWD. Right.

Senator STEVENS. They are not furnishing the equipment?

Captain DOWD. No, sir, they are not furnishing it, we are furnishing the supplies. We find that much more economical. We are eligible to utilize the cool barge since we are a Government agency. So, we buy and place the orders for the pipe and transport it to Seattle, get it on board the cool barge, and then, under the auspices of the Air Force, it is lifted to the North Slope.

If we miss the cool barge shipment, and of course we do because we are not able to get everything up there by sea, the only other alternative is to fly it in, and flying it is more expensive than barging it in.

NONGOVERNMENT OPERATORS

Senator STEVENS. Well, what about the other operations? Are you using the military for support in the other petroleum reserves?

Captain DOWD. We have two civilian companies operating as operators. Tesoro Petroleum Corp. is the current operator at Teapot Dome. Williams Bros. Engineering Co., which is a subsidiary of Resource Sciences Corp. out of Tulsa, is the operator at Elk Hills. They actually go out and subcontract through competitive bidding the drilling operation. So the Navy is not involved directly in drilling any wells, nor doing any of the field work. We do have engineering staffs available in the field to supervise and direct and monitor the operation.

Senator STEVENS. Just so the record is clear, you are buying the drilling equipment, you are renting the rigs but you are buying all of the equipment and supplies that the drilling operator requires. Is that correct? Not only in Pet–4 but in 1, 2, and 3; is that correct?

Captain DOWD. I don't know whether it is all, but I am sure it is practically all of it. I am trying to wonder about whether you are thinking about the fact that the Navy through its procurement system places the order, let's say for tubular goods, the casing, and then that this is delivered through the Navy procurement system to the field where the operator uses it.

Senator STEVENS. No, I am merely anticipating some questions our colleagues are going to ask us—why there is money in here for drill pipe for instance? And you are providing it.

Captain DOWD. We are providing the tubular goods, not drill pipe to the drilling operator. We are not contracting for what they call a turnkey well, where he comes and does everything and just provides us with a bill. We provide the casing, and the tubular goods, and the wellhead equipment.

EQUIPMENT PROCUREMENT

Senator STEVENS. What is the drilling equipment that is specified in the statement for Pet–3 that you are going to acquire?

Captain DOWD. Mr. Houtman seems to be on top of that.

Mr. HOUTMAN. For the development program for fiscal year 1977, and you may be looking at this in the transition period or in the 1976 supplemental, we had to go through the Naval Supply Systems

Command and have them buy tubular goods, pumps, rods, and things of this nature, to get the development program underway in 1977.

Senator STEVENS. That is for Pet–3 now?

Mr. HOUTMAN. That is for Pet–3. Yes, sir.

Now, some time back we also went through Defense Supply Construction Center and bought tubular goods and things of this nature, again for NPR–1 and NPR–4 as appropriate.

Captain DOWD. But to answer the Senator's question specifically, the type of equipment that we are seeking to acquire at NPR–3 includes pumping units and tubular goods. We are in the process of electrifying part of the field, installing cathodic protection systems for the wells that will be drilled to prevent them from corrosion, some new gathering pipeline, a shipping pump compressors, and I suppose connections to nearby pipelines.

Senator STEVENS. In your statement you specifically referred to the NPR–3 program in Wyoming, which includes acquisition of drilling equipment, installation of service facilities and the drilling of approximately 104 development wells. Now, you are acquiring that equipment for the purpose of providing it to your drilling contractor or operator, and you believe you are saving money by acquiring it through Government procurement rather than asking the contractor to acquire it on a cost-plus basis, right?

Captain DOWD. Yes, sir.

COST COMPARISON

Senator STEVENS. Would you mind giving us some examples of cost so we could see if it is correct? There is some question as to whether the competitor's market is the same.

Captain DOWD. Yes, sir.

[The information follows:]

There can be no real comparison, because the materials involved are not standard GSA or DOD contracted items. Therefore, no matter who buys the material, if truly competitive bidding is conducted, the purchaser realizes the best possible price advantage. In prior years, Navy accomplished practically all the major materials purchasing; however, during fiscal year 1976 the majority of Naval Petroleum Reserves' procurements were accomplished through the operator contractors at NPR's 1, 3, and 4. In the future, it is anticipated that the majority of materials purchased will be made by the operator contractors.

ADDITIONAL DRILLING

Senator STEVENS. Well, I personally wish you very well. I think a lot of people forget how big that Naval Petroleum Reserve No. 4 is. I don't think we will know much about it by the time you have finished this. You will have drilled 7 wells in 25 million acres, is that right?

Captain DOWD. Eight wells, we hope.

PET–4 TRANSITION PROBLEMS

Senator STEVENS. What problems, if any, have you had in regard to the transition that is being planned under the new law relating to NPR–4? Any problems at all?

Captain DOWD. We have not encountered any problems whatsoever, I am happy to say, Senator. We in the Navy have decided that we are going to be very cooperative and we want a smooth transition. We don't want our friends in the Department of the Interior to be left holding a sack next June.

We have suggested that they might consider establishing a liaison group to work very closely with us during the formulation and the actual implementation of this coming winter's work. We have invited Interior to put people in my office here in Washington to work with Mr. Murphy and the NPR–4 engineering desk. We have invited them likewise to move in with the Navy's staff at Anchorage. And just this morning I got an indication from USGS that the Department of the Interior is moving to establish an identified liaison group which will work very closely with the Navy. So I think then you are right on track for a very smooth transfer of jurisdiction.

BILLET TRANSFER

Senator STEVENS. Well, some of us feel that it is unfortunate to have the people who have been so closely associated with this reserve for so many years replaced at the very time when activity commences. If there is anything at all that we can do to assist, to preserve that operation or to give you a continuing role with regard to it and to assure that the original purposes of the reserve are at least considered, I am sure Senator Bellmon and I share the point of view that we should try to do that.

Perhaps the Navy should consider asking for some funds next year to make sure there is an ongoing cooperative effort and to continue to have some role in it. You certainly have the people on your staff, don't you?

Captain DOWD. Well, the billets will be transferred at the same time jurisdiction is transferred. Plus any unexpended funds remaining for the Pet–4 budget will be transferred.

POINT PAPER ON PERSONNEL TRANSFERS

Captain JONES. Only the billets for the Pet–4 will be transferred to Interior. The Navy is currently taking action to transfer the remaining personnel end strengths from the DOD military function to the DOD civil function. A point paper will be provided on this.

[The information follows:]

TRANSFER OF CIVILIAN PERSONNEL END STRENGTHS FOR THE NAVAL PETROLEUM RESERVES

1. *Background.* As a result of the Naval Petroleum Reserves Production Act of 1976 (Public Law 94–258), funding responsibility for the Naval Petroleum Reserves (NPR) was transferred from the Department of Defense to Funds Appropriated to the President beginning in fiscal year 1977. However, no such transfer was provided for civilian personnel. Under current procedures, necessary civilian personnel end strengths will continue to be provided by the Navy from within its civilian personnel ceiling mandated by Congress.

2. *Current Navy Initiative.* In order to align properly the personnel and dollar resources, an initiative has been made to the Office of the Secretary of Defense to allow the Navy to transfer the NPR civilian personnel from the DOD "military function" to the DOD "civil function." This category includes employees performing civil functions administered by DOD, including Corps of Engineer Civil Works; Postal Construction Program; Cemetarial Activities; and the Wildlife Conservation Program.

This transfer would benefit both the Navy and NPR in that Congress, in mandating civilian end strengths for DOD, has not placed a control on the DOD "civil" function. Consequently, as additional NPR personnel are required, the end strengths would no longer be diverted from fleet support under the constrained "military function," but rather would be free to float o the level required to support the NPR effort as approved by this Subcommittee.

Senator STEVENS. I understand that. You have Navy career people who are quite well acquainted with Pet–4 don't you?

Captain DOWD. I think it is the billets that will be transferred, not necessarily the individual incumbents.

Captain JONES. That is correct.

Senator STEVENS. Will any of you gentlemen go over to Interior? Do you want to reserve your decision for later?

Captain DOWD. I don't think any of us wearing blue suits plan to go to the Department of the Interior.

Captain JONES. Currently there are only four civilian billets being considered for transfer to Interior, those four which are associated with NPR–4.

OIL SHALE

Senator STEVENS. You have $1.3 million budgeted for your Oil Shale Reserves. What exactly will that funding accomplish in fiscal year 1977?

Captain DOWD. The $1.3 million requested for fiscal year 1977 will cover the normal operations of the reserves carried out by various BLM offices on a reimbursable basis and also fund a seismic and data acquisition program that includes the drilling of core holes and core analysis, testing subsurface water quality and quantity, and also surface water quality and quantity. The data generated is part of the input for the predevelopment study of the Naval Oil Shale Reserves.

Senator STEVENS. What are the Navy's plans for the Naval Oil Shale Reserves?

Captain DOWD. The Navy is currently working on plans for seismic surveys of the Oil Shale Reserves, concentrating on Naval Oil Shale Reserve No. 2 in Utah, and what we call a predevelopment plan for the Oil Shale Reserve Nos. 1 and 3 in Colorado.

Many aspects of the predevelopment plan for the Colorado Reserves may be applicable to the Utah Reserves. This predevelopment plan will address the total quantity of oil shale in the reserves, surface and subsurface water availability and quality, various potential mining scenarios and the preparation of an environmental impact statement that would address the environmental effects of developing and operating the Oil Shale Reserves. This is a 6-year program, currently estimated to cost about $32.2 million.

At the completion of the predevelopment plan, the Navy would be in a position to present to the Congress budget estimates and various scenarios for development of the reserves for its consideration.

Senator STEVENS. The request for oil shale development is $300,000. What kind of development?

Captain DOWD. Development in this case refers to the preparation of a predevelopment plan as compared to actual construction of facilities as is programed for the petroleum reserves.

Senator STEVENS. The justification mentions the probability of significant oil and gas deposits in the Oil Shale Reserves. What efforts are being made to locate and develop these deposits?

Captain DOWD. A seismic program is currently being developed which will, when implemented, provide information regarding the subsurface geology and identify potential targets for later exploratory drilling. This seismic program will be concentrated on the Utah Oil Shale Reserves initially, in view of the oil and gas development on lands near the reserves.

Senator STEVENS. Management of surface resources on the Oil Shale Reserves is being carried out by the BLM on a reimbursable basis. What is budgeted for this work?

Captain DOWD. We have budgeted about $100,000 for the normal operation of the Oil Shale Reserves. This budget covers the annual road maintenance, range and forest management activity, and various wildlife programs including construction of water holes and the conduct of animal grazing studies.

Senator STEVENS. How much exploration do you think you can get done for $900,000?

Captain DOWD. The exploration program includes seismic investigation as well as core drilling to be done on the Colorado Oil Shale Reserves. The fiscal year 1977 seismic program is currently being defined and will probably involve 50–100 miles of seismic. The coring program will include four to five holes and will also involve testing of subsurface water for quality and flow rates.

Over the next several years the data generated from field operations will be part of the input for the predevelopment plan for the Oil Shale Reserves.

CLOSING REMARKS

Senator STEVENS. All right. Well, we encourage you to tell us if there are any problems we can help you work out, because I do think the continuity factor is most important and that that 7-year program should not be abandoned.

Captain DOWD. Yes, sir. Well, we will work very closely with Interior and the liaison group to give them whatever input we can in terms of their 1978 budget request or needs.

ADDITIONAL QUESTIONS

Senator STEVENS. Very good, gentlemen. Thank you very much. We have some additional questions to pass on to you from Senator McGee, and I would appreciate if you would respond to them.

Capt DOWD. Yes, sir.

[The questions and answers follow:]

QUESTIONS SUBMITTED BY SENATOR MCGEE

Question. With regard to Naval Petroleum Reserve No. 3 (NPR–3), when in fiscal 1978 will this Reserve be in full production?

Answer. Full production of existing wells will commence in July 1976, producing approximately 2000 barrels of oil per day. Development drilling will commence in October 1976, with anticipated peak production of approximately 20,000 barrels per day in late 1978 or early 1979. Production over the next six years is expectd to average 12,000 barrels per day.

Question. The reserves at NPR–3 have been estimated at fifty million barrels. Do you anticipate any changes in that estimate as a result of your recent drilling? If so, what is that revised estimate?

Answer. The current estimate of reserves at Naval Petroleum Reserve No. 3 is 42.5 million barrels. This estimate could change when new data from future drilling and reservoir studies becomes available.

Question. I understand that at one time the Department of the Navy intended to drill up to a total of four hundred and fifty wells on NPR–3. What are your drilling projections and how many barrels per day will be produced?

Answer. The total number of wells to be drilled will depend on the results of geological and reservoir engineering studies. The current estimate is 485 new wells; however, this number may change based on the previously mentioned studies.

Question. As you know, Natrona County and the City of Casper in particular are experiencing impactment problems as a result of increasing energy production in the area. What are your estimates as to the total number of the work force to bring NPR–3 into production and to operate the fields once the wells are brought in?

Answer. It is estimated that the average number of personnel working in the field will be approximately 130 persons. Of this number, probably no more than 50 will be new jobs. The remainder will be comprised of employees currently working for contractors or companies that will continue to work on the Reserve.

Question. What efforts are you undertaking to assist state and local officials in dealing with this impactment problem as it relates to the opening of NPR–3.

Answer. The Officer in Charge has taken no action to mitigate the impact of these additional jobs. It is assumed that the major portion of the new employees will come from the existing work force or presently unemployed residents of this area. The only relocated personnel will be employees of the Department of the Navy or executives and professionals employed by the operator. It is anticipated that all housing requirements will be in Casper as there is not presently adequate, available housing in Edgerton or Midwest.

SUBCOMMITTEE RECESS

Senator STEVENS. Thank you very much. We will recess subject to the call of the Chair.

[Whereupon at 11:30 a.m., Wednesday; May 19, 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, JUNE 16, 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

BUDGET AMENDMENTS

SCOPE OF HEARING

Senator STEVENS. Good morning. This is a special hearing—and hopefully our last for the fiscal year 1977 bill—to examine late-arriving budget amendments and to hear the budget request of the Pennsylvania Avenue Development Corporation.

We will begin today with the Interior agencies having late budget amendments, then go to the Indian Health Service for its budget amendments. We will finish with the Pennsylvania Avenue Development Corporation, whose authorization is apparently being revived.

Going to the Interior Department, we have budget amendments transmitted on May 24 and June 8 totaling some $26 million for the Bureau of Land Management, Geological Survey, Mining Enforcement Administration and Bureau of Mines. We will take them in that order.

First, we will hear from Senator Mathias of Maryland.

NONDEPARTMENTAL WITNESSES

STATEMENT OF HON. CHARLES McC. MATHIAS Jr., U.S. SENATOR FROM MARYLAND

RELOCATION OF BUREAU OF MINES FACILITY

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

I would ask that the committee file my statement for the record and I will summarize it very briefly.

Senator STEVENS. The full statement will be printed in the record. We do have a letter also from a colleague and it will be printed in the record following your remarks.

Senator MATHIAS. Both Senator Beall and I feel very strongly about this question because the University of Maryland has accommodated the Bureau of Mines on its campus for a number of years, but has now served notice that it is simply impossible to continue this accomodation beyond June of 1978 and that poses very serious problems both for the University of Maryland and for the Bureau of Mines.

Fortunately, there is an alternative location which involves a very short geographical move, which we urge upon the committee's favorable consideration.

I am sure the hearing this morning will resolve a number of questions, but among them that there is opinion of counsel that this project does not require clearance by GSA or the Committee on Public Works; that there has been a dispersal analysis of the various alternatives; and this proposed location which will be described this morning is by far the more efficient and economic. I am sure the witnesses from the Bureau will describe the advantages of maintaining a facility in the metropolitan Washington area.

So we urge this proposal on the committee, and I will leave my statement with the reporter.

PREPARED STATEMENT AND COMMUNICATION

Senator STEVENS. Thank you, Senator. I appreciate your concern and that of your colleague. We will include your full statement in the record along with Senator Beall's letter.

[The statement and letter follow:]

STATEMENT OF SENATOR MATHIAS

FUNDING NEW METALLURGICAL RESEARCH CENTER LOCATION

First of all, I want to thank Chairman Byrd for the opportunity to appear, before his Subcommittee on behalf of the Bureau of Mines fiscal year 1977 Budget request for funding to relocate the College Park Metallurgy Research Center from its facilities at the University of Maryland to a new location in Avondale, Maryland. Although I realize that this is primarily an "agency hearing", I want to express my appreciation for Chairman Byrd's positive response to my requests on behalf of the bureau and to offer my support, as a member of the appropriations committee, for the budget amendment being sought by the bureau.

This issue has been pending since last fall, when it became apparent that the University of Maryland would no longer accommodate the Metallurgy Research Center on its campus. At that time, I promised Dr. Falkie, the Director of the Bureau, that I would make every effort to help him maintain this valuable facility in the Washington metropolitan area. It now appears that, with the subcommittee's assistance, the entire project may be successfully drawn to a conclusion.

The Metallurgy Research Center must vacate its present location by June of 1978. As a result, the Bureau of Mines has been actively searching for a suitable replacement facility which would ideally offer many of the same advantages of location as the current site. The College Park center is the only bureau metallurgy facility easily accessible to the Northeastern and Middle Atlantic States. To relocate this facility outside of the Washington metropolitan area would serve to deny major segments of the public, the metals industries, the academic community and other vital sections of the government, the expertise and technology which has been readily available over the past 40 years at the College Park center. Naturally, I am delighted that the Bureau of Mines has found a suitable replacement facility, namely De La Salle College at Avondale, Maryland, which is about 3 miles from College Park.

As you know, the Department of the Interior submitted a request for an appropriation in the amount of $2.8 million to cover the costs of purchasing, altering, and equipping De La Salle College for the Metallurgy Research Center. The Office of Management and Budget has approved the request; and by communication of May 24, the President asked that it be included in the fiscal year 1977 budget.

As the option to purchase the De La Salle property expires shortly, and considering that the property is so uniquely suited to the needs of the Bureau of Mines, I can assure you that the budget request is somewhat urgent and that the appropriation needs to be included in the fiscal year 1977 budget. Therefore, I urge your favorable consideration of the budget amendment submitted on behalf of the Bureau of Mines Metallurgy Research Center.

Thank you once again.

United States Senate
WASHINGTON, D.C. 20510

May 6, 1976

Honorable Robert C. Byrd, Chairman
Subcommittee on the Interior
Appropriations Committee
United States Senate
Washington, D. C.

Dear Mr. Chairman:

The Bureau of Mines is currently in desperate need of obtaining $3.5 million to purchase suitable facilities to house its College Park Metallurgy Research Center in Prince George's County, Maryland. The purpose of this letter is to request that that amount be included in the FY/77 Appropriation Bill by your Subcommittee.

As you may know, the Metallurgy Research Center's present lease with the University of Maryland will not be renewed when it expires in June of 1978; and, if new quarters are not found in the Washington Metropolitan Area, the Center and its program will be broken up and dispersed to other centers across the country. This move would result in the elimination of extremely important research programs on the secondary recovery of metals and minerals from solid waste. It should be emphasized that the College Park Center is the only place on the East Coast capable of conducting this recycling research which is so important to the heavily populated and industrialized Northeastern United States. Moreover, without the benefit of the technology now being developed at the Metallurgy Research Center, the nation may be denied the reuse of valuable natural resources.

The Bureau of Mines, recognizing both the importance of this research and the high cost of building a new facility, has proposed to purchase eleven acres of the De LaSalle College, located just a few miles south of the College Park Campus. The total cost would be $3.5 million--$2.0 million purchase price plus $1.5 million for moving and conversion costs.

According to the Bureau of Mines, the proposal to purchase the De LaSalle College is undoubtedly the most cost-beneficial, least disruptive and of the greatest benefit to the research program.

In addition, it has been estimated by BOM that in the event the Metallurgic Research Center is disbanded the cost of closing down and transferring personnel to other locations would still be $3.3 million -- just $200,000 short of the proposed purchase and transfer cost to De LaSalle College. Closing the Center would have none of the benefits to be derived from continuing the research program; rather, it would have all of the personal hardships and bureaucratic headaches which traditionally accompany moves of this nature.

In light of the foregoing, I am hopeful that you will give the Department of the Interior, Bureau of Mines' request for $3.5 million favorable consideration when the Subcommittee on the Interior conducts its mark up on the FY/77 Appropriations Bill later this month.

I would appreciate your including my letter in the Subcommittee's hearing record on this matter.

With best wishes, I am

Sincerely yours,

J. Glenn Beall, Jr.

BUREAU OF MINES

STATEMENT OF DR. THOMAS V. FALKIE, DIRECTOR

ACCOMPANIED BY:

DR. THOMAS A. HENRIE, ASSOCIATE DIRECTOR, MINERAL AND MATERIALS RESEARCH AND DEVELOPMENT

RALPH C. KIRBY, ACTING ASSISTANT DIRECTOR, METALLURGY

WILLIAM D. OYLER, CHIEF, DIVISION OF BUDGET

PREPARED STATEMENT AND JUSTIFICATION

Senator STEVENS. Since we are already discussing this proposal, Dr. Falkie, why don't you file your complete statement and your budget justification for the record, and then summarize it, if you will.

Dr. FALKIE. Thank you, Senator Stevens.

[The statement and justification follow:]

STATEMENT OF DR. THOMAS V. FALKIE

Mr. Chairman:

It is indeed a pleasure for me to join with you here today to discuss our request for $2,800,000 to purchase a replacement facility for our Metallurgy Research Center presently located on the campus of the University of Maryland at College Park.

HISTORY

In 1935, the State of Maryland donated land on the University of Maryland College Park campus to the Federal Government for construction of a Bureau of Mines research facility. In 1937, this facility, known as the Eastern Experiment Station, began operation with 61 employees whose expertise covered nonmetals, metallurgy, mining, mineralogy, and explosives. With the growth of the Station during World War II and organizational changes within the Bureau, the original broad function was modified regionally so that the Eastern Experiment Station became the principal headquarters for the 17 most Eastern States.

Early research activities included minerals extraction and processing, hard rock mining, stream pollution problems, boiler water control to prevent corrosion, and physics applied to mining operations. In 1959 the Eastern Experiment Station became the College Park Metallurgy Research Center with functional emphasis on finding solutions to a wide variety of metallurgical problems.

When the land was donated to the Federal Government for the College Park facility, the site was well north of the center of campus activity. However, rapid growth of the University after World War II enveloped the Research Center, and by the early 1960's it occupied a prominent site at the heart of the campus.

Public Law 89-227 (September 20, 1965) conveyed slightly over 14 acres of land to the University, together with buildings and improvements, which the State of Maryland purchased from the Federal Government at fair market value. The date of the transaction was June 10, 1968. In turn, the State leased the buildings back to the Government rent free for ten years. The lease is renewable at the University's option, but there has been no interest on the University's part to extend it beyond the 1978 expiration date. Consequently, we have been searching actively for a suitable replacement facility in the Metropolitan Washington area for more than 7 years.

DE LA SALLE COLLEGE

During the course of our search, we found what we consider to be an ideal replacement facility for both our immediate and long-term program needs. This property is the De La Salle College located at 4900 La Salle Road, in Avondale, Maryland, which is about 3 miles from the University of Maryland College campus. The De La Salle College, now vacant, is a multi-level brick building, in good condition, containing approximately 130,000 square feet. It is situated on 16.7 acres of land. The purchase price is $2,000,000. The additional $800,000 of the $2,800,000 requested would be used for renovation and remodeling. Because it is close to the present location, there would be no cost for moving personnel. A careful analysis of alternatives has shown that purchasing the College offers the advantages of least overall cost to the Government, least disruption of ongoing research and least effect on personnel. Additionally, it retains most of the unique advantages of the present location at College Park and assures that no experienced research personnel would be lost. However, timing is critical if we are to acquire this property and vacate the College Park facility before the June 10, 1978, lease expiration date. For this reason, the funds requested are needed now for us to begin renovation and move in an orderly manner.

CURRENT RESEARCH PROGRAM

Today, a dynamic research program at the Center is directed toward the development of advanced minerals and metals technology. The research program encompasses a broad spectrum of scientific and engineering disciplines. It ranges, for instance, from basic studies on the surface phenomena related to mineral flotation and corrosion to the application of minerals beneficiation technology for separating unincinerated or "raw" refuse into many useful and valuable components. These include scrap iron, tin cans, aluminum, copper, glass, and a paper and plastic fraction suitable for fuel. Refining and upgrading ferrous and nonferrous scrap constitutes another important research area at the College Park Center. The program also is concerned with the utilization of abundant domestic resources, improvements in the performance of materials, development of new and improved analytical methods, and the engineering studies required to measure practicality and guide process research. Our geothermal materials research efforts are directed from the College Park Center also. In addition, the Bureau's Coal Sampling and Inspection Office and the Industrial Water Laboratory, which provide assistance and services to other Federal agencies all over the world, are located at College Park.

The total for the College Park activities for fiscal year 1976 is $3,200,000. This sum includes $2,700,000 for metallurgy research and $500,000 for the Coal Sampling and Inspection Program and the Industrial Water Laboratory work.

RESEARCH ACCOMPLISHMENTS

Throughout its history, the College Park Metallurgy Research Center has served as a showcase of the Bureau's work to the public and to various Government and industry officials. Today, it is familiar to the people of Metropolitan Washington area through a local newspaper feature on the "Trash Machine" developed there. College Park's efforts in this area are recognized by the experts in this field, too. An article in the May 1976 issue of Environmental Science and Technology points to the College Park Center as leading the Government effort in recycling and to its accomplishments in developing recycling technology and transferring this technology to the private sector. The article concludes by stating:

> Finally and most critically, the College Park Research Center, now facing extinction, must instead be maintained and expanded, for it is a leading force in technology development for municipal resource recovery. It must move and relocation is possible; funds and support should be provided for this purpose. To permit abandonment of this center, with a strong "track record" of accomplishments in recycling would frustrate and negate the recommendations of the National Commission on Materials Policy.

In addition to developing the fundamental technology for recycling municipal resources, research accomplishments at College Park have covered many other areas in minerals technology. In mineral dressing, which formed part of the basic techniques for recycling urban refuse, our achievements included:

- Fundamental electrostatic separation techniques now widely used
- Froth flotation to recover graphite from low-grade domestic resources
- Froth flotation to separate beryl from spodamene.

The work at the College Park Center on recycling technology was built, too, on our accomplishments in improving the technology for treating secondary metals. Included are:

- Zinc from galvanizers' dross and scrap diecast metal
- Aluminum from the salt drosses and slags of melting operations
- Precious metals from electronic scrap
- Nickel and cadmium from discarded batteries
- Lead from old automobile batteries (without generating sulfur dioxide gas)
- Rapid identification techniques for scrap alloys.

Other achievements have been just as important and pertinent to their time. They also demonstrate the broad technological base that has long been associated with the College Park facility.

- Process to recover the wasted manganese content of open hearth steelmaking slags
- Solution technology to recover potash from polyhalite ores
- An alum process for separating alumina from clay
- The pioneering work to use bacteria in hydrometallurgical applications
- Electrodeposition methods to put relatively thick platinum coatings on materials that would not otherwise stand up to high-temperature applications
- Improved copper electroplating technology
- Developed fundamental physical data on titanium that allowed it to be launched as a major industrial metal
- Devised improved ceramics for some electronic and missile applications
- Pioneered chemical and instrumental techniques for analysis of trace constituents of metals and alloys.

The contributions that come from College Park in conserving mineral resources are recognized by our peers and are cited in numerous publications. Among these are articles in the June and July 1975 issues of Engineering and Mining Journal which deal with the current treads in metallurgy. The Fall 1975 issue of the Phoenix Quarterly, a publication of the Institute of Scrap Iron and Steel, discusses College Park's research activities, among others, in secondary resources recovery. Also, the May 1972 issue of California Geology pertaining to "urban ore", cites College Park's contributions in solid waste treatment.

Mr. Chairman, we simply cannot afford to lose the research competence established at College Park over a period of nearly 40 years. The College Park facility is the only Bureau of Mines Metallurgy Research Center on the Eastern Seaboard. For this reason, it is essential that we maintain and strengthen our metallurgical research capabilities near the major secondary metals industries as well as the high concentrations of population where the problems are the most urgent. Purchase of the De La Salle College is necessary for the Bureau of Mines to continue to meets its obligations to the public and to the Nation in advancing minerals processing technology; developing methods for eliminating or abating land, water, and air pollution; and recovering and reusing secondary mineral and metal resources.

We will be pleased to answer any questions you have. Thank you.

66-307 O - 76 - pt. 5 -- 68

AMENDED JUSTIFICATION

Mines and Minerals

. For an additional amount for "Mines and Minerals," $2,800,000, to remain available until expended.

Identification code 10-32-0959-0-1-300		1977	1977	1977
Budget Appendix Page	Heading	Request Pending	Proposed Amendment	Revised Request
466	Mines and Minerals.....	$154,370,000	$2,800,000	$157,170,000

Program and Financing (in thousands of dollars)

Identification code 10-32-0959-0-1-300		1977 Request Pending	1977 Proposed Amendment	1977 Revised Request
Program by activities:				
Direct program:				
1. Metallurgy research.....		23,596	2,500	26,096
2. All other activities, no change.....		133,128	--	133,128
Total, direct program....		156,724	2,500	159,224
Reimbursable program:				
1. All activities, no change..		450	--	450
Total program costs, funded.....		157,174	2,500	159,674
Change in selected resources (undelivered orders, stores)..		-2,354	300	-2,054
10 Total obligations.....		154,820	2,800	157,620
Financing:				
11 Receipts and reimbursements from: Federal funds.....		-450	--	-450
Budget authority.....		154,370	2,800	157,170
Budget authority:				
40 Appropriation.....		154,370	2,800	157,170
Relation of obligations to outlays:				
71 Obligations incurred, net..		154,370	2,800	157,170
72 Obligated balance, start of period.....		97,025	--	97,025
74 Obligated balance, end of period.....		-94,671	-300	-94,971
90 Outlays, excluding pay raise supplemental.....		156,607	2,500	159,107
91.20 Outlays from civilian pay raise supplemental		117	--	117

OBJECT CLASSIFICATION (in thousands of dollars)

Identification code 10-32-0959-0-1-300		19 77	19 77	19 77
		Request Pending	Proposed Amendment	Revised Request
	Personnel compensation:			
11.1	Permanent positions	41,670	--	41,670
11.3	Positions other than permanent	1,928	--	1,928
11.5	Other personnel compensation	388	--	388
11.8	Special personal services payments	--	--	--
	Total personnel compensation	43,986	--	43,986
	Personnel benefits:			
12.1	Civilian	4,096	--	4,096
13.0	Benefits for former personnel	--	--	--
21.0	Travel and transportation of persons	2,785	--	2,785
22.0	Transportation of things	898	--	898
23.0	Rent, communications, and utilities	4,948	--	4,948
24.0	Printing and reproduction	760	--	760
25.0	Other services	81,698	800	82,498
26.0	Supplies and materials	3,810	--	3,810
31.0	Equipment	8,065	--	8,065
32.0	Lands and structures	124	2,000	2,124
33.0	Investments and loans	--	--	--
41.0	Grants, subsidies, and contributions	3,200	--	3,200
	Total direct obligations	154,370	2,800	157,170
	Reimbursable obligations, no change	450	--	450
	Allocation to General Services Administration, no change	--	--	--
99.0	Total obligations	154,820	2,800	157,620

Personnel Summary

Identification code 10-32-0959-0-1-300	1977 Request Pending	1977 Proposed Amendment	1977 Revised Request
Direct:			
Total number of permanent positions	2,535	--	2,535
Full-time equivalent of other positions	180	--	180
Average paid employment	2,570	--	2,570
Average GS grade	9.14	--	9.14
Average GS salary	$17,761	--	$17,761
Average salary of ungraded positions	$14,436	--	$14,436
Reimbursable:			
Total number of permanent positions	6	--	6
Average paid employment	6	--	6
Average GS grade	9.14	--	9.14
Average GS salary	$17,761	--	$17,761
Average salary of ungraded positions	$14,436	--	$14,436

CONSOLIDATED SCHEDULE OF PERMANENT POSITIONS PAID FROM FUNDS AVAILABLE TO THE BUREAU OF MINES

DETAIL OF PERMANENT POSITIONS

	1977 Request Pending	1977 Proposed Amendment	1977 Revised Request
All positions, no change	2,974	--	2,974
Total permanent positions	2,974	--	2,974
Unfilled positions, end of year	-135	--	-135
Total permanent employment, end of year	2,839	--	2,839

Justification

Mines and Minerals

Amendment to Fiscal Year 1977 Budget $2,800,000

An additional $2,800,000 is requested under the Mines and Minerals appropriation to be available until expended for purchasing, altering, and equipping the property presently known as De La Salle College, Avondale, Maryland, as a replacement for the Bureau of Mines College Park Metallurgy Research Center, as provided for in the Act authorizing the establishment, maintenance, and operation of mining experiment stations, approved March 3, 1915, (30 U.S.C. 8).

Under the provisions of Public Law 89-227, the Government conveyed approximately 14 acres of land and sold the buildings on the University of Maryland campus to the State of Maryland at fair market value on June 10, 1968. In turn, the State leased the buildings back to the Government on a rent-free basis for a period of 10 years. This lease will expire June 10, 1978. Any extension of the present lease agreement or negotiation of a new lease agreement is solely at the option of the University of Maryland. To date however, the University has not been favorably disposed to enter into a new agreement with the Government. As a result, the Bureau of Mines has been searching actively for a suitable replacement facility for its College Park Metallurgy Research Center. Because of the short time remaining prior to the expiration of the lease, it is imperative that action be taken immediately in order to acquire an ideally suited replacement facility.

The present College Park Center consists of two permanent brick buildings--with usable floor space of approximately 80,000 square feet. In addition, there are two pilot plants located a few miles from the main research facility in Edmonston, Maryland. These pilot plants, containing floor space of 23,000 square feet, are rented through the General Services Administration. All of the buildings are in excellent condition. A replacement facility for the College Park Center would necessarily have to be approximately 100,000 square feet of laboratory and office space.

The total budget for the College Park Metallurgy Research Center for fiscal year 1976 is $3.2 million. This sum includes $2.7 million for the metallurgy research programs. The balance, $0.5 million, is for the Coal Sampling and Inspection program and the Industrial Water Laboratory--organizational divisions of the Bureau of Mines that are physically located at the College Park Center. The present total personnel at College Park is 140, of which 100 are full-time, permanent employees.

At its present location, the College Park Metallurgy Research Center is easily accessible to Members of Congress, and other Government officials, representatives of various trade organizations, conservation and environmental action groups, foreign dignitaries, and scientists. Demonstration and high visibility of Bureau research accomplishments to the private sector are essential for rapid technological transfer of research to industrial practice. Further, when viewed on the basis of population rather than land area, the critical needs for a center of excellence conducting metallurgical research at or close to the present location are obvious. The College Park Center is the only Bureau metallurgy facility easily accessible to the large concentration of population and industry in the Northeastern and Middle Atlantic States. This strategic location serves a region where the needs of the secondary metals industries and the urban population are most urgent. Relocation of the College Park facility or transfer of its research activities to a location or locations outside the Metropolitan Washington area would deny major segments of the public, the

metals industries, the academic community, and other vital sectors of Government, including the Congress, the expertise and technology which all of these groups have come to know and take for granted over the past 40 years.

Recent reports of the Secretary of the Interior and the National Commission on Materials Policy to the President and the Congress warn that our mineral and energy needs will rise significantly in the next 30 years. These needs can be met under acceptable economic and environmental constraints if the United States, through the combined efforts of Government and industry, supports a dynamic program in minerals, metals, and energy research. Maintaining a Bureau of Mines Metallurgy Research Center in the East, such as we have at College Park, is imperative if the Bureau of Mines is to continue: (1) meeting its increasing obligations to the Nation in advancing minerals processing technology; (2) developing methods for eliminating or abating land, air, and water pollution; and (3) recovering and recycling secondary mineral and metal resources.

In our effort to find a suitable replacement facility for the College Park Center an ideal facility; namely De La Salle College, which is in close proximity to College Park, has come to the attention of Bureau of Mines officials. This facility, which is about 3 miles from the College Park campus, offers all of the advantages of the Bureau's present location. Furthermore, it includes 16.7 acres land, which is adequate for our needs. The building, which was a college, is well suited for conducting research programs such as those currently underway at College Park. It is highly unlikely that any significant losses in personnel would occur as a result of such a move, and the transfer of equipment and programs could be made in an orderly and effective manner at minimum cost to the Government and with minimum disruption to the present research programs. The current purchase price of the buildings and land is $2.0 million. Renovation and conversion of some of the space to special-purpose laboratories would cost an additional $0.8 million. There would be no cost for moving personnel.

A careful analysis of the economic and social aspects of the various options open to the Government leads to the conclusion that the Department of the Interior should move forward immediately and with all urgency to obtain authorization to purchase the buildings and grounds of the now vacant De La Salle College. This option has the advantages of overall least cost to the Government, least disruption of the ongoing research programs, and least effect on personnel. In addition, it retains the unique advantages of the present location at College Park and assures that no valuable, experienced personnel would be lost. There would be no change in Congressional jurisdiction because the De La Salle College is within Maryland's Fifth Congressional District which is the same for the College Park Center. It should be emphasized that this unique opportunity must be acted upon swiftly because the property is on the open market and may be sold at any time.

HISTORY OF COLLEGE PARK RESEARCH CENTER

Dr. FALKIE. Thank you very much, Senator.

Maybe I should summarize the history of the College Park Metallurgy Research Center as it relates to the problem of having to vacate the present premises.

In 1935 the State of Maryland donated land for a facility. In 1937 the facility was opened. When the land was donated the site was well north of the center of the campus activity, but by the early 1960's it occupied a very central position in the campus.

In 1965, Public Law 89–227 conveyed the 14 acres that remained with the Bureau of Mines back to the university and sold to the university the buildings and improvements on the land. In turn, the State leased these buildings back to the Federal Government and the Bureau of Mines for a 10-year period which ends in June of 1978.

Since that law was passed in 1965 we have been searching for alternatives to replace the College Park Metallurgy Research Center. We have looked at the various options available to us including dispersing the activities to other research centers; the possibility of building a completely new research center; the possibility of leasing the research center; the possibility of negotiating a new lease with the University of Maryland; finding surplus space on a Federal installation; and, finally, the possibility of acquiring a facility that could be made useful to us.

DE LA SALLE COLLEGE

A short time ago we became acquainted with the fact that the De La Salle College, which is located at 4900 LaSalle Road in Avondale, Md., would become available at a purchase price of $2 million. For an additional $800,000 we could make some improvements that would allow us to use this facility as a metallurgy research center.

I have some charts, Senator, to very quickly make you aware of the situation. The first chart is a picture of the facility itself. It is buffered by landscaping and space on all sides. There are some houses on the east. There is a county park on the north. There is a bank at a fair distance to the south.

Senator STEVENS. How large is the property?

Dr. FALKIE. Sixteen acres. Almost 17 acres is available to us, along with the improvements.

Now, the location is just outside the D.C. boundary line in Prince Georges County, Md. And from a convenience standpoint, it is an ideal location because the highway service and other services in that area are excellent.

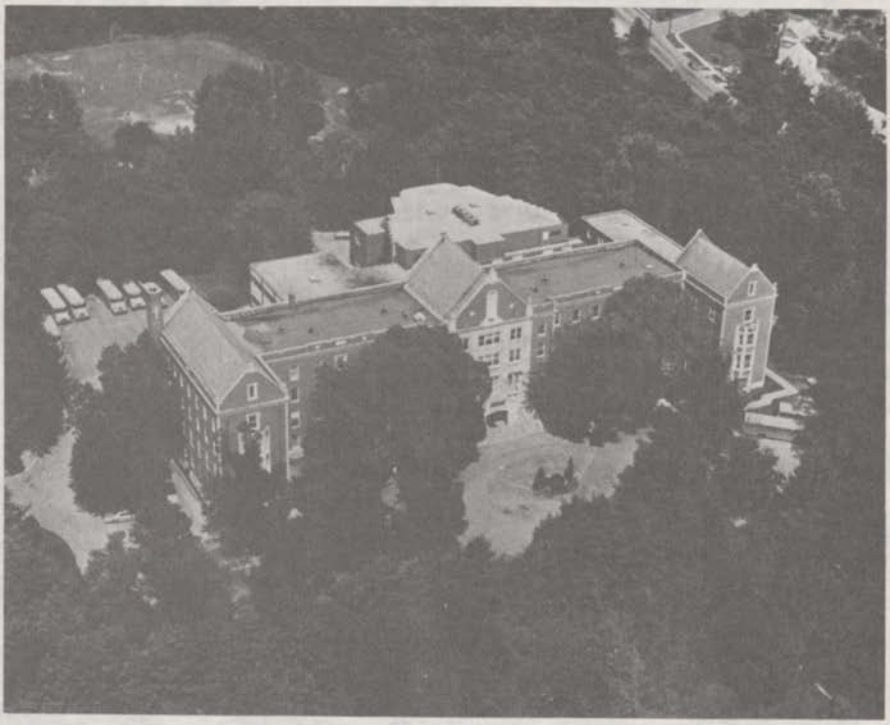
However, the most important factor in wanting to continue this facility is the ability to keep people together; well established teams of research scientists and engineers, without dispersing them and not having to move them. You can see that the De La Salle College is a very short distance to our existing center at College Park.

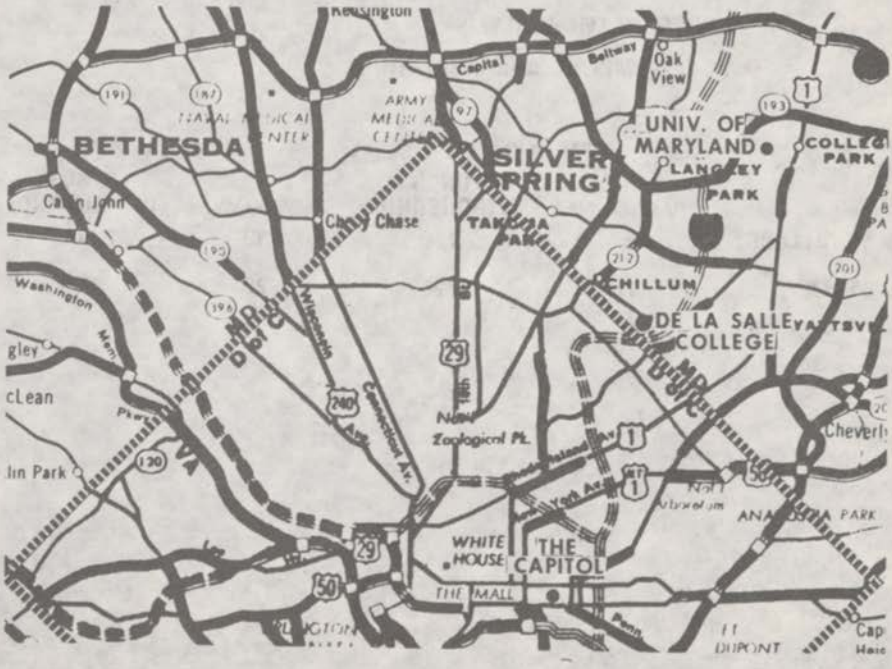
Just to briefly summarize the programs at College Park Metallurgy Research Center—in the two areas of mineral technology and especially in recycling, we have total personnel, full time, permanent personnel, of about 102 people there with some additional people as part time and temporary.

CHARTS

Senator STEVENS. Doctor, I think we are familiar with the activities at College Park. We will print the charts in the record.

[The charts follow:]




Kensington
Capital
Beltway
Oak View
191
187
97
193
1
BETHESDA
NAVAL MEDICAL CENTER
ARMY MEDICAL CENTER
SILVER SPRING
UNIV. OF MARYLAND
LANGLEY PARK
COLLEGE PARK
Cabin John
Chevy Chase
TAKOMA PARK
195
212
201
CHILLUM
Washington
DE LA SALLE COLLEGE
MD Dist Col
Wisconsin Ave
Connecticut Ave
29
Nat'l Zoological Pk.
Cheverly
Clean
Park
120
Rock Creek Park
1
295
WHITE HOUSE
THE CAPITOL
50
THE MALL
ANACOSTIA PARK
DUPONT

COLLEGE PARK METALLURGY RESEARCH CENTER CURRENT PROGRAM

METALLURGY

- FUNDAMENTAL FLOTATION TECHNOLOGY
- METALLURGICAL PROCESS EVALUATION
- ADVANCED ELECTRO DEPOSITION TECHNOLOGY
- URBAN REFUSE PROCESSING
- REFINING SECONDARY NONFERROUS METALS
- IMPROVED CORROSION-RESISTANT ALLOYS
- CHROMIUM ION IMPLANTATION TECHNOLOGY
- PLATINUM COATING TECHNOLOGY
- GEOTHERMALL MATERIALS
- VALVE MATERIALS FOR COAL GASIFICATION SYSTEMS
- ASBESTOS MINERALS IDENTIFICATION

OTHER

- BOILER WATER ANALYSIS
- COAL SAMPLING AND INSPECTION

	FY 1976		FY 1977	
	PERSONNEL	FUNDS (STHOUSAND)	*PERSONNEL*	FUNDS (STHOUSAND)
METALLURGY	82	2,730	82	2,500
OTHER	20	620	20	660

COLLEGE PARK METALLURGY RESEARCH CENTER ACCOMPLISHMENTS

MINERALS TECHNOLOGY

- ALUMINA-FROM-CLAY PROCESS TECHNOLOGY
- FUNDAMENTAL ELECTROSTATIC SEPARATION OF MINERALS
- MANGANESE RECOVERY FROM OPEN HEARTH STEELMAKING SLAGS
- BACTERIAL LEACHING OF ORES
- IMPROVED COPPER ELECTROPLATING TECHNIQUES
- CORROSION-RESISTANT MATERIALS
- FUNDAMENTAL PHYSICAL DATA ON TITANIUM

RECYCLING TECHNOLOGY

- URBAN REFUSE PROCESSING
- ALUMINUM FROM WASTE SLAGS
- ZINC FROM SCRAP METAL
- GOLD AND SILVER FROM ELECTRONIC SCRAP
- NICKEL AND CADMIUM FROM DISCARDED BATTERIES
- LEAD FROM OLD AUTO BATTERIES (NON-POLLUTING TECHNIQUE)
- RAPID IDENTIFICATION OF SCRAP METALS

SUITABILITY OF NEW LOCATION

Senator STEVENS. Let me ask you some questions about this property.

Are there any restrictions on it?

Dr. FALKIE. There are no restrictions. We have had favorable clearance on the property from citizens' groups and neighbors such as the bank in the area. A nursing home is not too far from there. And all these people have reacted favorably to our coming there.

Senator STEVENS. How did you reach the $2 million purchase price?

Dr. FALKIE. The $2 million purchase price was the price asked. We have had an independent appraisal and it was somewhat more than $2 million.

Senator STEVENS. What use is De La Salle College being given now?

Dr. FALKIE. Right now it is vacant. De La Salle College is owned by the Christian Brothers and was a seminary. For a short period of time after they vacated they leased it to a Baptist organization for use as a religious facility. But it is vacant now and not being used for anything.

Senator STEVENS. Staff tells me your original estimate was considerably in excess of the $2 million. Did you delete any of the property that you examined in your appraisal?

Dr. FALKIE. No. Our original estimate was $2 million to acquire the property plus another amount to renovate it and revise it to suit our purposes. And that is what the $800,000 that we are requesting now is for; to renovate it to suit the purposes and bring it up to date.

Senator STEVENS. Well, I am told you originally asked $1½ million to renovate it.

Dr. FALKIE. We did originally ask for $1½ million to renovate it but we feel if we can get in there and get things started for $800,000, Senator——

Senator STEVENS. Why do you need the total 16 acres?

Dr. FALKIE. Well, we are buying it as a package deal and the fact that there are 16 acres there allows us to have a buffer zone around the property. It is a very attractive property. Theoretically, we don't need 16 acres, but it is the package that we are interested in.

ZONING RESTRICTIONS

Senator STEVENS. Then there are no restrictions on the use of the land other than the schools and physical facilities? There is no restrictions on the future use of 16 acres?

Dr. FALKIE. There are no restrictions, to my knowledge, Senator. Of course, if we were to do anything else, we would very carefully clear this with——

Senator STEVENS. I am talking about legal restrictions on its use.

Dr. FALKIE. No. No legal restrictions.

Senator STEVENS. No zoning restrictions on the use of the land by the Federal Government?

Dr. FALKIE. Not for this purpose for the Bureau of Mines.

Senator STEVENS. I mean there are no zoning restrictions that will impede the Federal Government on the balance of the land?

Dr. FALKIE. Not that I am aware of.

Senator STEVENS. You are almost in a residential area; aren't you?

Dr. FALKIE. Yes, you obviously wouldn't want to build an industrial-type facility on this location, Senator. But for a light technical laboratory or offices and that kind of thing, there are no restrictions.

Senator STEVENS. Are there any mineral activities located near that center other than the current facility at College Park?

Dr. FALKIE. Any mineral activities?

Senator STEVENS. Yes. Anything related to your activities in the immediate vacinity?

Dr. FALKIE. No, there are not. We have no other facilities—metallurgy facilities in the East. And our closest other research facility would be Pittsburgh.

Senator STEVENS. How much square footage do you have now in College Park?

Dr. FALKIE. 103,000 square feet.

Senator STEVENS. And how much will this school give you?

Dr. FALKIE. It will give us about 130,000 square feet, Senator.

Senator STEVENS. What is the situation with regard to the physical plant there? The heating and other facilities?

Dr. FALKIE. Well, we checked over the facilities very thoroughly, and basically the overall building is in pretty good shape. But we do need to spend a little bit of money to renovate it and to decorate it, paint it and so forth, in some cases. But the fundamental facility is very sound.

Senator STEVENS. Is it air conditioned?

Dr. FALKIE. Part of it is and part of it is not.

Senator STEVENS. What heat does it use?

Dr. FALKIE. It uses oil.

Senator STEVENS. Do you intend to continue to use the current heating plant?

Dr. FALKIE. Yes, we do not have money in there to change the heating plant over. The heating plant is usable and we would continue to use it.

REDUCTION FROM ORIGINAL ESTIMATES

Senator STEVENS. Well, what I am looking for is, why an additional $700,000 was originally requested. What did you scale out of this?

Dr. FALKIE. Well, undoubtedly, Senator, there is going to have to be some additional expenditures over a course of, say, 5 years out of program funds to do additional renovating as we put in additional laboratory facilities. But we think that we could essentially move with what we have now.

Senator STEVENS. That is not my question now, doctor. I assume OMB knocked out the $700,000. Now what did they knock out?

Dr. FALKIE. We knocked out some of the expenditures for moving and installing equipment. We knocked out some of the expenditures for doing such things as removing partitions and minor remodeling—that kind of thing. We also deleted relocation of the entrance road and thorough renovation of the landscape.

Senator STEVENS. Well, is there any money you asked for renovation of the existing physical plant, like the heating plant, air conditioning or anything else? Was that knocked out?

Dr. FALKIE. We asked for some additional air conditioning and that was eliminated. But not the heating plant.

ALTERNATIVES

Senator STEVENS. What other alternatives did you examine for this move?

Dr. FALKIE. We looked in the whole urban area and suburban area for a facility that we could either buy or lease and we were not able to find one that was suitable for this special kind of purpose. We looked at the possibility of building a new building somewhere in the area and the cost of doing that would be quite large in comparison to this.

We looked at the possibility of dispersing these activities to other metallurgy research centers in the West and we looked at the possibility of leasing an existing facility. But since there weren't any facilities that could be used this way, obviously this was not a viable alternative.

We looked at renegotiating a lease with the University of Maryland and I personally had discussions with the university people and with the board of trustees and they were not interested. They wanted us to leave the premises, as was suggested in the law in 1965.

Senator STEVENS. Did you examine any availability, if there is any, of facilities that are currently owned by the Federal Government in that area?

Dr. FALKIE. Yes, we did. We looked at every lead that we had regarding other facilities in the—well, in an area, I would say, of 25 to 30 miles or even more around the Washington area.

Senator STEVENS. Did you contact GSA on that to see whether any excess space was available?

Dr. FALKIE. Yes, we did contact GSA.

Senator STEVENS. Was there any at all?

Dr. FALKIE. There is excess space, but not the kind of space we need for this kind of technical facility.

Senator STEVENS. Is there some unique character to this activity that you couldn't move to somewhere else?

Dr. FALKIE. It is definitely a special purpose type laboratory. We set up small pilot plant facilities. We need high ceilings; the ability to conduct some fairly extensive pilot plant testing in it. And these facilities were just not available.

Senator STEVENS. Thank you. We have a vote and we will stand in recess for just a few minutes, please.

ADDITIONAL QUESTIONS

I don't have any further questions. Thank you very much, Dr. Falkie.

We have some additional material submitted for the record including additional questions by Senator Mathias. It will be inserted at this point.

[A brief recess was taken.]

[The information follows:]

QUESTIONS SUBMITTED BY SENATOR MATHIAS

Question: Does this project have to be cleared by the General Services Administration and/or the Committees on Public Works? Why or Why not?

Answer: No. Acquisition of the property known as De La Salle College for use as a replacement facility by the Bureau of Mines for its College Park Metallurgy Research Center is authorized under 30 U.S.C. 8.

Under 40 U.S.C. 606(a), approval by resolutions of the House and Senate Committees on Public Works is required before any appropriation is made for an expenditure in excess of $500,000 to construct, alter, purchase, or to acquire any building to be used as a public building. "Public building" is defined at 40 U.S.C. 612 as a building which is generally suitable as office or storage space for Federal agencies. In a recent opinion (June 2, 1976), the Interior Department's Associate Solicitor, Division of General Law, states, "the proposed facility will not be a public building within the meaning of 40 U.S.C. 606(a) and 40 U.S.C. 612, but will qualify as special purpose building, which is a building not useful for general Government office or storage space." For this reason, clearance by the Committees on Public Works is not required.

Question: Has the Bureau completed a "dispersal analysis" of the various alternatives under consideration for the Metallurgy Research Center? What were the findings?

Answer: A "dispersal analysis" was made by the Bureau as part of its analysis of the alternatives open to it for relocating the metallurgical research activities conducted at the College Park Metallurgy Research Center. Anticipated costs for dispersing College Park research projects by moving research personnel and equipment to other Bureau research facilities across the United States were determined. The analysis showed that this alternative would cost the Government in excess of $3,300,000.

Question: What are the advantages of maintaining a facility in the Washington Metropolitan Area?

Answer: Metropolitan Washington, D.C. is one of the great science centers of the country. The diversity and wealth of scientific disciplines and research activities provide unlimited opportunities for the Bureau of Mines to continue to maintain competence in minerals and materials technology. Further, the numerous large universities found in this area provide the opportunity for unparalleled technology transfer and cross-fertilization of ideas

to keep abreast of the most recent technological advancements. Most important of all, is the fact that the College Park Center is the only Bureau facility conducting metallurgical research on the East Coast, near the large concentrations of secondary metals industries and urban population, where the problems are the most urgent. Maintaining a facility in this strategic area provides the Bureau with the unique opportunity for continuing its effective leadership in recycling technology, thus contributing significantly to achievement of the goal of conserving this Nation's mineral resources.

Question: Have you communicated with local officials about your plans with regard to De La Salle College? Do they have any objections?

Answer: The Bureau of Mines has communicated its plans to purchase the De La Salle College as a replacement facility for its College Park Metallurgy Research Center to officials of Prince George's County. In a letter dated April 2, Winfield Kelly, Jr., County Executive, and David Hartlove, Jr., Chairman, County Council, indicated they were anxious to have the Bureau's research installation remain in Prince George's County and expressed their support for its relocation to the De La Salle College property. Other letters of support have been received by the Bureau from Carroll Manor, a home for the aged and infirm, and from the Citizens Bank and Trust Company of Maryland, occupants of properties adjacent to the College.

DE LA SALLE COLLEGE ZONING

Based on Zoning Map #33 of Prince George's County, the De La Salle College is zoned R-55 (single-family, detached residential use). Purchase of the College by the Bureau of Mines as a replacement facility for its College Park Metallurgy Research Center presents no conflict to the present zoning as evidenced by the stipulations that public buildings and uses are permitted in R-55 zones. Prince George's County defines public buildings and uses as any building or facility owned or operated by a governmental agency.

PRINCE
GEORGE'S
COUNTY

Courthouse.
Upper Marlboro, Maryland 20870
(301) 627-3000

April 21, 1976

Dr. Thomas V. Falkie
Director, Bureau of Mines
2401 E Street, N.W.
Washington, D.C. 20241

Dear Dr. Falkie:

We have been informed by Congressman Spellman's Office that the Metalurgy Research Center, Bureau of Mines, faced with having to move from its present facilities on the University of Maryland campus, is considering the De LaSalle College property in Avondale as a new location and that an appropriation for acquisition of the property has been requested.

We further understand that the Office of Management and Budget has requested an expression of the Prince George's County Government's position on the proposed relocation to the College property.

The purpose of this letter, therefore, is to inform you that we are most anxious to have this research installation remain in Prince George's County and to express our support for its relocation to the De LaSalle College property.

For your information the Maryland-National Capital Park and Planning Commission has recently purchased eleven acres of the De LaSalle property for park development. The Bureau of Mines and park usage are highly complementary. Should your organization select this location, the County encourages the Bureau of Mines and the Maryland-National Capital Park and Planning Commission to coordinate development plans.

If for any reason you are unable to relocate to this site, we would be happy to assist your agency in a search for alternative locations in Prince George's County. We hope that you will keep us advised of your progress related to the move and call upon us if you require the County Government's assistance.

Sincerely,

Winfield M. Kelly, Jr.
County Executive

David G. Hartlove, Jr.
Chairman, County Council

66-307 O - 76 - pt. 5 -- 69

BUREAU OF LAND MANAGEMENT

STATEMENT OF GEORGE TURCOTT, ASSOCIATE DIRECTOR

ACCOMPANIED BY:

FRANK EDWARDS, ASSISTANT DIRECTOR, MINERALS MANAGEMENT

ARNOLD PETTY, ASSISTANT DIRECTOR, ADMINISTRATION

PAUL VETTERICK, CHIEF, DIVISION OF BUDGET AND PROGRAM DEVELOPMENT

GEOLOGICAL SURVEY

STATEMENT OF VINCENT E. McKELVEY, DIRECTOR

ACCOMPANIED BY:

WILLIAM A. RADLINSKI, ASSOCIATE DIRECTOR

HENRY W. COULTER, ASSISTANT DIRECTOR, ENVIRONMENTAL CONSERVATION

GARY W. HORTON, STAFF ASSISTANT, RESOURCE EVALUATION, CONSERVATION DIVISION

DALE D. BAJEMA, ASSISTANT DIRECTOR, PROGRAM ANALYSIS

EDMUND J. GRANT, ASSISTANT DIRECTOR FOR ADMINISTRATION

ALBERT E. LETEY, ACTING ASSISTANT DIRECTOR, CENTRAL REGION

JACK J. STASSI, BUDGET OFFICER

WILLIAM BETTENBERG, DEPUTY DIRECTOR OF BUDGET, OFFICE OF THE SECRETARY

BUDGET REQUEST

Senator STEVENS. We will now hear the budget amendments received from the Bureau of Land Management and the Geological Survey directed to coal leasing.

BLM's amendment involves $10.5 million and 99 new positions; and the USGS proposal is for $11.8 million and 109 new positions. We will include the justifications and the prepared statements of the two witnesses in the record.

INTRODUCTION OF ASSOCIATES

Mr. Turcott, we would like you to introduce for the record your associates. And, Dr. McKelvey, I would ask you to do the same. Both of your statements will be printed in the record.

Gentlemen—and I am sorry—but we are going to be called back for another vote in about 20 minutes. I would like to skip the summaries and ask you to respond to particular questions that have been prepared for these items.

Introduce the gentlemen you have with you so in case there is any response, the reporter will know who it is.

Mr. TURCOTT. Thank you, Mr. Chairman. On my far right is Arnold Petty, Assistant Director for Administration. On my immediate right is Paul Vetterick, Chief, Division of Budget and Program Development. And on my immediate left is Frank Edwards, Assistant Director for Minerals Management.

Senator STEVENS. Dr. McKelvey.

Dr. MCKELVEY. Mr. Chairman, on my right is William A. Radlinski, our Associate Director. And on my left, Jack Stassi, our budget officer.

Also in the room are Henry Coulter, Assistant Director for Environmental Conservation; Gary Horton, staff assistant, Resource Evaluation, Conservation Division; Dale Bajema, Assistant Director for Program Analysis; Edmund Grant, Assistant Director for Administration; and Albert Letey, Acting Assistant Director of our Central Region.

PREPARED STATEMENTS AND JUSTIFICATIONS

Senator STEVENS. Your prepared statements will go in the record at this point, along with your budget justifications.

[The statements and justifications follow:]

STATEMENT OF GEORGE TURCOTT

Mr. Chairman:

We are here today in support of a budget amendment for Fiscal Year 1977 totalling $10.5 million of which $9.6 million is needed to implement the Department's new federal coal leasing policy and $.9 million is for purchase of vehicles necessary to carry out our resource programs.

Coal Leasing. On January 26, 1976, the Secretary of the Interior announced a new comprehensive Federal coal leasing policy to promote orderly development of public energy resources. No additional funds were requested for our coal leasing program in the FY 1977 Budget; thus it is necessary for us to come now to explain what additional capability we need to implement this new policy. The Geological Survey has also submitted an Amendment for this purpose. The requests complement each other and should be considered together since one without the other will severely limit the Department's ability to proceed with coal leasing and development actions.

A necessary step in the process of considering major coal development decisions is the preparation of environmental impact statements (EIS's). One such EIS for the East Powder River region of Wyoming was completed in October 1974; and another EIS, scheduled for completion this November, is being prepared for the Northwest Colorado region. To expand the range of potential coal-related decisions beyond these two areas for possible coal development under existing leases or possible future leases, seven additional EIS's are scheduled to begin in Fiscal Year 1977. These will involve coal bearing regions in Wyoming, Montana, Utah, New Mexico, and North Dakota. $7.7 million and 58 permanent positions are requested to fund FY 1977 EIS costs, with the Department utilizing a combination of in-house preparation and contract preparation. These funds will support not only BLM efforts on EIS's, but also participation by other Interior agencies (USGS, FWS, and Bureau of Mines). Positions include requirements of BLM, Fish & Wildlife Service, and the Bureau of Mines. GS position requirements are reflected in their amendment. The EIS capability will also facilitate preparation of environmental analysis reports related to pending preference right lease applications.

Under the Energy Minerals Activity Recommendation System (EMARS), the process by which we will lease coal, we will initiate a system of nominations through which industry, State, local governments, environmental groups, and the public at large will periodically recommend which tracts should or should not be leased. $.4 million and 6 permanent positions are requested to process the nominations, including coding, analysis, evaluation, summarization and storage. Much of this effort will be conducted with temporary employees.

Finally, the Department plans to utilize the Bureau's Management Framework Plans (MFP's) or land-use plans as an integral part of both the EMARS process and as a data source for regional EIS's. While MFP's are complete in some coal areas, other MFP's are only partially done or require updating. In the case of lands where the Federal government owns little of the surface area (as in North Dakota), modified management plans must be initiated. $1.5 million and 35 permanent positions are requested to update or complete 34 MFP's in areas selected for preparation of the regional EIS's.

Vehicle Acquisition

In the past two years the Bureau's programs have increased substantially, principally to meet national energy priorities. To carry out these programs, approximately 1,200 new positions have been authorized, the vast majority of them being for field employees who must have the use of vehicles to carry out their day-to-day responsibilities. For the same period, only 564 vehicles have been acquired. The number of vehicles available is inadequate to accommodate our FY 1976 needs, much less the additional needs for new employees in FY 1977. GSA recently informed the Department that they will be unable to meet requirements for additional vehicles from the motor pools in FY 1977. Therefore, $.9 million is requested to finance the net purchase cost of 187 additional vehicles urgently needed in FY 1977 to carry out the Bureau's priority resource management programs.

Both the additional coal leasing capability and the acquisition of vehicles are critical to meeting the Nation's energy development goals. We urge your support for these requests and will be pleased to answer any questions you have.

AMENDED JUSTIFICATION
BUREAU OF LAND MANAGEMENT

Budget Appendix Page	Heading	1977 Request Pending	1977 Proposed Amendment	1977 Revised Request
427	Management of Lands and Resources	$209,700,000	$10,540,000	$220,240,000

(In the heading first paragraph following the above insert delete the figure "$209,700,000" and "$220,240,000")

Program and Financing
(In thousands of dollars)

Identification code 10-04-1109-1-1-302	1977 Request Pending	1977 Proposed Amendment	1977 Revised Request
Program by Activities:			
Direct Program:			
1. Energy & Minerals Management . .	83,634	8,690	92,324
2. Lands & Realty Management . . .	37,091	60	37,151
3. Surface Resource Use & Protection	56,379	290	56,669
4. Planning & Multiple Use	7,156	1,500	8,656
5. Cadastral Survey	15,892	--	15,892
6. Firefighting & Rehabilitation .	4,750	--	4,750
7. General Administration	4,798	--	4,798
10. Total Obligations	209,700	10,540	220,240
Financing:			
Budget Authority	209,700	10,540	220,240
40. Budget Authority:			
Appropriation	209,700	10,540	220,240
Relation of Obligations to Outlays			
71. Obligations Incurred, Net . . .	209,700	10,540	220,240
72. Obligated Balance, Start of Year	41,339	--	41,339
73. Obligated Balance, End of Year .	-45,009	-1,175	-46,184
90. Outlays Excluding Pay Raise Supplemental	206,030	9,365	215,395

OBJECT CLASSIFICATION (in thousands of dollars)

Identification code 10-04-1109-0-1-302		1977 Request Pending	1977 Proposed Amendment	1977 Revised Request
	Personnel compensation:			
11.1	Permanent positions	61,625	1,451	63,076
11.3	Positions other than permanent	14,684	460	15,144
11.5	Other personnel compensation	4,260	202	4,462
11.8	Special personal services payments	4,090	--	4,090
	Total personnel compensation	84,659	2,113	86,772
	Personnel benefits:			
12.1	Civilian	11,222	162	11,384
21.0	Travel and transportation of persons	6,125	342	6,467
22.0	Transportation of things	3,725	178	3,903
23.0	Rent, communications, and utilities	10,581	151	10,732
24.0	Printing and reproduction	2,015	75	2,090
25.0	Other services	66,734	6,415	73,149
26.0	Supplies and materials	12,765	60	12,825
31.0	Equipment	5,540	1,044	6,584
32.0	Lands and structures	5,940	--	5,940
41.0	Grants, subsidies, and contributions	1	--	1
42.0	Insurance claims and indemnities	528	--	528
	Subtotal	209,835	10,540	220,375
95.0	Quarters and subsistence changes	-135	--	-135
99.0	Total obligations	209,700	10,540	220,240

Personnel Summary

Identification code 10-04-1109-0-1-302	1977 Request Pending	1977 Proposed Amendment	1977 Revised Request
Direct:			
Total number of permanent positions	4,344	99*	4,443
Full-time equivalent of other positions	1,450	24	1,474
Average paid employment	5,451	115	5,566
Average GS salary	13,667	17,788	13,759
Average GS grade	9.14	10.72	9.17

* Includes for transfer:

5 - Fish and Wildlife Service
5 - Bureau of Mines

Consolidated Schedule of Permanent Positions Paid from Funds Available to the Bureau of Land Management

DETAIL OF PERMANENT POSITIONS

	1977 actual	1977 estimate	1977 estimate
	Request Pending	Proposed Amendment	Revised Request
Executive Level V	1		1
Subtotal	1		1
GS-17	1		1
GS-16	7		7
GS-15	47		47
GS-14	138	2	140
GS-13	362	11	373
GS-12	655	29	684
GS-11	1,348	32	1,380
GS-10	16		16
GS-9	974	18	992
GS-8	95		95
GS-7	650		650
GS-6	284		284
GS-5	616		616
GS-4	242	7	249
GS-3	67		67
GS-2	8		8
GS-1	3		3
Subtotal	5,513	99	5,612
Total Permanent Positions	5,514	99	5,613
Unfilled positions, June 30	-437		-437
Total Permanent Employment, end of year	5,077	99	5,176

1. Energy and Minerals Management

FY 1977 Request Pending	$83,634,000
FY 1977 Proposed Amendment	$ 8,690,000
FY 1977 Revised Request	$92,324,000

Increase(+) or Decrease(-) Amount	Positions	Total Program Amount	Positions	Explanation
(1) +$8,140,000	+99	$14,556,000	260	To implement the Department's new Federal coal leasing policy: to initiate 7 regional EIS's; & to perform EMARS operations.
(2) +$550,000	-	$550,000	-	To acquire four-wheel & two-wheel vehicles urgently needed to carry out mineral programs.
+$8,690,000	+99			

Need for Amendment:

1) On January 26, 1976, the Secretary of the Interior announced a new comprehensive Federal coal leasing policy to promote orderly development of public energy resources.

The regulatory framework for the new policy will be in place by the end of June and the Department will be in an operational mode -- limited only by available resources -- in all aspects of the program not requiring additional NEPA statements. These include:

- administering the new surface standards;
- approving or disapproving some mining plans for new mines;
- taking action on preference right lease applications;
- taking action on some new competitive lease applications under the short-term criteria;
- modifying the terms of leases up for renewal; and,
- preparing for possible competitive sales during 1977 and 1978.

The Department is also prepared to initiate seven regional Environmental Impact Statements to expand the range of potential coal-related decisions beyond the one area (East Powder River, Wyoming) where such a statement has been completed and Northwest Colorado where a statement is underway. These statements are a necessary step in the process of considering major coal development decisions.

The resource requirements through a budget amendment to allow implementation of the program total $18,090,000 and 224 permanent positions. These amounts are proposed to be divided into two components by Bureau as follows:

Bureau of Land Management,	$9,640,000
(Energy & Minerals Management)	($8,140,000)
(Planning)	($1,500,000)
Geological Survey	$8,450,000

The Bureau of Land Management will be the central funding agent for the EIS work for the Geological Survey, the Fish and Wildlife Service, and the Bureau of Mines. Justification of the specific requirements for the Bureau of Land Management follows.

a) Regional Environmental Impact Statements +$7,690,000 +48 Positions

A mandatory step to considering the proper balance between the national requirement for utilization of the Nation's most abundant fossil fuel and preservation of the environment, is an examination of the environmental consequences of possible decisions -- whether they involve proposed mining plans on existing leases, proposed rights-of-way and other permit actions for energy-related developments or potential new leases. This examination is accomplished through Environmental Analysis Reports (EAR's) or in the case of major actions, Environmental Impact Statements (EIS's). In the case of coal leasing policy, a final "coal programmatic" EIS was issued on September 19, 1975. Approval of mining plans and coal-related permits and issuance of new leases in many regions would constitute major actions with possible cumulative impacts requiring preparation of regional EIS's. One such EIS for the East Powder River region of Wyoming was completed in October 1974. On the basis of this statement and other decision criteria, four mining plans have been approved by the Department. An additional EIS, scheduled for completion this November, is being prepared for the Northwest Colorado region.

To expand the range of potential coal-related decisions beyond these areas may ultimately require as many as 20-30 such regional EIS's. As a first step in expanding the range, the Department will prepare seven regional EIS's for those areas of highest interest for potential coal development under existing leases or possible future leases.

Each EIS will consist of a regional "umbrella" statement and, as necessary, a series of "site-specific" statements covering mining plans or other proposals requiring Federal decisions. The general format will be similar to the Idaho phosphate, and East Powder River Basin and Northwest Colorado coal development EIS's. As in the case of East Powder River Basin, subsequent "site-specific" EIS's are also likely.

The Bureau of Land Management, U.S. Geological Survey, Bureau of Mines, and the Fish and Wildlife Service will participate in the development of these EIS's with the Bureau of Land Management serving as the lead agency on four statements and Geological Survey serving as the lead on the other three. Some actions on these statements will be initiated during the transition quarter; the EIS's will be completed in FY 1977 or FY 1978 depending upon the actual initiation dates. Approximate preparation time is 18 months.

In an effort to utilize skills in the private sector, hold down the requirement for Federal manpower in preparing these EIS documents, and explore an alternative method of EIS preparation, the Department will utilize a combination of in-house preparation and contract preparation. Contract efforts will involve the basic compilations

and analysis of data from all relevant disciplines but will allow for critical review and interpretation as well as development of recommendations by Bureau of Land Management, U.S. Geological Survey, Bureau of Mines, and Fish and Wildlife Service.

Staffing requirements for each of the four EIS's to be prepared in-house have been planned on the basis of a prototype 23-member team composed of six management and operations positions assigned to the lead agency and 17 technical specialists. These technical positions include six for USGS to provide expertise in geology, hydrology, and mining engineering; nine for BLM to provide natural resource (range, wildlife, forestry, recreation, etc.) and surface protection and enhancement skills; one for FWS to assist in the compilation of ecological and wildlife data; and one for Mines to assist in analysis of energy data, technology and economics. Specific data needs beyond the scope of the team, such as air quality, socio-economic impacts, etc. will be met through contracts. Cost requirements for EIS's are estimated to be approximately $1.1 million, including $180,000 for management responsibilities, $565,000 for technical specialists, $170,000 for temporary clerical and resource support and miscellaneous items, and $175,000 for contracts.

Where near-total contract preparation is anticipated, the amount estimated for contracts is approximately $800,000. Technical skills are necessary to design specific contracts, review data outputs to assure necessary quality, and develop final recommendations.

Capability provided for these EIS teams will continue to be utilized in the operation of the coal leasing program. As involvement in the regional EIS's varies by month, effort will be directed to preparation of environmental analysis reports (EAR's) related to pending preference right lease applications. First priority in processing these applications will be given to those applications which meet the short-term criteria (estimated at up to 55 applications in fiscal year 1977). The Geological Survey will then evaluate the commercial viability of the leasing proposal. Those applications that satisfy both the short-term and commercial quantities requirements will then be processed by the Bureau of Land Management (including preparation of EAR's). Effort beyond fiscal year 1977 will also be directed to preparing additional site-specific EIS's within the above regions as necessary and preparation of additional regional EIS's. This effort is anticipated to be essentially constant over the next several years in terms of funding and staffing.

b) EMARS Operation - Analysis and Evaluation of Nominations +$450,000
+6 Positions

In addition to management framework plans, a major element of EMARS is a system of nominations through which industry, State, and local governments, environmental groups, and the public at large, will periodically recommend which tracts should or should not be leased. Initially industry, public, and State government coal tract nominations are being invited on 85 million acres of Federal coal estate and could conceivably extend to Federal, State and private surfaces adjacent to the known Federal coal lands. The Bureau of Land Management is responsible for the announcement, receipt, coding, analysis, evaluation and storage of the coal lease nominations for 85 million acres. These are proprietary data, and must be maintained as such through the entire nominations, tract selection, land use planning and regional coal EIS processes.

The nominations process being initiated in June 1976, will be a one tier process. At that time a Call for Industry Nominations and Areas of Public Concern will be requested. Sixty days will be allowed for comment. After 30-60 days for processing nominations by BLM, including coding, analyzing and evaluating, nominations will be plotted on maps and made available to State governments and the general public.

Following review of nominations, the Bureau of Land Management will prepare summary narratives which discuss all rationale received in favor of and opposed to coal leasing. The specific nominations and the associated rationale will then be compared with data in existing MFP's or used as basic data for new or updated MFP's. In addition, the aggregate tract nominations will be provided to USGS for input to their geologic, geophysical and hydrologic data collection programs. The nominations will both guide the Bureau of Land Management's future planning efforts by indicating areas of significant interest where planning has not been completed and be directly considered in the resource conflict resolution phase of the MFP. They will also be utilized in the evaluation of Federal coal resources.

Six permanent positions (one per major coal State) are required for the initial aspects of EMARS operation, specifically the processing of nominations, incorporation of nominations data in planning documents and evaluation of nominations leading to but not including proposed tract selections. Funds are also required for temporary manpower to perform the mechanics of coding data, plotting nominations on maps, and analyzing industry and public comments.

2) In recent years, BLM programs have increased substantially primarily for activities necessary to meeting the priority national objective of increasing the production of domestic energy resources. A total of 967 new permanent positions were provided in FY's 1975 and 1976. The Fiscal Year 1977 Budget provides for a further increase of 243 positions exclusive of 90 positions being transferred from the Federal Highway Administration. Energy and minerals related programs account for 1977 position increases totalling 223. The vast majority of the new positions established in the last two years and virtually all of the 1977 positions are for field employees who must have the use of vehicles to carry out their day-to-day responsibilities. This field work involves data gathering for planning, field examination of proposed lease or permit sites, cadastral surveying, compliance checks after leases are issued, and many other activities.

In Fiscal Year 1975, GSA notified the Department that requirements for additional vehicles could not be met through the GSA motor pool system due to GSA budget limitations. As a result, GSA granted the Department authority to procure its own motor vehicles from surplus sources, by lease or lease purchase or by outright purchase. BLM has been able to acquire 74 vehicles from surplus sources and to purchase 202 additional vehicles for delivery during Fiscal Year 1976. Funding for purchase was available primarily as a result of substantial Fiscal Year 1975 lapse savings not available in the current year or expected to be available in Fiscal Year 1977. These vehicles together with those the motor pools have been able to supply are still inadequate to meet current year needs, much less the additional needs for new employees in Fiscal Year 1977.

GSA recently informed the Department that they will again be unable to meet requirements for additional vehicles from the motor pools in Fiscal Year 1977. To meet current and Fiscal Year 1977 needs, the following additional vehicles are required:

Type	Number	Unit Purchase Cost	Total Cost
4-wheel drive	165	$6,000	$ 990,000
2-wheel drive	20	5,000	100,000
1½ ton trucks	2	7,500	15,000
Subtotal	187		$1,105,000
Presently budgeted for base rental from GSA*			205,000
Net requirement			$ 900,000

* Excludes amounts included in the Budget for maintenance and operating costs which will still be incurred for BLM-owned vehicles.

This amendment (including requests under Energy & Minerals Management, Lands and Realty Management, and Surface Resource Use and Protection) would finance the net purchase cost of $900,000 for 187 additional vehicles needed in Fiscal Year 1977. Other acquisition alternatives are not considered viable. The possibility of suitable excess vehicles becoming available from other agencies is virtually non-existent because GSA's inability to supply additional vehicles is resulting in retention of existing vehicles often considerably beyond age and mile-age standards. Lease and lease-purchase arrangements are possible, but ultimately result in total costs which are often double the cost of outright purchase.

2. Lands and Realty Management

FY 1977 Request Pending	$37,091,000
FY 1977 Proposed Amendment	60,000
FY 1977 Revised Request	37,151,000

Increase(+) or Decrease(-) Amount	Positions	Total Program Amount	Positions	Explanation
+$60,000	-	$60,000	-	To acquire four-wheel and two-wheel drive vehicles urgently needed to carry out lands programs.

Need for Amendment: See justification under Energy and Minerals Management, Item 2.

3. Surface Resource Use and Protection

FY 1977 Request Pending	$56,379,000
FY 1977 Proposed Amendment	290,000
FY 1977 Revised Request	56,669,000

Increase(+) or Decrease(-) Amount	Positions	Total Program Amount	Positions	Explanation
+$290,000	-	$290,000	-	To acquire vehicles urgently needed to carry out surface resources programs.

Need for Amendment: See justification under Energy and Minerals Management, Item 2.

4. Planning for Multiple Use Management

FY 1977 Request Pending	$7,156,000
FY 1977 Proposed Amendment	1,500,000
FY 1977 Revised Request	8,656,000

Increase(+) or Decrease(-) Amount	Positions	Total Program Amount	Positions	Explanation
+$1,500,000	+35	$8,656,000	285	To complete or update 34 MFP's necessary to facilitate coal leasing program.

Need for Amendment:

Recognizing the necessity for analyzing potential coal leasing and development in conjunction with other uses for the same lands, the Department has decided to utilize the land-use plans (MFP's) developed by the Bureau of Land Management as an integral part of both the EMARS process and as a data source for regional EIS's.

The MFP considers all possible land uses for the various resources involved in an area, identifies and analyzes the interactions between the various uses, and tries to resolve conflicts in a way that will maximize overall public benefits. Development of MFP's provides for significant participation and assistance from the general public and will be a major source of public input to the coal leasing process. The decisionmaker reviews the MFP data and selects specific land use alternatives. The resulting planning decision for coal will indicate geographic areas planned for coal development and will identify the general stipulations and mitigating measures necessary to reasonably protect other resource values.

While MFP's are complete in some coal areas, other MFP's are only partially done or require updating; and in the case of lands where the Federal Government owns little of the surface area (as in North Dakota), modified management plans must be initiated. Existing capability is being utilized largely in preparing plans that respond to areas covered by EIS's for the range management program as required under recent court decisions and thus cannot be diverted to the coal effort. No additional funding has been provided to this program since 1975, and no increase is included in the fiscal year 1977 Budget.

Before coal leasing can proceed in areas selected for preparation of regional EIS's, 34 MFP's must be completed or updated. Specifically, 10 MFP's need only minor updating; 11 MFP's need major revisions, and 13 new MFP's must be prepared. Average cost requirements are $47,000 to develop a new MFP, $36,000 to make major MFP revisions, and $15,000 to make minor updates to existing MFP's. Thirty-five positions and $1.5 million are required to accomplish this planning workload including gathering (largely through contract) socio-economic and resource data needed to complete and update the MFP's.

STATEMENT OF VINCENT E. McKELVEY

Mr. Chairman and Members of the Committee

I appreciate the opportunity to appear before this Committee to discuss the proposed amendment to the Geological Survey's budget request for fiscal year 1977. This amendment, which requests 109 positions and $11,850,000, includes 82 positions and $8,450,000 to support the Secretary's policy on coal leasing and to implement new surface mining regulations for coal; $2,400,000 to replace items damaged or destroyed by fire at the Survey's Regional Headquarters in Denver, Colorado; and 27 positions and $1,000,000 to ensure an orderly transition of the responsibilities for the National Petroleum Reserve in Alaska from the Department of the Navy to the Geological Survey.

COAL LEASING POLICY

On January 26, 1976, the Secretary announced a new policy for Federal coal development, and on May 17, 1976, new regulations were issued governing the surface mining of coal. To help implement this policy and the new regulations the Geological Survey needs 6 positions and $2,000,000 for coal hydrology studies and 76 positions and $6,450,000 for expanded lease management workload and for pre-lease evaluation of Federal coal resources.

Water Resources Investigations
Coal Hydrology

The newly issued regulations for surface mining of Federal coal resources and coal mining operations impose water quantity and quality criteria during and after mining which requires intensive monitoring of streams and ground water as a check on the water related effects of mining. During FY 1977, hydrological measurements are proposed to provide information about water quality, quantity, sedimentation characteristics and dissolved minerals content. Knowledge of regional and site specific water quality and quantity constraints will be necessary for developing lease stipulations and reclamation standards, future leasing policy and for mine plan approvals.

The $2,000,000 in additional funds requested would add 168 new water monitoring stations to the existing 467 stations located in the priority coal regions. This would provide the density of monitoring stations necessary in hydrologically sensitive areas for effective evaluation of requirements for operating and reclamation standards.

Conservation of Lands and Minerals

The need for additional positions and funds to support the Secretary's coal development policy results from the increased review and inspection workload required to implement the new surface mining regulations for coal and the increased classification and evaluation workload to support the proposed coal leasing.

Lease Management

Implementation of the new surface mining regulations approved in May, 1976, will greatly increase lease management responsibilities. This is due to added quality control requirements, necessitating a more intensive review of mining plans, generating General Coal Mining Orders to control operations in specific geographic areas, and publishing them in the Federal Register, reviewing state mining laws and regulations to determine

66-307 O - 76 - pt. 5 -- 70

what, if any, modifications to mining plans are necessary to conform to State requirements, and holding public hearings as necessary on complaints by any parties adversely affected by approval of a new or modified exploration or mining plan or related matters. An increase of 46 positions and $1,380,000 is requested to handle this increased workload in coal lease management.

Classification and Evaluation

Maps identifying coal and its potential for development are basic tools for the lease planning and evaluation processes. Such maps provide information to the Department and the public on potential lease areas and they will be a major input into the Management Framework Plans of BLM in planning for the use of public lands. An additional 210 maps are needed for 7 of the proposed coal regions, and will require an increase of $2,700,000 and 10 positions.

The new coal leasing policy will also require test drilling to evaluate proposed lease areas, to determine resources in advance of sales, fair market value, and data for leasing decisions. The plan for FY 1977 is to drill 1,255 holes in five of the potential lease sale areas -- an increase of 875 over the number drilled in FY 1976. The cost of this additional effort to gather basic coal data would be $1,520,000.

Finally, the Geological Survey is responsible for recommending tracts to BLM to be offered for coal leasing and for providing BLM with estimates of coal values and with recommendations for acceptance or rejection of bids. This amendment will provide $850,000 and 20 positions -- sufficient to evaluate 15 competitive sale tracts of 5,000 acres each and 55 preference right applications.

DENVER FIRE

On March 19, 1976, a fire caused severe damage to the Geological Survey's facilities at the Federal Center, Denver, Colorado. Fire damage occurred in the mapping, research, and analytical laboratories, and in the Survey library and office space. Heat, smoke and water caused damage to over 125,000 square feet of the building.

In addition to the destruction of the Survey's laboratory and office space and facilities, the intensity of the fire caused severe structural damage to the building. Temperatures in the fire were estimated to be between 1,700 and 2,000 degrees fahrenheit, sufficient to literally twist and bend the steel girders which support the floor and ceiling.

The $2,400,000 requested by this budget amendment are for those items for which the Geological Survey is responsible such as the restoration and replacement of damaged or destroyed supplies, work materials, furniture, instruments and laboratory equipment. Not included are costs for restoration, renovation, repair and cleaning of the building which are the responsibility of the General Services Administration.

Sufficient evidence has been gathered by the General Services Administration to indicate arson. The Federal Bureau of Investigation has been contacted and is currently investigating the cause of the fire.

NATIONAL PETROLEUM RESERVE IN ALASKA

Title I of the Naval Petroleum Reserves Production Act of 1976, P.L. 94-258, redesignates the Naval Petroleum Reserve No. 4 in Alaska as a

National Petroleum Reserve and transfers jurisdiction of that reserve to the Department of the Interior, effective June 1, 1977. The Geological Survey has been delegated the responsibility by the Secretary to continue the Navy's projected $200 million a year program for petroleum exploration of the reserve.

The amendment includes the 27 positions and $1,000,000 needed to ensure an orderly transition of responsibilities from the Navy. A staff of oil and gas exploration experts must be on board prior to the June 1, 1977, transfer date to become familiar with the administrative and technical aspects of the program. This includes: (1) becoming familiar with the details and operation of existing Navy contracts and related budget matters, (2) learning the details and assimilating existing geophysical and geological data already collected by the Navy and its contractors, (3) determining additional data requirements and (4) becoming familiar with the scientific bases for the Navy's petroleum exploration strategy, to most effectively direct and modify, as required, the program in the future. A planning group has already begun discussions with the Department of the Navy in Washington, D.C. and Anchorage, Alaska, and with the Navy's contractor, the Husky Oil Company in Houston, Texas.

Mr. Chairman, this concludes my opening statement. I will be glad to answer any questions you may have regarding this budget amendment.

AMENDED JUSTIFICATION

DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

Budget Appendix Page	Heading	Request Pending	Proposed Amendment	Revised Request
462	Surveys, Investigations, and Research ----------	$284,308,000	$11,850,000	$296,158,000

SURVEYS, INVESTIGATIONS, AND RESEARCH
Summary of Proposed Amendments to FY 1977 Budget
(Dollars in thousands)

Activity	FY 1977 Request Pending	Proposed Amendments				FY 1977 Revised Request
		Coal Leasing	Denver Fire	National Petroleum Reserve	Total Proposed Amendments	
1. Alaska pipeline related investigations	$ 321	$ --	$ --	$ --	$ --	$ 321
2. Topographic surveys and mapping	47,482	--	250	--	250	47,732
3. Geologic and mineral resource surveys and mapping	86,052	--	2,075	--	2,075	88,127
4. Water resources investigations	57,382	2,000	75	--	2,075	59,457
5. Conservation of lands and minerals	63,079	6,450	--	--	6,450	69,529
6. General administration	3,647	--	--	--	--	3,647
7. Facilities	9,448	--	--	--	--	9,448
8. Land information and analysis	16,897	--	--	--	--	16,897
9. National petroleum reserve	--	--	--	1,000	1,000	1,000
TOTAL	284,308	8,450	2,400	1,000	11,850	296,158

SURVEYS, INVESTIGATIONS, AND RESEARCH
Summary of Proposed FY 1977 Amendment for Coal Leasing

Activity	Request Pending	Proposed Amendment	Revised Request
4. Water Resources Investigations ----------	$57,382,000	$+2,000,000	$59,382,000
5. Conservation of Lands and Minerals ------	63,079,000	+6,450,000	69,529,000
All Other Activities - No Change --------	163,847,000	--	163,847,000
TOTAL ----------	284,308,000	+8,450,000	292,758,000

4. Water Resources Investigations

FY 1977 request pending, $57,382,000; FY 1977 revised request, $59,382,000; proposed amendment, $2,000,000. The increase consists of:

Increase (+) or Decrease (-) Amount	Positions	Total Program	Total Positions	Explanation
a.(1) $ --	--	$19,063,000	640	National Water Data System - Federal Program.
a.(2) $ --	--	$27,934,000	853	National Water Data System - Federal-State Coop Program.
b. $+2,000,000	+6	$11,265,000	176	Critical National Water Problems.
c. --	--	$504,000	--	Annualize increased pay costs E.O. 11883.
d. --	--	$526,000	--	GSA space costs.
e. --	--	$90,000	--	Annualize new position costs for FY 1976.
$+2,000,000	+6	$59,382,000	1,669	

Major Program Changes

On January 26, 1976, the Secretary of the Interior announced a new policy for Federal coal development covering such aspects as surface standards, mining plans, diligence, nomination, royalties and preference right and competitive leases. To support the Secretary's policy on coal leasing and to implement new surface mining regulations for coal, the Geological Survey is requesting an additional 6 positions and $2,000,000 in FY 1977 for hydrologic measurements of water quality, quantity, sedimentation characteristics, dissolved mineral contest, and aquatic ecological quality for surface and groundwater, in the 10 priority coal regions of potential leasing.

b. Critical national water problems, $+2,000,000; total $11,265,000

(1) Accelerated energy research and development:

(a) Coal hydrology, $+2,000,000; total $5,174,000.

1. Proposal. An increase of 6 positions and $2,000,000 is needed to establish and operate an additional 168 water monitoring stations to monitor stream flow and quality and ground-water quantity and quality in areas of potential coal leasing.

2. Justification. Newly issued regulations for Surface Management of Federal Coal Resources (43 CFR 3041) and

Coal Mining Operating Regulations (30 CFR 211) impose water-quantity and quality criteria during mining and after mining which require intensive monitoring of streams and ground water as a check on the adequacy of mining management procedures. Measurement of changes in quantity and quality must be made from a base of "prevailing" or "natural" conditions, such as pre-mining conditions.

During fiscal year 1977, hydrological measurements will provide information about water quality, quantity, sedimentation characteristics, dissolved mineral content, and aquatic ecological quality for surface and groundwater, as appropriate. These data will not only allow effective monitoring of mining and reclamation, but will provide necessary information for EMARS implementation and EIS preparation. Knowledge of regional and site-specific water quality and quantity constraints will also be necessary for developing lease stipulations and reclamation standards, future leasing policy, and mine plan approvals.

The Water Resources Division of the Geological Survey has some water monitoring stations in the 10 priority coal regions, although not necessarily suitably located for adequate coverage of the proposed leasing areas. The total number of surface water, ground water, and sedimentation stations in these regions is 467. In order to provide the density of monitoring stations necessary for effective evaluation of requirements for operating and reclamation standards, 168 new stations including 9 stream gages, 45 quality monitors, and 114 observation wells in hydrologically sensitive areas, are needed. Establishment of baseline or average conditions for stream quantity and quality will require continuous observations at a gaging site for a minimum of 2 years and preferably 5 years.

3. Cost Factors. Personnel services and benefits for six (6) positions at an average rate of $25,000, $150,000; contractual services $1,810,000; and other related costs, $40,000.

5. Conservation of Lands and Minerals

FY 1977 request pending, $63,079,000; revised request, $69,529,000; proposed amendment, $6,450,000. The increase consists of:

Increase (+) or Decrease (-) Amount	Positions	Total Program	Total Positions	Explanation
a. --	--	$38,784,000	925	OCS Lands.
b. $+6,450,000	+76	29,437,000	867	Federal & Indian Lands.
c. --	--	299,000	--	Annualize increased pay costs E.O. 11883
d. --	--	141,000	--	GSA space costs.
e. --	--	868,000	--	Annualize new position costs for FY 1976
$+6,450,000	+76	$69,529,000	1,792	

Major Program Changes

On January 26, 1976, the Secretary of the Interior announced a new policy for Federal coal development covering such aspects as surface standards, mining plans, diligence, nomination, royalties and preference right and competitive leases. To support the Secretary's policy on coal leasing and to implement new surface mining regulations for coal, the Geological Survey is requesting an additional 76 positions and $6,450,000 in FY 1977 for regulation of industry operations on coal leases and for pre-lease evaluation of Federal coal resources.

a. OCS Lands, no increase, total $38,784,000

b. Federal and Indian Lands, $+6,450,000 total $29,437,000

(1) Regulation of operations on Federal and Indian energy minerals, $+1,380,000; total $4,066,000

1. Proposal - The proposed FY 1977 budget amendment for regulation of operations (46 positions and $1,380,000) will be needed to meet increased review and inspection workload to implement the new surface mining regulations for coal incorporated in the Secretary's new leasing policy. Review and inspection activities will include review of exploration plans, field inspections of exploration activities, review of mining plans, and regular inspection of operating mines.

2. Justification - The Geological Survey supervises lease operations on preference right and competitively awarded leases. The implementation of the new surface mining regulations (30 CFR 211), will increase lease management activities including both the level of activities and the intensity of management efforts as follows:

Item	Workload		Man-hours Per Plan	
	1976	1977	1976	1977
Mining Plans Reviewed ----------	203	442	120	154
Inspections and Examinations ----------	475	2,156	16	32

Mining Plan Reviews - include the review and approval of new or modified exploration or mining plans. In FY 1976 the work level amounted to 120 man-hours per plan. In FY 1977, because of the improved quality of plan review called for under the new regulations, a work level of 154 man-hours per plan will be required. Similarly the inspections and examinations of active and inactive properties increases from 16 man-hours per inspection in FY 1976 to 32 man-hours in FY 1977. Again, the increased intensity of effort reflects the more rigorous requirements of the new regulations. The inspection effort will be unusually heavy in FY 1977 because the new regulations require that all existing operations be in compliance with performance standards within 180 days after the effective date of the regulations (May 17, 1976) and that new or modified mining plans for existing mines must be approved by the Mining Supervisor within 18 months after that date.

In order to implement the Surface Mining Regulations, General Coal Mining Orders (GMO), appropriate to specific geographic areas must be written and published in the Federal Register. Preparation of GMO's and implementation guidelines will be initiated immediately now that the new mining regulations have been approved, and will continue into FY 1977 and beyond as new mining areas are identified and leased.

A review of State mining laws and regulations will be conducted in order to identify current State operating requirements which are more stringent than the Federal regulations. The Secretary of the Interior will determine on a state by State basis where guidelines for mining plan approval must be modified to include appropriate State requirements.

Public participation in the lease management process is provided for in the new regulations. Parties having an interest, who may be adversely affected by approval of a new or modified exploration or mining plan, release of a performance bond, or approval of abandonment of a lease operation, may petition for a public hearing. The Mining Supervisor must provide public notice, in the Federal Register, of any such proposed major decision. An estimated 50 notices will be prepared and published in FY 1977, resulting in an estimated 40 hearings.

3. Cost Factors - Personnel services and benefits costs for forty-six (46) positions at an average rate of $18,600, $855,600; other related expenses, $172,500; GSA space costs $92,000; other contractual services including computer services, $259,900.

(2) Coal land classification and evaluation $+5,070,000; total $7,600,000.

1. Proposal - To implement the Secretary's new coal policy the Geological Survey must provide maps depicting the location, quantity and characteristics of coal in the potential leasing areas to the Bureau of Land Management as input in to the preparation of Management Framework Plans (MFP). Prior to final decisions regarding the issuance of new coal preference right or competitive leases, the Geological Survey must provide geologic, engineering, and economic information and recommendations to the Bureau of Land Management regarding commercial quantities determinations, bonus estimates, lease stipulations regarding advance royalty payments, and special reclamation requirements. This amendment includes 30 positions and $5,070,000 to provide basic resource data for five areas of potential competitive sales, to evaluate the data for three of these potential sales (approximately 15 tracts of 5,000 acres average size) or the equivalent total acreage, to evaluate about 55 preference right lease applications against the commercial quantities criteria, and to make necessary lease stipulation recommendations for leases included in the proposed sales.

2. Justification

a. Coal resource occurrence and development potential maps, $+2,700,000

Basic tools in the entire lease planning process are maps depicting the locations, quantity and characteristics (environmental and economic) of the coal, and its potential for development. These maps to be prepared by the Geological Survey, and by outside contractors, provide information to the Department of the Interior and the public on potential lease areas and major input into the Management Framework Plans.

Expanded coal leasing will require increased coal resource mapping to aid in pre-lease evaluation. The fiscal year 1977 budget included $805,000 to produce 80 maps. To support the new policy, 210 maps are needed requiring an increase of $2,700,000 and 10 positions. This level of effort would be continued into fiscal year 1978 to substantially complete the preparation of maps for the current, projected lease areas.

b. Basic data gathering $+1,520,000

The new coal leasing policy will require considerable test drilling to gain the necessary information for the evaluation of the proposed lease sale areas. Competitive leasing will require test drilling to determine reserves in advance of sales, to determine fair market value, to provide data for lease stipulations, and to determine the amount of advance royalty payments beginning with the sixth year if production has not begun. Reserves and overburden volumes are required for determining Logical Mining Units for developing realistic mining plans and costs for tract evaluation calculations.

The plan for FY 1977 is to drill 1,255 holes in five potential lease sale areas.

Item	1976	1977	Change
Test Holes to be Drilled ------	380	1,255	+875

c. Tract selection and evaluation $850,000

The Geological Survey is responsible for recommending tracts to BLM to be offered for coal leasing and for providing them with estimates of coal values with recommendations for acceptance or rejection of bids. The final evaluations are based upon a thorough analysis of all available geological, engineering, and economic data applicable to each case. Discounted cash flow methods are used to determine the present value of resources.

No funds for tract selection and evaluation or commercial quantities recommendations were included in the current proposed FY 1977 budget for the lease sale areas proposed in this amendment. An additional 20 positions and $850,000 will be required for competitive sale tract evaluations and preference right lease commercial quantities determinations. These positions and funds will be sufficient to evaluate 15 competitive sale tracts of 5,000 acres each and 55 preference right applications.

3. Cost Factors - Personnel services and benefits costs for thirty (30) positions at an average rate of $18,600, $558,000; other related expenses, $142,000, GSA space costs, $60,000; other contractual services including drilling contracts and computer services, $4,310,000.

(3) All other programs, no increase; total $17,771,000

SURVEYS, INVESTIGATIONS, AND RESEARCH
Summary of Proposed FY 1977 Amendment for Denver Fire

Activity	Request Pending	Proposed Amendment	Revised Request
2. Topographic Surveys and Mapping ------	$47,482,000	$ +250,000	$47,732,000
3. Geologic and Mineral Resource Surveys and Mapping ----------	86,052,000	+2,075,000	88,127,000
4. Water Resources Investigations -------	57,382,000	+75,000	57,457,000
All Other Activities - No Change -----	93,392,000	--	93,392,000
TOTAL ----------	284,308,000	+2,400,000	286,708,000

2. Topographic Surveys and Mapping

FY 1977 request pending, $47,482,000; revised request, $47,732,000; proposed amendment, $250,000. The increase consists of:

Increase (+) or Decrease (-) Amount	Positions	Total Program	Total Positions	Explanation
(1) $+250,000	--	$250,000	--	Replacement and repair of items damaged in fire.
--	--	47,482,000	1,695	All other programs.
+250,000	--	47,732,000	1,695	

Cost Factors Involved in Increase

(1) Repair to equipment and furniture and other contractual services, $120,000; supplies and materials, $20,000; replace destroyed equipment, $110,000.

3. Geologic and Mineral Resource Surveys and Mapping

FY 1977 request pending, $86,052,000; revised request, $88,127,000; proposed amendment, $2,075,000. The increase consists of:

Increase (+) or Decrease (-) Amount	Positions	Total Program	Total Positinns	Explanation
(1) $+2,075,000	--	$2,075,000	--	Replacement and repair of items damaged in fire.
--	--	86,052,000	1,940	All other programs.
+2,075,000	--	88,127,000	1,940	

Cost Factors Involved in Increase

(1) Charges associated with relocation, temporary trailer leasing and telephone installation costs, $135,000; repair to equipment and furniture and other contractual services, $285,000; supplies and materials, $103,000; replacement of destroyed equipment, $1,552,000.

4. Water Resources Investigations

FY 1977 request pending, $57,382,000; revised request, $57,457,000; proposed amendment, $75,000. The increase consists of:

Increase (+) or Decrease (-) Amount	Positions	Total Program	Total Positions	Explanation
(1) $+75,000	--	$75,000	--	Replacement and repair of items damaged in fire.
--	--	57,382,000	1,663	All other programs.
+75,000	--	57,457,000	1,663	

Cost Factors Involved in Increase

(1) Supplies and materials, $23,000; replacement of destroyed equipment, $52,000.

Need for Amendment:

On March 19, 1976, a fire caused severe damage to the Geological Survey facilities at the Federal Center, Denver, Colorado. Fire damage occurred in the mapping, research and analytical laboratories, and in the Survey library and office space. To replace or repair critical items damaged or destroyed by the fire, exclusive of structural damage which is under the responsibility of the General Services Administration, a budget amendment of $2,400,000 is being requested. The detail of this request, by activity, is shown below:

Topographic Surveys and Mapping ---------- $250,000

The fire loss for this activity includes photogrammetric instruments, equipment and supplies, as well as some general office items. As the result of damages and data losses suffered by the Map and Field Data Unit, service to Federal and State agencies, as well as the public, has been disrupted. In addition, certain map data and reproduction materials were destroyed, for which replacement must be contracted for since reproduction cannot be delayed until internal resources are available. This data is being prepared under commitments to Federal and State agencies such as the BIA, SCS, BLM and State cooperators. This includes rescanning of over 50 orthophotoquads, reproduction of 600 photographs and preparation of 465 diapositives (glass plates required for stereo compilation).

Geologic and Mineral Resource Surveys and Mapping ---------- $2,075,000

The Geologic activities in the Denver Center suffered the greatest fire loss. Estimates for replacement of laboratory facilities and scientific equipment and instruments totals $1,454,000 and repairs to equipment damaged by the fire amounts to $209,000; other damages total $412,000. The following is a summary by program office of the damages resulting from the fire:

a. Office of Mineral Resources - In the Branch of Exploration Research trace element laboratories were totally destroyed, as were field records, manuscripts, compilation maps, microscopes and other equipment related to the Wilderness and Minerals programs.

b. Office of Energy Resources

1. Oil and Gas Resources Branch - An inorganic chemistry laboratory was totally destroyed along with the equipment, manuscripts and compilation maps.

2. Chemical Resources Branch - Project losses include equipment, records, manuscripts and compilation maps for projects on Great Basin phosphate resources, and on silica, zeolite and potash resources in the U.S.

3. Uranium and Thorium, and Coal Resources Branches - A laboratory in each Branch was destroyed along with equipment, supplies, manuscripts and compilation maps.

c. Office of Geochemistry and Geophysics - The Rock Analysis, Experimental Geochemistry and Minerology laboratories and other analytical laboratories were nearly totally destroyed along with equipment, records, and manuscripts.

d. Office of Environmental Geology - The Central Environmental Geology Branch suffered heavy instrumentation and equipment loss.

Personnel in each of the Branches identified above have been relocated to other space within the Denver Federal Center, but in many instances personnel are temporarily being doubled up into the space now occupied by other employees. The effectiveness of the operation in many cases has been seriously reduced.

Water Resources Investigations ---------- $75,000

The fire damage in this activity was to the supplies, instruments and equipment in an analytical methods research laboratory. The work undertaken by this laboratory pertained to inorganic chemistry research for the purpose of preparing water samples used in quality control by the Survey, as well as for State and local water agencies.

General

This amendment to our budget request includes only those costs for which the Geological Survey is responsible, such as the restoration and replacement of damaged and destroyed supplies, work materials, furniture, instruments and laboratory equipment. The Survey is also responsible for costs incurred in the relocation of personnel and equipment, the disposal of chemicals, which was a prime factor in delaying this request as access to certain areas was restricted due to the presence of toxic gases, for reimbursement to the Library of Congress for expert advice on the care and restoration of books that were damaged in the fire, and for costs of safety experts from the Mining Enforcement and Safety Administration for initial studies of toxic gases to determine when it was safe for employees to enter the fire damaged area. Not included in this request are funds for the salaries of Survey personnel used to expedite clean-up operations or to regenerate data destroyed by the fire. Also excluded are costs for renovation, restoration, repair and cleaning of the building, which are the responsibility of the General Services Administration. Such funds will be requested, as necessary, by that Agency.

In addition to the destruction of the Survey's laboratory and office space and facilities, the intensity of the fire caused severe structural damage to the building. The temperature of the fire was estimated to be

between 1,700 and 2,000 degrees fahrenheit. This was sufficient to literally twist and bend the steel girders which support the floors and ceiling. This structural damage along with the toxic gases resulting from the burning chemicals in the laboratories restricted access to the fire areas until they were declared safe on April 12, 1976.

The specific cause of the fire has not been determined. However, sufficient evidence was gathered by the General Services Administration to indicate arson. The Federal Bureau of Investigation has been contacted and is currently investigating the cause of the fire.

SURVEYS, INVESTIGATIONS, AND RESEARCH
Summary of Proposed FY 1977 Amendment for National Petroleum Reserve

Activity	Request Pending	Proposed Amendment	Revised Request
9. National Petroleum Reserve ----------	$ --	$+1,000,000	$1,000,000
All Other Activities - No Change -----	284,308,000	--	284,308,000
TOTAL ----------	284,308,000	+1,000,000	285,308,000

9. National Petroleum Reserve

FY 1977 request pending, $ -- ; revised request, $1,000,000; proposed amendment, $1,000,000. The increase consists of:

Increase (+) or Decrease (-) Amount	Positions	Total Program	Total Positions	Explanation
a. $+1,000,000	+27	$1,000,000	27	National Petroleum Reserve

Need for Amendment

Title I of the Naval Petroleum Reserves Production Act of 1976, P.L. 94-258, dated April 5, 1976, redesignates Naval Petroleum Reserve No. 4 in Alaska as a National Petroleum Reserve and transfers jurisdiction of that Reserve to the Department of the Interior as of June 1, 1977. The Secretary of the Interior, has delegated to the Geological Survey the responsibility to continue the Department of the Navy's $200 million a year program for petroleum exploration of this reserve. This will necessitate that a knowledgeable and trained staff be on board prior to the June 1, 1977 transfer date, to become familiar with the administrative and technical aspects of the program. Therefore, to ensure an orderly transition of responsibilities under this Act from the Department of the Navy to the Geological Survey, a budget amendment for 27 positions and $1,000,000 is requested for fiscal year 1977.

With the additional funds and positions a new and separate organization will be established in the Geological Survey to provide the necessary interface with the Department of the Navy during the interim period between October 1, 1976, and June 1, 1977, when the actual transfer of functions will take place. A planning group has already begun preliminary exploratory talks with the Department of the Navy in Washington, D.C., and Anchorage, Alaska, and with Husky Oil Company in Houston, Texas, in order to;

° Become familiar with the details and operation of existing Navy contracts and related budget and administrative matters.

° Learn the details and assimilate existing geophysical and geological data already collected by the Navy and its contractors.

° Become familiar with the scientific bases for the Navy's exploration strategy in order to most effectively and efficiently direct the program in the future.

In addition, during fiscal year 1977 the new organization will accomplish the following tasks:

° Become knowledgeable about the Navy's current reserve operations, especially the particulars concerning the contract with the Husky Oil NPR Operations, Inc. for the exploration of Naval Petroleum Reserve No. 4 (now National Petroleum Reserve in Alaska).

° Develop the plan of action for the orderly transition of full management responsibility to the Geological Survey on June 1, 1977.

° Participate with the Navy in the interim management of the Navy's current planning and operational program and on-going Husky contract.

° Management of the continuing exploration program during the interim between transfer of jurisdiction and new legislative authorization by Congress of a permanent program for NPRA.

66-307 O - 76 - pt. 5 -- 71

Cost Factors. Personnel services and benefits for twenty-seven (27) positions at an annual rate of $24,665, $666,000; other related costs, $215,000; GSA space cost, $54,000; equipment $40,000; and contractual services, $25,000.

Program and Financing (in thousands of dollars)

Identification code 10-28-0804-0-1-306	19 77 Request Pending	19 77 Proposed Amendment	19 77 Revised Request
Program by activities:			
2. Topographic surveys and mapping	47,482	250	47,732
3. Geologic and mineral resource surveys and mapping	86,052	2,075	88,127
4. Water resources investigations	57,382	2,075	59,457
5. Conservation of lands and minerals	63,079	6,450	69,529
9. National petroleum reserve	--	1,000	1,000
All other activities - no change	30,313	--	30,313
Total, direct program	284,308	11,850	296,158
Total, reimbursable program	66,842	--	66,842
10 Total program costs, funded, obligations	351,150	11,850	363,000
Financing:			
Receipts and reimbursements from:			
11 Federal funds	-20,833	--	-20,833
14 Non-Federal sources	-46,009	--	-46,009
40 Budget authority (Appropriation)	284,308	11,850	296,158

Program and Financing (in thousands of dollars)

Identification code 10-28-0804-0-1-306		19 77 Request Pending	19 77 Proposed Amendment	19 77 Revised Request
Relation of obligations to outlays:				
71 Obligations incurred, net -		284,308	11,850	296,158
72 Obligated balance, start of period ----------		42,923	--	42,923
74 Obligated balance, end of period ----------		-42,886	-1,650	-44,536
90 Outlays excluding pay raise supplemental --		283,940	10,200	294,140
91.10 Outlays from wage board pay raise supplemental		16	--	16
91.20 Outlays from civilian pay raise supplemental		389	--	389

DIRECT PROGRAM

OBJECT CLASSIFICATION (in thousands of dollars)

Identification code 10-28-0804-0-1-306		19 77	1977	19 77
	Personnel compensation:	Request Pending	Proposed Amendment	Revised Request
11.1	Permanent positions	137,235	2,039	139,274
11.3	Positions other than permanent	13,355	40	13,395
11.5	Other personnel compensation	2,289	3	2,292
11.8	Special personal services payments			
	Total personnel compensation	152,879	2,082	154,961
	Personnel benefits:			
12.1	Civilian	15,288	188	15,476
13.0	Benefits for former personnel	22	--	22
21.0	Travel and transportation of persons	10,390	270	10,660
22.0	Transportation of things	3,445	76	3,521
23.0	Rent, communications, and utilities	30,887	361	31,248
24.0	Printing and reproduction	3,729	50	3,779
25.0	Other services	37,179	6,810	43,989
26.0	Supplies and materials	11,894	219	12,113
31.0	Equipment	15,063	1,794	16,857
32.0	Lands and structures			
33.0	Investments and loans	20	--	20
41.0	Grants, subsidies, and contributions	3,518	--	3,518
42.0	Insurance claims and indemnities	15	--	15
43.0	Interest and dividends			
44.0	Refunds			
95.0	Quarters and subsistence charges	-21	--	-21
99.0	Total obligations	284,308	11,850	296,158

PERSONNEL SUMMARY

Identification code 10-28-0804-0-1-306		19 77	19 77	19 77
		Request Pending	Proposed Amendment	Revised Request
Direct Program				
Total number of permanent positions		7,414	109	7,523
Full-time equivalent of other positions		1,485	4	1,489
Average paid employment		8,673	113	8,786
Average GS grade		9.73	10.17	9.74
Average GS salary		$18,014	$18,706	$18,024
Average salary of ungraded positions		$16,400	--	$16,400

CONSOLIDATED SCHEDULE OF PERMANENT POSITIONS PAID
FROM FUNDS AVAILABLE TO THE GEOLOGICAL SURVEY

DETAIL OF PERMANENT POSITIONS

GRADE	1977 Request Pending	1977 Proposed Amendment	1977 Revised Request
Executive Level V	1	--	1
Subtotal	1	--	1
GS-18	4	--	4
GS-17	11	--	11
GS-16	54	1	55
GS-15	405	6	411
GS-14	566	19	585
GS-13	949	28	977
GS-12	1,295	27	1,322
GS-11	1,403	16	1,419
GS-10	141	2	143
GS-9	1,179	15	1,194
GS-8	233	2	235
GS-7	646	9	655
GS-6	464	9	473
GS-5	796	9	805
GS-4	509	5	514
GS-3	172	2	174
GS-2	33	1	34
GS-1	--	--	--
Subtotal	8,860	151	9,011

CONSOLIDATED SCHEDULE OF PERMANENT POSITIONS PAID
FROM FUNDS AVAILABLE TO THE GEOLOGICAL SURVEY

DETAIL OF PERMANENT POSITIONS

	19 77 Request Pending	19 77 Proposed Amendment	19 77 Revised Request
Grades established by the Administrator, Agency for International Development: (75 Stat. 450)			
FC-13, $36,206 to $37,800	1	--	1
FC-12, $31,441 to $37,800	4	--	4
FC-11, $26,726 to $35,253	9	--	9
FC-10, $22,906 to $29,782	6	--	6
FC-9, $19,455 to $25,198	8	--	8
FC-8, $16,383 to $21,092	4	--	4
FC-6, $13,581 to $17,442	1	--	1
Subtotal FC	33	--	33
Ungraded	355	--	355
Total permanent positions	9,249	151	9,400
Unfilled positions, end of year	-6	--	-6
Total permanent employment, end of year	9,243	151	9,394

CONSOLIDATED WORKING FUND
Program and Financing (in thousands of dollars)

Identification code 10-28-3908-0-4-306	19	19 77 Request Pending	19 77 Proposed Amendment	19 77 Revised Request
Program by activities:				
8. Land information and analysis		150	3,495	3,645
All other activities - no change		21,243	--	21,243
10 Total obligations		21,393	3,495	24,888
Financing:				
11 Receipts and reimbursements from Federal funds		-21,393	-3,495	-24,888
Budget authority		--	--	--
Relation of obligations to outlays:				
71 Obligations incurred, net		--	--	--
72 Obligated balance, start of period		5,426	--	5,426
74 Obligated balance, end of period		-5,426	--	-5,426
90 Outlays		--	--	--

OBJECT CLASSIFICATION (in thousands of dollars)

Identification code 10-28-3908-0-4-306	19	19 77 Request Pending	1977 Proposed Amendment	19 77 Revised Request
Personnel compensation:				
11.1 Permanent positions		9,039	738	9,777
11.3 Positions other than permanent		2,521	110	2,631
11.5 Other personnel compensation		294	2	296
Total personnel compensation		11,854	850	12,704
Personnel benefits:				
12.1 Civilian		1,193	107	1,300
21.0 Travel and transportation of persons		907	165	1,072
22.0 Transportation of things		419	15	434
23.0 Rent, communications, and utilities		1,279	115	1,394
24.0 Printing and reproduction		115	90	205
25.0 Other services		2,963	2,073	5,036
26.0 Supplies and materials		986	50	1,036
31.0 Equipment		1,395	30	1,425
41.0 Grants, subsidies, and contributions		280	--	280
42 0 Insurance claims and indemnities		2	--	2
99.0 Total obligations		21,393	3,495	24,888

PERSONNEL SUMMARY

Identification code 10-28-3908-0-4-306	19 77 Request Pending	19 77 Proposed Amendment	1977 Revised Request
Consolidated Working Fund			
Total number of permanent positions	451	42	493
Full-time equivalent of other positions	280	12	292
Average paid employment	753	48	801
Average GS grade	9.73	11.62	9.73
Average GS salary	$18,014	$21,276	$18,302
Average salary of ungraded positions	$16,400	--	$16,400

STATUS OF COAL MINING POLICY

Senator STEVENS. Fine. Now my questions, if they are redundant I will ask you to cross them out.

Why are we faced at this late hour with a request of this magnitude?

Mr. TURCOTT. Mr. Chairman, in the Department's submission for the regular 1977 fiscal year budget and in our dialog with this committee and the committee in the House, we talked about the evolving coal leasing policy and we made it clear that this was not all consumated yet. We had a new Secretary who was going into it in depth and it was a very complex and difficult subject. We did indicate that upon a decision by the Secretary as to what a new coal leasing policy would be, that it would be necessary for us to come back for the capability to carry out any acceleration in coal leasing associated with that policy.

Senator STEVENS. Are any of the activities contingent upon the enactment of further legislation?

Mr. TURCOTT. No, sir.

LITIGATION

Senator STEVENS. Are the regulations being subject to challenge in any court?

Mr. TURCOTT. Yes, there is one case—and I may defer on this. I just heard about it myself last evening. I believe the State of Wyoming is challenging the surface reclamation regulations embodied in what we call 30 CFR, part 211, and 43 CFR, part 3041.

Senator STEVENS. To your knowledge, have any injunctions been issued against the new policy at all?

Mr. TURCOTT. No, sir.

Senator STEVENS. Are the environmental impact statements associated with this new policy being challenged?

Mr. TURCOTT. We have litigation with respect to the environmental impact statements that involve coal and the coal leasing policy. But I know of no new ones since the Secretary's policy and the four different sets of regulations and administrative procedures have been issued.

Senator STEVENS. Are these new positions needed to prepare for any anticipated litigation?

Mr. TURCOTT. No. We feel that the policy, the regulations that have been promulgated and the administrative procedures announced are all fully within the law. The positions in our request are only intended to implement them, not to prepare for litigation.

Senator STEVENS. To what extent are these positions or the money for either agency required to carry out the provisions of the new legislation regarding the petroleum reserves?

Mr. TURCOTT. None.

Dr. MCKELVEY. Not with respect to the coal, Mr. Chairman. But the Geological Survey does have a request of a million dollars and 27 positions to effect an orderly transition of the responsibilities for the National Petroleum Reserve in Alaska from the Department of the Navy to the Geological Survey as called for by the act.

That request is a part of our amendment being requested today, but it is not a part of the coal program request.

Senator STEVENS. But it is part of the same amendment?

Dr. MCKELVEY. Part of the same amendment.

Senator STEVENS. Is that the amount that you asked for when you went to the Office of Management and Budget?

Dr. MCKELVEY. Yes, it is.

Senator STEVENS. Is the work authorized within that new law?

Dr. MCKELVEY. Yes, sir.

ADDITIONAL QUESTIONS

Senator STEVENS. Gentlemen, we need time to study there amendments and we will submit the questions to you later. I don't see any problem with it. I just think it is inexcusably late, but we will submit to you the questions and assume there is no problem with it. None of these requests pertain to coal leasing now contingent upon any legislation?

Mr. TURCOTT. No, sir. Other than appropriations to carry out the program.

Senator STEVENS. Thank you very much. I appreciate your time. I hope you understand the problems we are working with. We like to get these matters in the record and we will be back in touch with you if we have any problems about it at all.

[The questions and answers follow:]

Questions Submitted by Senator Stevens

Coal Leasing Amendments

Question: The Bureau of Land Management and U. S. Geological Survey amendments provide for a total of nearly $19 million to implement the new Federal coal leasing policy. Is that the full total or is there funding available for that in your regular 1977 budget requests as well?

Answer: The $19 million amendment being requested is the incremental funding made necessary by the new coal leasing policy and is required to implement many aspects of the policy. For instance, the competitive leasing program can not go forward without the proposed Environmental Impact Statements and the lease evaluation funding.

The funds included in the original 1977 budget for coal leasing were necessary to carry out Interior responsibilities under present leases and to process those few new leases that would be allowed under the "short-term criteria" that has been in effect for the last several years.

The total amounts proposed for coal leasing, divided between those policies in effect at the time the President's budget was submitted in January and those under the new regulations and policies are as follows:

Bureau of Land Management	Previous Policy (Presidents' Budget)	New Policy (Amendment)	Total
	($ in thousands)		
Adjudicate applications that meet short term criteria and preference right lease applications	$300		$ 300
Lease/permits modified, readjusted; assignments processed	200		200
Field investigations, including other agency coordination	300		300
Compliance checks	300		300
Input to planning system	200		200
Exploration/mining plans evaluated	500		500
Environmental reports, EIS input	1,300		1,300
Mapping	100		100
EMRIA	3,200		3,200
BLM 1977 - BLM	6,400*		

	Previous Policy (President's Budget)	New Policy (Amendment)	Total
		($ in thousands)	
EMARS operation - process nominations		400	400
Regional EIS preparation		7,700	7,700
Management Framework Plans		1,500	1,500
FY 1977 Proposed Amendment - BLM		9,600	
Total Bureau of Land Management	6,400	9,600	16,000

Geological Survey	Previous Policy (President's Budget)	New Policy (Amendment)	Total
Water Resources Investigations: Coal Hydrology	$ 3,174	$ 2,000	$ 5,174
Conservation of Lands and Minerals: Regulation of operations on coal lands	2,486	1,380	3,866
Coal land classification and evaluation	2,530	5,070	7,600
Total Geological Survey funding	8,190	8,450	16,640

* Some of the Bureau's land use planning capability is being expended in some areas; but since planning benefits all resource management programs, no value has been assigned to coal.

Question: To what extent, and what cost, are you moving toward implementing this policy in the current fiscal year and transition quarter?

Answer: In terms of actually implementing the new coal policy, BLM is taking some action in the current fiscal year and transition quarter. On June 1 BLM published in the Federal Register the "Call for Industry Nominations and Areas of Public Conern, a request for information on areas of interest with respect to areas suitable or unsuitable for Federal coal leasing". The cost was less than $5,000. In addition, we have undertaken preliminary State coordination with North Dakota on the West Central North Dakota regional environmental impact statement at a cost of less than $10,000. Also BLM is prepared to initiate environmental impact analyses in other regions in the transition quarter with existing capability at a cost of approximately $200,000.

In the case of the Geological Survey, they are beginning to issue guidelines, study state regulations, apply the new regulations to applications for mining plans, basic data gathering and mapping and some preliminary work related to the preparation of the environmental impact statements to be undertaken in FY 1977. The cost of this effort is not expected to exceed $500 thousand.

Question: Why do BLM and USGS need so many positions for this task when the bulk of the requested funding is being directed to contractual services?

Answer: Approximately 40 percent of BLM's position request (41 positions) is related to program requirements which cannot be accomplished through contracts, specifically processing and analyzing the industry and public nominations and preparing management framework plans. While the remaining 58 positions are required for preparation of environmental impact statements where contractual services will be utilized to a large extent, positions are necessary to develop the specifications for the contracts related to the various resources involved and review outputs, formulate recommendations, manage the overall development of the document through the various phases, including coordinating public participation, and to actually procure the necessary contracts. Three of the proposed seven EIS's are to be prepared in-house with resource skills required to gather and interpret data and write the document. The requested 99 positions are a minimum requirement to fulfill our responsibilities associated with planning, EMARS operation, and EIS development.

For the Geological Survey, the Water Resources Division requested 6 positions to accompany $2.0 million funding for the monitoring of streams and ground water conditions in the 10 potential coal leasing areas. Although the construction and operation of the hydrologic stations will be done by contract, a minimum of 6 positions is necessary to supervise and monitor the performance of the contractors to assure the quality of hydrologic data to be collected.

The Conservation Division has requested the minimum number of positions to carry out responsibilities required by the new coal policy, for implementation of new regulations (30 CFR 211) and for the tract evaluation prior to the leasing of public coal lands. Forty-six (46) positions are identified for regulation of operations and twenty (20) for tract selection and evaluation. Ten (10) positions have been requested to handle and technically review the contracting work that will be required to produce the coal resource occurrence and coal development maps. In the case of the twenty (20) positions for tract selection and evaluation, this represents a program that was not included in the original FY 1977 budget because of the moratorium that was, until recently, in effect on coal leasing.

The Land Information and Analysis Office plans to use a combination of in-house effort and contractual support to assure responsiveness to the stringent time requirements for this high-priority undertaking, and to assure that the Government fully controls and participates in the EIS preparation process to the extent required by NEPA. For those EIS's in which the major effort will be contracted out, in-house personnel will nevertheless be highly involved in the following functions:

(a) preparing work statements, outlines, and specifications for the preparation of EIS's;

(b) leading contractors to appropriate sources of information;

(c) providing close monitoring and supervision in the various technical areas where USGS has primary expertise and jurisdiction;

(d) providing direct Government input in particular areas such as alternatives and mitigating measures; and

(e) participating directly in the processes of Departmental review, interagency review, public hearings, response to comments, and final revisions.

Other Bureaus Involved

Question: In the BLM justification it is noted that 10 of the requested new positions will be allocated to the Fish and Wildlife Service and Bureau of Mines. Why?

Answer: Both the Fish and Wildlife Service and the Bureau of Mines will particiapte in the preparation of environmental impact statements; FWS will assist in the compilation of ecological and wildife data, and Mines will assist in analysis of energy data, technology, and economics. Of the 58 positions requested by BLM for EIS preparation, 5 of the positions will be transferred to FWS and 5 to Mines. Similarly, $165,000 will be transferred to each agency from funds requested by BLM to cover costs related to these positions.

Question: Did the Department request any additional funding and positions for those two agencies?

Answer: The Department requested an additional $155,000 and 3 positions for the Bureau of Mines for EIS preparation based on the assumption that 10 regional EIS's would be initiated. Similarly, an additional $155,000 and 3 positions were requested for FWS. Also, $710,000 and 3 positions were requested for FWS to provide ecological data to augment BLM's efforts in support of planning and other decision making processes. FWS would develop information on habitat and ecosystems and the relationship of fish and wildlife to potentially impacted areas.

Program Restraints

Question: What about this regional environmental impact statement concept? Can you approach this on a regional basis and satisfy the NEPA requirements?

Answer: The regional approach to scoping EIS's was developed specifically to satisfy the NEPA requirement to analyze the significant cumulative impact of interrelated Federal actions within a defined area.

The geographic basis for environmental statement scoping has been adopted in lieu of an ecological basis which might be more apropos where our knowledge of ecosystems is at a more advanced stage. The regional statement is intended to fall within the umbrella of impact considerations of interrelated impacts on a particular segment of landscape. On occasion, site-specific (or individual action) environmental statements are included within a regional statement which analyzes their combined impacts as well as the impacts of related proposals at various stages of development.

The adequacy of the geographic approach to scoping EIS's rests upon the hierarchy of statements and not upon only one type such as the programmatic, the regional, or the site-specific. NEPA requires that cumulative impacts be accounted for and also that the level and extent of detail and analysis be commensurate with the importance of the environmental issues involved and with the information needs of both decision-makers and the general public. That dual requirement we believe can be best met by: preparing individual action EIS's when the salient environmental issues are site-specific, by preparing regional EIS's when interrelated actions within a geographically defined area would cause significant cumulative impact; and preparing programmatic EIS's when an administrative/policy context for a program can best be depicted by Bureau-wide analysis.

Regional EIS boundaries are determined by an optimization process predicated on NEPA requirements and CEQ Guidelines (particularly Section 1500.6(d)).

In defining the scope of the action which would most appropriately serve as the subject of the statement, consideration is given to: aggregation of related impact-generating proposals; status of multiple use planning endeavors at several governmental levels; timeliness of Federal decision-making; and to biogeophysical phenomena that affect location of resources, type and extent of impacts, and (to some degree) socio-political as well as physiographic boundaries.

Environmental Costs

Question: What is the estimated total cost of all environmental work pegged to the new coal leasing policy for fiscal year 1977? What is the estimate for future years?

Answer: The estimated total cost of BLM's direct environmental work including (EIS and EAR preparation and the EMRIA program) related to the coal program for FY 1977 is $12.2 million. (This includes $7.7 million shown in BLM's FY 77 amendment for EIS work of which $3.8 million is for transfer to USGS, FWS, and Bureau of Mines.) While future year costs will depend on the rate of regional EIS preparation and the number of site specific EIS's necessary among other variables, it is estimated that the same approximate level of funding will be required for the new few years.

- Preparation of environmental impact statements: $3,495,000, which is appropriated to BLM and received by the Geological Survey as a working fund advance and includes Survey's portion of the Survey lead environmental impact statements as well as the Survey portion of BLM leads. Depending on how many of the 20 to 30 potential coal regional impact statements are prepared, this level of effort could continue for up to six years.

- Water monitoring: The cost of installing new stations and water monitoring for the ten priority coal regions is $2,000,000 in FY 1977. The cost for 1978 and beyond will be approximately $1,000,000 to monitor the stations installed as a result of the 1977 amendment. If it is decided to monitor other regions the cost will be higher.

- $1,380,000 is requested for full implementation of the new surface mining regulations (30 CFR 211). Most of the stipulations in these new regulations are environmentally oriented and this additional cost of operation could be considered environmental cost. This level of effort will continue in FY 1978 and beyond.

- Coal maps: $2,700,000 is requested for the preparation of coal resource occurrence and development potential maps. The maps contain information about the quality, and characteristics of coal, but they also contain information on the overburden. They are used in the preparation of management framework plans, by BLM for land use planning of the public lands. Some of the information they provide is useful for environmental considerations.

Question: Are any of the environmental costs reimbursable?

Answer: We expect that some of the costs will be reimbursable. As the preparation plans for the EIS's are developed, there will be opportunities for industry to indicate proposed projects (facility sites rights-of-way of various kinds, etc.) which fall within the specific regions and thus would be included in the EIS's. The costs associated with including these right-of-way projects in the EIS's are reimbursable with the funds being deposited to the General Fund (they are not available

for use by BLM). The remainder of the preparation costs are not reimbursable. If a decision to lease is made, Federal revenues are also accrued through bonus payments and royalties on the coal as it is mined.

BUREAU OF LAND MANAGEMENT

Question: What is your current backlog on preference right applications? How much is budgeted for handling them?

Answer: BLM currently has a backlog of 187 preference right lease applications. Our FY 1977 budget includes $800,000 to process an estimated 55 of those applications.

EMARS

Question: Describe the EMARS effort in BLM to analyze and evaluate coal lease nominations. To what extent will public and state and local government views be worked into this system?

Answer: Nominations and accompanying rationale from industry, the public, and State and local governments recommending areas suitable or unsuitable for coal leasing are due to the BLM no later than July 31, 1976. The information collected through the nominations call will be used to determine where Interior's priorities should be placed for land use planning and environmental impact analysis. Nominations from industry describing desired leasing tracts will, in large measure, determine the size and configuration of lease tracts to be offered. The actual selection of tracts and boundaries will be determined by the USGS and BLM with participation from State governments. The public and State and local governments impact the new leasing process in three significant ways: by nominating specific tracts for or opposed to leasing with rationale for their choices; by participating in Bureau of Land Management's land use planning efforts in coal areas; and by commenting upon draft environmental statements, and taking part in public hearings on environmental impact statements covering proposed coal leasing actions. The planning process allows for both informal and formal contact throughout the process. The State/local governments and public have the opportunity to participate in the public meetings preceding formulation of the land use planning decisions.

Question: How many tracts do you plan to nominate in FY 1977? In what states and areas?

Answer: The Department will not nominate areas; nominations are being requested from industry, the public, and State and local governments. Nominations may be made for any area where the Federal Government administers the coal estate and where leasing and development is permissable under the Mineral Leasing Act of 1920. Nominations will not be accepted in areas such as National Parks or wildlife refuges where leasing is not permitted. Interior expects nominations to be heaviest in Colorado, Montana, North Dakota, New Mexico, Utah, and Wyoming.

Management Framework Plans

Question: BLM is asking for $1.5 million to complete or update MFP's. How much of that is for updating and why is such updating needed?

Answer: Of the $1.5 million requested for planning, $.7 million is for updating MFP's.

66-307 O - 76 - pt. 5 -- 72

Updating or revision is necessary because land use planning is a dynamic process in which the plans are frequently adjusted to consider new data, revised policy, and changing demands for land uses. Many of the existing MFP's are as much as 5 years old and they were completed prior to the currently understood demand for western coal. These MFP's were completed to the level of detail necessary to accommodate the then identified land use demands and to provide management guidance to ongoing and anticipated programs. There was little inventory information avi able on most of the coal deposits, so with little inventory data and a lack of identified demands, few of the MFP's made detailed planning decisions relating to coal leasing.

The availability of much more proprietary coal resouce information and Geological Survey inventory data will allow us to make the major revisions in the MFP's that are now necessary to meet recently identified National energy demands.

Question: Since the MFP work primarily involves accelerating ongoing efforts, why do you need 35 positions?

Answer: The BLM has a planning base which was allocated to allow completion of MFP's on most planning areas by FY 1980, and a periodic recycling of the Management Framework Plans on a 7 to 9 year cycle. The Federal court decision on the NRDC lawsuit on livestock grazing has already caused an acceleration of scheduled MFP revisions in range areas. We now have very few additional qualified personnel who can be diverted from management positions to land use planning and the 7 to 9 year recycling schedule is much too slow to meet coal program needs. There are also two regions likely to require EIS's in FY 78 (Alabama and East Oklahoma) in which the necessary planning has not been started. The work on necessary inventory and MFP's must commence immediately in order to get ready to prepare EIS's for those areas. Therefore, the 35 new positions are the minimum requirement necessary to accelerate planning efforts to the degree needed to meet the coal leasing EIS schedule.

VEHICLES

Question: The BLM request includes $900,000 for 187 new vehicles. We realize you are in aprogram expansion here, but why do you require so many additional vehicles after obtaining 276 in the current year?

Answer: In recent years, BLM program increases have been primarily in energy related activities and the vast majority of new position increases in these activities are field related positions with primary responsibility for gathering data, planning, field examination of proposed lease or permit sites, cadastral surveying, compliance checks after leases are issued and other related work. Over the last three fiscal years we have added a total of 967 new positions, but acquired only the 276 additional vehicles.

Question: How many vehicles does BLM operate now?

Answer: The Bureau of Land Management now operates 2,688 vehicles not including this request of 187. Of the 2,688 vehicles operated by the BLM, 2,411 are assigned to the Bureau from the GSA motor pool.

Question: Will the other agencies involved in the coal leasing program have access to this ever-growing BLM fleet?

Answer: Yes, to the extent that vehicles are assigned to and available to joint BLM - USGE - FWS - BM teams engaged in coal EIS efforts. However, for the most part the vehicles will be used by BLM personnel

for their assigned field work unrelated to coal leasing. The everage rate of use for Bureau own vehicles in FY 1975 was 10,000 miles per year.

GEOLOGICAL SURVEY

Coal Hydrology

Question: The request for coal hydrology is $2 million, or a 63 percent increase in the regular budget. Why is this almost entirely contracted out?

Answer: The program requested in this amendment is to establish and operate an additional 168 water monitoring stations to monitor stream flow and quality and ground water quantity and quality in areas of potential coal leasing. Expertise to undertake this type of work is available in the private sector, therefore a decision was made to contract accordingly. This is also in line with the Administration's policy to hold down Federal employment. It should be noted that most of the funds requested are for equipment and for drilling monitoring wells and installing measurement equipment.

Question: The House Appropriations Committee has recommended an additional $2.58 million for Geological Survey water resource investigations, including 20 additional positions. Wouldn't that more than cover your coal leasing needs? How would the House recommended increase for water resources investigations be utilized if this budget amendment were approved?

Answer: The $2.0 million request is for new water monitoring activity in support of the accelerated coal leasingprogram of the Department of the Interior.

The $2.58 million increase recommended by the House Appropriations Committee is a restoration of program reductions proposed in the budget justification and would be used to cintinue on-going Federal water program components at the FY 1976 level, such as the Federal Program ($2.0 million) for coordination, data collection and analysis, regional resource appraisals, hydrologic research, and hydrologic investigations on public lands; ground-water recharge; ($.3 million); subsurface waste storage ($.2 million); and flood hazard mapping ($.08 million).

None of these restored elements pertain directly to coal hydrology in the tracts proposed to be leased; although some might be supportive of it.

Question: USGS is requesting $6.4 million and 76 new positions for classifying and regulating coal leasing on Federal and Indian lands. How much is already in your 1977 budget for this activity?

Answer: The fiscal year 1977 President's budget request includes 166 positions and $5,016,000 for classifying and regulating coal leasing on Federal and Indian lands. These funds which include 83 positions and $2,486,000 for regulation of operations on coal leases, and 83 positions and $2,530,000 for classification and evaluation were exclusive of the Survey's needs for implementation of the new regulations, (30 CFR 211), and the competitive lease sale evaluations.

Regulation Responsibility

Question: The budget amendment includes $1.3 million and 46 new positions for the regulation responsibility. Do you anticipate coal leasing activities will actually increase the extent that this kind of regulatory build-up is needed in FY 1977?

Answer: Coal leasing activities will increase to necessitate the increase of 46 positions and $1,380,000. The request for increased funding is only partly dependent upon the issuance of new coal leases. The increase in workload will chiefly result from the application of new regulations to the 565 coal leases presently in existence. In addition, the increase will also cover the processing of preference right leases. There are currently about 190 preference right lease applications pending. Testing permits will be subject to the requirements of the coal mining operating regulations. Testing permits will allow permittees to test Federally owned mineral deposits, that are subject to sale or leasing to secure detailed data prior to the deposit being offered for sale or lease, and to allow testing before the granting of a preference right lease.

Question: On what do you base your estimate that mining inspections and examinations will increase nearly five-fold in 1977, from 475 in 1976 to 2,158 in 1977?

Answer: Until revision of the Operating Regulations (30 CFR 211) there was no requirement by regulation, that a specific number of inspections be made annually. Now, section 211.3(1) of 30 CFR 211 requires examinations as frequently as necessary, but at least quarterly, of lease and permit lands where operations are conducted, or are to be conducted. In addition, inspections are required at critical times, such as at the time backfilling and grading is completed, prior to planting, and at the end of the growing season. The estimate for inspections required during 1977 is as follows:

Type of Inspection	No. of Properties	Frequency Per Year	Total for Year
Producing Mine	68	6	408
Active Property 1/	250	5	1,250
Inactive Property 2/	250	1	250
Technical Examination	200	1	200
Abandonment	50	1	50
Total for Year			2,158

1/ Exploration or development activity, but no production.

2/ To check for trespass, and/or condition of abandonment.

Question: How is the $1.3 million request for regulation of coal leasing on Federal and Indian lands allocated between inspections and mining reviews?

Answer: The request includes $576,000 for inspections, $246,000 for mining and exploration plan review, and $558,000 for preparation of guidelines, manuals, and general coal mining orders; preparation of notices and conducting public meetings; review of State laws and regulations; and preparation of agreements for joint Federal/State programs.

Mining Plan Reviews

Question: How did you develop your estimate of 442 mining plan reviews in Fiscal Year 1977 - more than double this year's estimate?

Answer: Exploration and mining activity has been increasing on Federal lands in response to increasing demand for Western coal. Also, increased activity is expected as a result of the Department's new regulations relative to diligent development and regulations providing for the pre-lease testing of Federal mineral deposits. The new operation regulations require review and confirmation of all existing mining and exploration plans within 18 months. In addition a significant number of new plans are anticipated. The 442 estimate was developed as follows:

	30 New Mining Plans
	80 Modified Mining Plans
	174 New Exploration Plans
	158 Modified Exploration Plans
TOTAL	442 Mining Plan Reviews

Question: The budget amendment includes a request for $5 million for coal land classification and evaluation, including 30 new positions. With the bulk going to contractual services why do you need so many positions?

Answer: The $5 million and 30 new positions requested for classification and evaluation of coal lands includes three separate programs. The basic data gathering program involves an increase of $1.52 million for coal drilling; no positions are requested in this area. The Coal Resource Occurrence and Coal Development mapping program involves $2.7 million in new funding and ten new positions for contracting, technical review and publishing the maps. Considerable personal contact is required between contractor and Survey employees as the data to be used by the contractor are available only in Survey offices. The tract evaluation function involves $850,000 and 20 new positions. The positions are required to conduct tract evaluations using multidisciplinary teams consisting of geologists, mining engineers, mineral economists and computer support personnel. Final decisions as to whether to recommend acceptance or rejection of coal lease bids should not be handled by contractors. No funds or positions were provided for this program in the FY 1976 budget or proposed FY 1977 budget, as the moratorium on coal leasing was in effect at the time.

Denver Fire

Question: Looking at the $2.4 million request for replacement and repair of equipment and facilities damaged by the recent fire at the Denver Federal Center, what has developed so far as the investigation into possible arson?

Answer: The $2.4 million is for replacement and repair of equipment, supplies and work materials damaged or destroyed by the fire, but does not include funds for any structural damage to the building which is a responsibility of the General Services Administration. The ongoing investigation of possible arson is under the jurisdiction of the Federal Bureau of Investigation. We understand employees andothers are still being interviewed and the GSA has not, nor have we, received any further or final report on the investigation.

Question: The bulk of your request, $1.7 million, is to replace equipment. Where will this equipment be located?

Answer: The equipment, the procurement of which requires considerable lead time, is to be located in a replacement laboratory facility in Denver, Colorado. The General Services Administration, in consultation with the Geological Survey, has considered various alternatives to replace the destroyed facility. Rebuilding the existing burned out space and restoring it to laboratory use at a cost in excess of $4 million was considered prohibitively expensive and, furthermore, the fire investigators did not recommend building the laboratories in that building because of the hazardous conditions these operations create in a building of more than 250,000 square feet of space also used for office and other purposes. The General Services Administration has decided, that since it did not have the financial resources under the Federal Buildings Fund to construct laboratories in a new free-standing building on the Denver Federal Center reservation and did not have authority for lease construction on a Government-owned reservation, that the most feasible alternative was lease construction in a nearby industrial or research development area, preferably where the Geological Survey has other operations. GSA is proceeding on this basis and the replacement facility should be available for occupany in about 12 months. The installation of some of the equipment must be phased with the facility construction.

Question: When will the damaged space be available for occupancy?

Answer: The General Services Administration plans to rehabilitate the burned out area for office and related uses, and it is their plan to budget for the rehabilitation to office use in Fiscal Year 1978. Accordingly, the space will not be available for reoccupancy for about 36 months.

National Petroleum Reserve in Alaska

Question: The National Petroleum Reserve in Alaska, formerly the Naval Petroleum Reserve No. 4, will transfer to Interior on June 1, 1977. When does the Geological Survey plan to bring the 27 new positions being requested in the amendment on board?

Answer: In developing the budget estimate for NPRA, it was assumed that the appropriation would be approved by October 1, 1976. It is our intent to have all of the administrative requirements accomplished so that the Geological Survey's permanent Office of the National Petroleum Reserve in Alaska would be operational on that date. Therefore, the plans are to have the 27 positions filled effective October 1, 1976.

Question: For how many months are the personnel compensation costs computed in this amendment?

Answer: The personnel compensation costs are included for a full twelve months.

Question: How many positions do you anticipate the Navy will transfer to you when the responsibility for NPRA shifts to Interior?

Answer: The Office of Naval Petroleum and Oil Shale Reserves have five civilian positions dedicated to Pet-4 and it is anticipated that these positions will be transferred to the Geological Survey, but after June 1, 1977.

Question: The budget amendment justification states that the Navy has a $200 million-a-year program on Pet.-4. How is that figure derived since the FY 1977 budget request submitted by the Navy is $100 million?

Answer: The Geological Survey will assume jurisdiction over the NPRA during the last four months of FY 1977. For that year the Navy has requested a $100.4 million program. Subsequent fiscal year program projections are estimated to be in the $200 million-a-year range with FY 1978 projected at $185 million and FY 1979 projected at $205 million.

Question: The Navy testified their $100.4 million budget for fiscal year 1977 was to continue the 7-year exploration program. Does the Department of the Interior plan to accelerate the exploration program?

Answer: It is the Geological Survey's understanding that the Congress expects Interior to continue the broad program as described in the Navy's "Engineering Plan for Assessment and Evaluation Program of Naval Petroleum Reserve No. 4, North Slope, Alaska," dated January 1975. The Geological Survey intends to continue this assessment and evaluation program. We plan, however, to take a more active role in the technical program planning and technical surveillance of the geological, geophysical, and drilling programs than the Navy has been staffed to do.

The Geological Survey is currently in the process of assimilating the information gathered thus far in Navy's Pet 4 program. Since there is a two year lead time in the procurement cycle, supplies and equipment for the FY 1978 geophysical field work and drilling season are being ordered at this time. It will be several months before we are in a position to make a decision on the feasibility of accelerating the current program.

Navy's Exploration Program

Question: At the Navy's budget hearing the Committee discussed the possibility that it might be more efficient to authorize the Navy to finish its exploration program rather than transfer jurisdiction to Interior in midstream, please comment.

Answer: Since the petroleum reserves are to be used to support domestic needs rather than military, it appears that a civilian agency should undertake the program. The Department of the Interior, and specifically the Geological Survey, has the expertise to continue the program. Further Section 104(d) of P.L. 94-258, Naval Petroleum Reserve Act of 1976, dated April 5, 1976, would have to be amended if the Navy were to continue its programs for exploration of the National Petroleum Reserve in Alaska.

Question: What particular difficulties are anticipated in carrying out the transfer of NPRA to Interior? Is any program slippage anticipated?

Answer: We anticipate no particular difficulties in carrying out the transfer of the NPRA responsibilities from Navy to Interior, nor is any program slippage anticipated. To assure the orderly transfer of responsibilities Survey staff members are working closely with counterparts in the Navy's Office of Naval Petroleum and Oil Shale Reserves to become more knowledgeable about the operation and activity of the Program.

Question: To what extent have the staffs of the Geological Survey and Navy been working together in preparing for this transfer?

Answer: The Geological Survey has been working very closely with the Navy and they have been very cooperative. A five member planning group has been established in the Geological Survey to carry out the initial coordination with the Navy and to develop a plan for the transfer. A series of very productive meetings have already been held with the Navy in Washington, D.C. and Anchorage, Alaska, and with the Navy's contractor, the Husky Oil Company, in Houston, Texas. Specific counterparts in the Geological Survey have been assigned to interface on a day to day basis with key Navy program personnel in Washington, D.C. and Anchorage, Alaska.

Personnel Increase

Question: The Navy testified it had only a staff of six, military and civilian, assigned to the Pet - 4 program. The Geological Survey is requesting 27 people to become familiar with Navy's operation. Please explain the increase in personnel being requested.

Answer: The Office of Naval Petroleum and Oil Shale Reserves is responsible for four petroleum reserves and three oil shale reserves. Their Headquarters staff includes 8 military personnel and 31 civilian personnel to support this activity. In addition the Pet - 4 field office in Anchorage has 3 military positions and 4 civilian positions dedicated to that operation. The Pet - 4 operational staff in Ancharage rely on the headquarters staff to provide executive management, legal, contractual, and administrative support. In addition the staff of geologists assigned to Pet - 1 in Elk Hills, California support the Pet - 4 office. The Navy also has other military organizations, such as the Defense Audit Agency, which provide direct support to Pet - 4 in addition to considerable procurement and logistical support from the DOD establishment. The Geological Survey must provide nearly all of this support internally.

The Navy relies extensively on contract personnel for technical program planning and technical surveillance. The Geological Survey intends to take a more active role in these portions of the program. Finally the current Navy staff is conducting a $30 million program. The Geological Survey's first full year program is projected to be $185 million.

Question: How many Geological Survey people are already assigned to the NPRA project?

Answer: The planning group established in the Geological Survey consists of 5 people devoting full-time to the NPRA project on an interim basis.

Question: The Committee realizes that the Department of the Interior will assume amore active role on the Alaska reserve than just manage the exploration program, however, the transfer of jurisdiction will not be effective until June 1, 1977, at which time most of FY 1977 is over. Please provide the Committee a more detailed jusitification of why the 27 positions are needed beginning October 1, 1976.

Answer: There are two basic reasons why it is extremely important to establish the Geological Survey's NPRA permanent office on October 1, 1976. Both of these reasons are influenced by the long lead time required in planning for arctic operations. The first is the need

to analyze and assimilate the technical information collected by the program to date. Technical decisions made in the next several months will dictate the operations in FY 1978. We wish to begin this analysis and assimilation as soon as possible. The second reason is the need to participate with Navy during the upcoming procurement and logistics cycle. It is a very long and complex process and it was the wish of the Members of the Committee of Conference that the Navy and Interior work together for the full season prior to the transfer of jurisdiction.

In addition to the problems inherent in familiarization with an ongoing program, conceived and developed within another organization, the staff of 27 will be responsible for the ultimate operation of a greatly expanded exploration effort as the program will nearly double during the Geological Survey's first full year of operation.

Additional Funding Request

Question: Can we expect additional requests from any other agencies for fiscal year 1977?

Answer: The possibility of additional funding is under consideration. Specifically, the Administration is currently considering the possibility of requesting budget amendments for the procedures study and the related Environmental Impact Statement. Additionally, work plans and cost estimates are being prepared and evaluated for costs associated with the Task Force study, surface management, and other related work which may be necessary in fiscal years 1977 and 1978. These latter items more likely would be given consideration as supplementals rather than as amendments.

Question: What other Interior agencies do you anticipate will become involved in the new reserve?

Answer: The act requires that the Department assemble a task force to "... conduct a study to determine the values of, and best uses for, the lands contained in the reserve ...." and mandates that the Bureau of Land Management, the Fish and Wildlife Service, the Geological Survey, and the Bureau of Mines particpate on the task force, so those agencies will definitely be involved at least to the extent of the study. The Department may also lead a separate study mandated under the act "... to determine the best overall procedures to be used in the development, production, transportation, and distribution of petroleum resources in the reserve." This work has been assigned internally to the Office of Minerals Policy Development. Since legislative recommendations stemming from this study are required by the act, an Environmental Impact Statement will be required. This task has been assigned to the Geological Survey. The Bureau of Land Management has been asssigned responsibility for surface management. Other bureaus and offices may also be involved in data gathering and analysis necessary for Interior studies and management of the Reserve.

MINING ENFORCEMENT AND SAFETY ADMINISTRATION

STATEMENT OF GILBERT O. LOCKWOOD, ASSISTANT ADMINISTRATOR—PLANS, ASSESSMENTS, AND MANAGEMENT

ACCOMPANIED BY:

RICHARD L. BAKER, CHIEF, DIVISION OF BUDGET AND FINANCE

FRANCIS M. WILES, DIRECTOR OF BUDGET

PREPARED STATEMENT, JUSTIFICATIONS AND SUBMITTED QUESTIONS

Senator STEVENS. Let me make the same statement for the Mining Enforcement and Safety Administration. You have a small budget amendment of $892,000 for additional vehicles. We have examined it and have some questions. There don't seem to be any real problems concerning that. And, again, on that—if that is agreeable—Mr. Lockwood are you here?

Mr. LOCKWOOD. Yes, I am.

Senator STEVENS. Is that agreeable with you? We will put your complete statement and justification in the record and submit the questions to you. We have some technical questions prepared here for our use.

[The information follows:]

STATEMENT OF GILBERT O. LOCKWOOD

Mr. Chairman:

I appreciate this opportunity to appear before you and members of your Committee in support of the budget amendment for the purchase, operation, and maintenance of 248 additional vehicles. Recently your Committee supported a similar request for fiscal year 1976. I am happy to report that we recently placed our order with the General Services Administration for most of the vehicles authorized.

On March 25, 1976, GSA notified the Department of its inability to provide increased agency automobile needs for FY 1977 and again granted the authority to procure its motor vehicle needs by lease, lease-with-purchase option, and/or purchase. Previously, we found the purchase option to be the most economical and advantageous to the government. This situation still exists. However, MESA is left without the necessary funding or acquisition authority to acquire these additional vehicles. With this budget amendment, we are requesting the funding and authority to purchase 195 sedans and 53 special purpose vehicles urgently needed to support the programs we are proposing for FY 1977.

This proposed budget amendment represents a net increase of $892,000 and provides appropriation language under MESA's administrative provisions for the purchase of 195 passenger-carrying motor vehicles. The balance of the request--53 vehicles--are special purpose vehicles (four-wheel drive) needed in rough terrains such as those encountered in surface mine inspections. Purchase would be made through the General Services Administration at an estimated cost of $3,500 for the passenger-carrying vehicles and $6,000 for the special purpose vehicles.

These additional vehicle needs are an integral part of the programs currently pending before the House and Senate Appropriations Committees. Industry expansion and emphasis on health, accident prevention, education and training, and technical assistance, result in an increased inspectorate that needs transportation from mine to mine. The FY 1977 budget was formulated on the assumption that GSA would provide the additional vehicles necessary to support this increased effort. Accordingly, funding for GSA auto rental and mileage charges was included in our initial budget request. The additional amounts budgeted to reimburse GSA for fleet expansion has been used to partially offset the purchase and operational costs.

In summary, Mr. Chairman, MESA's FY 1977 request, as proposed in the President's Budget, included the use of additional motor vehicles in support of its health and safety program objectives. This budget amendment is not an increased program request but an alternative method of providing essential transportation in conducting these programs. The notification by GSA of their inability to provide these essential vehicles forces MESA to make this additional funding request.

AMENDED JUSTIFICATION

DEPARTMENT OF THE INTERIOR
MINING ENFORCEMENT AND SAFETY ADMINISTRATION

Heading	Request Pending	Proposed Amendment	Revised Request
Fiscal Year 1977 Request			
Salaries and Expenses	$90,148,000	$892,000	$91,040,000

Administrative Provisions

Insert after the sentence ending "first-aid work"; purchase of not to exceed 195 passenger carrying vehicles.

Program and Financing (in thousands of dollars)

Identification code	1977	1977	1977
Heading	Request Pending	Proposed Amendment	Revised Estimate
Program by activities:			
Direct Program:			
1. Coal mine health and safety inspections.....	48,481	574	49,055
2. Metal and nonmetal mine health and safety inspections.....	16,641	179	16,820
3. Education and training.....	9,879	75	9,954
4. Technical support.....	13,002	64	13,066
5. Program administration.....	2,145	---	2,145
10. Total obligations.....	90,148	892	91,040
Financing:			
Budget Authority.....	90,148	892	91,040
Relation of obligations to outlays:			
71 Obligations incurred, net.....	90,148	892	91,040
72 Obligated balance available, start of period.....	10,902	--	10,902
74 Obligated balance, end of period.....	-12,496	--	-12,496
90 Outlays, excluding pay raise supplemental.....	88,385	892	89,277
91.20 Outlays from civilian pay raise supplemental.....	169	---	169

OBJECT CLASSIFICATION (in thousands of dollars)

Identification code		19 77 Request Pending	19 77 Proposed Amendment	19 77 Revised Request
	Personnel compensation:			
11.1	Permanent positions	56,811	--	56,811
11.3	Positions other than permanent	845	--	845
11.5	Other personnel compensation	593	--	593
	Total personnel compensation	58,249	--	58,249
	Personnel benefits:			
12.1	Civilian	6,095	--	6,095
21.0	Travel and transportation of persons	6,220	-185	6,035
22.0	Transportation of things	1,870	-70	1,800
23.0	Rent, communications, and utilities	5,322	--	5,322
24.0	Printing and reproduction	396	--	396
25.0	Other services	6,227	--	6,227
26.0	Supplies and materials	1,775	146	1,921
31.0	Equipment	2,793	1,001	3,794
32.0	Lands and structures	195	--	195
41.0	Grants, subsidies, and contributions	1,000	--	1,000
42.0	Insurance claims and indemnities	6	--	6
99.0	Total obligations	90,148	892	91,040

JUSTIFICATION
SALARIES AND EXPENSES

Amendment to 1977 Estimate $892,000

The Department of the Interior recommends that the Budget Estimate for the Mining Enforcement and Safety Administration be increased from $90,148,000 to $91,040,000, an increase of $892,000. The $892,000 is requested to provide for the purchase, operation and maintenance of 248 motor vehicles during FY 1977.

Acquisition of Motor Vehicles

In FY 1975, long after the FY 1976 budget process had been completed, GSA notified the Department of the Interior that it could not provide the additional motor vehicles requested in FY 1975 or FY 1976 from the interagency motor pool. In addition, GSA granted the Department

authority to procure its motor vehicle needs by lease, lease-with-purchase option, and/or purchase. This forced MESA to request a budget supplemental in FY 1976 for additional funding and authority to procure the additional vehicles needed. On March 25, 1976, GSA notified the Department of its inabilities to provide increased agency automobile needs for FY 1977 and again granted acquisition alternatives. During the formulation of our FY 1976 Supplemental Request, we found the purchase option to be the most economical and advantageous to the Government. This situation still exists. Therefore, we propose to purchase 195 sedans and 53 special purpose vehicles in FY 1977.

The additional vehicle needs are an integral part of the programs currently pending before the House and Senate Appropriation Committees. Industry expansion and emphasis on health, accident prevention, education and training, and technical assistance, result in an increased inspectorate who need transportation from mine to mine. The FY 1977 budget was formulated on the assumption that GSA would provide the additional vehicles necessary to support this increased effort. With this inability notification by GSA, MESA is left without the necessary funding or acquisition authority to acquire these additional vehicles.

This proposed budget amendment represents an increase of $1,001,000 and provides appropriation language under MESA's administrative provisions for the purchase of 195 passenger-carrying motor vehicles. The balance of the request--53 vehicles--are special purpose vehicles (four-wheel drive) needed in rough terrains such as those encountered in surface mine inspections. Purchase would be made through the General Services Administration at an estimated cost of $3,500 for the passenger-carrying vehicles and $6,000 for the special purpose vehicles.

195 vehicles x $3,500	= 682,500
53 special purpose vehicles x $6,000	= 318,000
Total investment costs	1,000,500

Operation and Maintenance

Additional funding is also requested to operate and maintain these vehicles during FY 1977. This amendment was prepared under the assumption that the requested FY 1977 budget would be available October 1, 1976. The General Services Administration procurement manual allows four months for delivery of vehicles. It is therefore anticipated that delivery of the requested vehicles could be made by the end of January 1977. However, because of the various inspector training programs, acquisition has been staggered. Operation and maintenance costs for these vehicles is based on the following months of use:

90 cars @ 1,000 miles per month x 8 mo. x $.075 per mile	= $54,000
66 cars @ 1,000 miles per month x 7 mo. x $.075 per mile	= 34,650
39 cars @ 1,000 miles per month x 5 mo. x $.075 per mile	= 14,625
13 special purpose vehicles x 1,000 miles per month x 8 mo. x $.11 per mile	= 11,440
40 special purpose vehicles x 1,000 miles per month x 7 mo. x $.11 per mile	= 30,800
Total Operational Costs	145,515

Budgeted Rental Costs

MESA's FY 1977 budget was formulated on the assumption that GSA would provide its increased vehicle needs. Accordingly, funding for GSA auto rental and mileage charges was included in our initial budget request. The additional amounts budgeted to reimburse GSA for fleet expansion is $255,000. This amount has been used to offset the cost of purchase as indicated in the attached analysis table.

Summary

MESA's FY 1977 request, as proposed in the President's Budget, included the use of additional motor vehicles in support of its health and safety program objectives. This budget amendment is not an increased program request but an alternative method of providing essential transportation in conducting these programs as approved earlier. The notification by GSA of their inability to provide these essential vehicles forces MESA to make this additional funding request.

66-307 O - 76 - pt. 5 -- 73

Analysis of Increased Requirements
FY 1977

	Investment Cost	Operation and Maintenance	Subtotal	Less Budgeted Rental Costs	Total Additional Requirements
Coal Mine Health and Safety.....	$636,000	$85,000	$721,000	$147,000	$574,000
Metal/Nonmetal Mine Health and Safety..	205,000	35,000	240,000	61,000	179,000
Education and Training.....	86,000	14,000	100,000	25,000	75,000
Technical Support.....	74,000	12,000	86,000	22,000	64,000
Program Administration.....	--	--	--	--	--
Total.....	1,001,000	146,000	1,147,000	255,000	892,000

Questions Submitted by Senator Stevens

Question: This is one of several recent requests for additional vehicles. Why is it that GSA isn't able to cover your needs?

Answer: We do not know what specific problems GSA may have encountered. GSA has indicated only that they cannot meet our vehicle needs.

Question: The request is for $892,000, but your justification indicates actual costs exceed that. Is it rental savings that you are applying against the costs?

Answer: MESA's FY 1977 budget was formulated on the assumption that GSA would provide its increased vehicle needs. Accordingly, funding for GSA auto rental and mileage charges was included in our initial budget request. This amount has been used to offset the cost of purchase as shown below:

Investment cost	$1,001,000
Operation & Maintenance	146,000
Less Budgeted GSA Costs	-255,000
Net Requirements	$892,000

Question: Do you need all these vehicles in FY 1977? Can some of this slip?

Answer: We do need all of these vehicles in FY 1977. We are confident that we will be able to recruit and train the additional personnel requested in our FY 1977 budget. However, because of the various inspector training programs, acquistion will be staggered. The operation and maintenance cost estimates were also based on this concept and were reduced accordingly.

Question: What is the outlook for the future? Will you have to continue buying vehicles, or will GSA be able to accommodate your needs?

Answer: At this point we really don't know. OMB is aware that GSA has not been in a position to meet our requirements. Hopefully, they will take the necessary action to either reaffirm GSA's responsibility for providing agency vehicle needs or give the authority to the individual bureaus. We do not believe that joint ownership is in MESA's best interest. We will follow the policy guidelines set forth by OMB.

DENVER FIRE

Senator STEVENS. Gentlemen, unless you have anything further to add I will recess this hearing.

Dr. McKelvey, do you have any further comments?

Dr. MCKELVEY. Yes, I just wanted to say, Mr. Chairman, that our amendment also includes $2.4 million to replace and repair equipment.

Senator STEVENS. The Denver fire?

Dr. MCKELVEY. Yes, damage resulting from the fire in Denver.

Senator STEVENS. We are familiar with that and there are some technical questions that we will want you to respond to later. I don't see that there is any problem with that item. So unless you have any further statements you want to make for the record, let me call on the Indian Health Service.

Gentlemen, we appreciate your consideration.

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

HEALTH SERVICES ADMINISTRATION

INDIAN HEALTH SERVICE

STATEMENT OF DR. EMERY A. JOHNSON, INDIAN HEALTH SERVICE

ACCOMPANIED BY:

DR. JOSEPH N. EXENDINE, ACTING DEPUTY DIRECTOR
JAMES DANIELSON, PROJECT MANAGER, PUBLIC LAW 93-638 IMPLEMENTATION, OFFICE OF THE DIRECTOR
SOL ORDEN, CHIEF, FINANCIAL MANAGEMENT BRANCH
MICHAEL FLATTERY, BUDGET ANALYST, OFFICE OF FINANCIAL MANAGEMENT, HEALTH SERVICES ADMINISTRATION
MICHAEL STURMAN, DIRECTOR, DIVISION OF BUDGET REVIEW

BUDGET AMENDMENTS AND SUPPLEMENTAL REQUEST

Senator STEVENS. Dr. Johnson, are you here?

We now go to the Indian Health Service. There are two amendments here totalling $39.8 million. The Service also has a supplemental request for 1976 of $12 million to implement the Indian Self-Determination Act which arrived after passage of the second supplemental appropriation bill.

PREPARED STATEMENT AND JUSTIFICATION

This hearing is primarily to consider the 1977 budget amendments, but we can also touch on the supplemental request. So we will include the justifications for both the supplemental and the 1977 amendments in the record at this point, as well as Dr. Johnson's prepared statement.

[The statement and justification follow:]

STATEMENT OF EMERY A. JOHNSON

Mr. Chairman and Members of the Committee:

A goal of this Administration is to elevate the health of Indian people and Alaska Natives to the highest possible level. We have a long-standing commitment to do this in ways that provide these people with maximum opportunities for involvement in defining and meeting their own health needs. The tools needed to bring such opportunities to fruition were vastly expanded and improved by Public Law 93-638, the Indian Self-Determination and Education Assistance Act of 1975. This law makes available clearcut avenues for enhancing the Indians' control over their own destinies. In essence, it enables tribes and tribal organizations to assume the initiative in taking steps toward planning, conducting and administering their own health programs through grants, contracts and other arrangements with the Government. Many tribal groups already have exercised this initiative and have submitted proposals for action.

P.L. 93-638 also sets out the Government's role in relation to tribal initiatives. That role basically is one of support and responsiveness. The Indian Health Service is the instrument charged with carrying out the Federal P.L. 93-638 role in the health field.

Because of new and expanded dimensions created by P.L. 93-638, the IHS, in order to carry out its responsibilities, must make appropriate program and management realignments. Included are the development and utilization of mechanisms which will assure timely and proper responsiveness to tribal initiatives, and provide the substantive support to groups wishing to plan, conduct and administer all or part of their health programs. Resources will be required for IHS to undertake these tasks. To this end, a supplemental of $12,000,000 and 38 positions above the Fiscal Year 1976 Indian Health Services appropriation is requested, and it is requested that $37,000,000 and 85 positions be added to the President's Budget Request for Fiscal Year 1977.

In addition to expanded, complex responsibilities associated with implementing P.L. 93-638, it has been proposed in the 1977 President's Budget that Indian Health Service responsibilities be expanded in another area, i.e., assumption of responsibility for Indian Alsoholism projects now administered by the National Institute on Alcohol Abuse and Alcoholism (NIAAA). This transfer is aimed at assuring continuity of the projects on the one hand, and, on the other, recognizes the uniqueness of the Federal-Indian relationship by placing the projects in the Indians' own health care agency, the Indian Health Service. The projects are aimed at dealing with a problem considered by Indians, and others, as being of major importance and of high priority in the health field. Adequate support for these projects is, then, essential. Funding of $12,000,000 included for this program in the 1977 President's Budget for Indian Health Services, however, was unintentionally understated. For this reason, it is requested that $2,857,000 be added to the Fiscal Year 1977 President's Budget.

In summary, it is requested that a supplemental of $12,000,000 and 38 positions above the Fiscal Year 1976 IHS appropriation be authorized, and that a total of $39,857,000 and 85 positions be added to the President's Fiscal Year 1977 IHS Budget Request.

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE
INDIAN HEALTH SERVICE

Biographical Sketch

NAME : Emery A. Johnson, M.D., M.P.H.

POSITION : Director, Indian Health Service

BIRTHPLACE AND DATE : Sioux Falls, South Dakota, April 16, 1929

EDUCATION : Hamline University, St. Paul, Minnesota
1951, Bachelor of Science
University of Minnesota Medical School,
Minneapolis, Minnesota, 1954, Doctor of Medicine
University of California, Berkeley, California,
1964, Master of Public Health

EXPERIENCE

Present	:	Director, Indian Health Service, Rockville, Maryland
1967-69	:	Deputy Director, Division of Indian Health, Silver Spring, Maryland
1966-67	:	Chief, Office of Program Services and Assistant Director, Division of Indian Health, Silver Spring, Maryland
1964-66	:	Indian Health Area Director, Indian Health Area Office, Billings, Montana
1961-63	:	Medical Officer in Charge, Phoenix Indian Medical Center, Phoenix, Arizona
1959-63	:	Assistant Area Medical Officer in Charge, Indian Health Area Office, Phoenix, Arizona
1957-59	:	Medical Officer in Charge, PHS Indian Hospital, Winnebago, Nebraska
1956-57	:	Medical Officer in Charge, PHS Indian Hospital, White Earth, Minnesota
1955	:	Medical Officer, PHS Indian Hospital, White Earth, Minnesota

ASSOCIATION MEMBERSHIPS : American Public Health Association 1/76-Chairperson, Hlth Adm. Section
American Medical Association
Association of Military Surgeons
Alpha Omega Alpha - National Honorary Medical Society
Delta Omega - National Honorary Public Health Society

AWARDS : PHS Commendation Medal - October 5, 1965
PHS Meritorious Service Award - September 18, 1970
PHS Distinguished Service Medal - April 13, 1972
Secretary's Special Citation - January 19, 1973
Excellence in Public Service Award, AAP, October 21, 1973

AMENDED JUSTIFICATION

Indian Health Services

1976

For an additional amount for "Indian Health Services", $12,000,000

1977

For expenses, not otherwise provided for, necessary to carry out the Act of August 5, 1954 (68 Stat. 674), Public Law 93-638, and titles III and V of the Public Health Service Act, including hire of passenger motor vehicles and aircraft; purchase of reprints; payments for telephone service in private residences in the field, when authorized under regulation approved by the Secretary, $354,451,000

Amounts Available for Obligation 1/

	FY 1976		Increase or Decrease
	Presently Available	Revised Estimate	
Appropriation	$283,310,000	$295,310,000	+$12,000,000

	FY 1977		Increase or Decrease
	Request Pending	Revised Request	
Appropriation	$314,594,000	$354,451,000	$39,857,000

1/ Excludes reimbursements in the amount of $1,900,000.

Obligations by Activity 1/

	FY 1976				Increase or Decrease	
	Presently Available		Revised Estimate			
	Pos.	Amount	Pos.	Amount	Pos.	Amount
Patient Care	4,124	$156,901,000	4,124	$156,901,000	--	---
Preventive Health and Ambulatory Care . . .	4,248	122,961,000	4,286	134,961,000	+38	+ 12,000,000
Program Mgmt.	128	3,448,000	128	3,448,000	--	---
Total Obligations	8,500	283,310,000	8,538	295,310,000	+38	+ 12,000,000

	FY 1977				Increase or Decrease	
	Request Pending		Revised Request			
	Pos.	Amount	Pos.	Amount	Pos.	Amount
Patient Care	3,811	$170,222,000	3,811	$170,222,000	--	---
Preventive Health and Ambulatory Care . . .	3,896	140,818,000	3,981	180,675,000	+85	39,857,000
Program Mgmt.	124	3,554,000	124	3,554,000	--	---
Total Obligations	7,831	314,594,000	7,916	354,451,000	+85	39,857,000

1/ Excludes reimbursements of $1,900,000.

Obligations by Object

	FY 1976 Presently Available	FY 1976 Revised Estimate	Increase or Decrease
Total number of permanent positions	8,500	8,538	+38
Full-time equivalent of all other positions	170	170	---
Average number of all employees	7,952	7,953	+1
11 Personnel compensation	$112,986,000	$113,005,000	+$ 19,000
12 Personnel benefits	19,999,000	20,001,000	+ 2,000
21 Travel and transportation of persons	11,306,000	11,318,000	+ 12,000
22 Transportation of things	2,517,000	2,556,000	+ 39,000
23 Rent, communication, and utilities	9,379,000	9,384,000	+ 5,000
24 Printing and reproduction	800,000	800,000	---
25 Other services	102,902,000	114,777,000	+ 11,875,000
26 Supplies and materials	20,342,000	20,344,000	+ 2,000
31 Equipment	3,684,000	3,730,000	+ 46,000
32 Lands and structures	315,000	315,000	---
Sub-total	284,230,000	296,230,000	+ 12,000,000
Deduct quarters and subsistence charges	-920,000	-920,000	---
Total Obligations	283,310,000 1/	295,310,000 1/	+ 12,000,000

1/ Excludes reimbursements in the amount of $1,900,000.

Obligations by Object

	FY 1977 Request Pending	FY 1977 Revised Estimate	Increase or Decrease
Total number of permanent positions	7,831	7,916	+85
Full-time equivalent of all other positions	170	170	--
Average number of all employees	7,497	7,579	+82
11 Personnel compensation	$118,264,000	$119,680,000	+$ 1,416,000
12 Personnel benefits	20,591,000	20,733,000	+ 142,000
21 Travel and transportation of persons	11,637,000	11,822,000	+ 185,000
22 Transportation of things	2,565,000	2,655,000	+ 90,000
23 Rent, communication, and utilities	10,923,000	10,941,000	+ 18,000
24 Printing and reproduction	801,000	809,000	+ 8,000
25 Other services	122,854,000	160,777,000	+ 37,923,000
26 Supplies and materials	23,345,000	23,375,000	+ 30,000
31 Equipment	4,219,000	4,264,000	+ 45,000
32 Lands and structures	315,000	315,000	---
Sub-total	315,514,000	355,371,000	+ 39,857,000
Deduct quarters and subsistence charges	-920,000	-920,000	---
Total Obligations	314,594,000 1/	354,451,000 1/	+ 39,857,000

1/ Excludes reimbursements in the amount of $1,900,000.

NARRATIVE JUSTIFICATION

OVERVIEW

The Indian Health Service is the primary Federal health resource for American Indian and Alaska Native people. As a result of this, the Indian Health Service has been given the responsibility of implementing P.L. 93-638 (Indian Self-Determination and Education Assistance Act).

The Indian Self-Determination and Education Assistance Act, P.L. 93-638 was signed into law January 4, 1975. Rules and Regulations to implement this law were published in the Federal Register on November 14, 1975. This Act directs the Secretary, HEW, upon the request of any Indian tribe, to contract with the tribal organization to carry out any or all of his functions, authorities and responsibilities under the Act of August 5, 1954 (68 Stat. 675, 42 U.S.C. 2001). The Secretary of HEW may, in accordance with regulations adopted pursuant to section 107 of this Act, make grants to any Indian tribe or tribal organization for (1) the development, construction, operation, provision, or maintenance of adequate health facilities or services including the training of personnel for such work, from funds appropriated to the Indian Health Service for Indian health services or Indian health facilities; or (2) planning, training, evaluation or other activities designed to improve the capacity of a tribal organization to enter into a contract or contracts pursuant to section 103 of this Act.

Implementation of this law requires that new or expanded mechanisms will be initiated which were not a part of the Indian Health Service operation. Contracts are one of several mechanisms by which Indian tribes will exercise their right to plan, conduct, and administer programs or portions thereof which the Secretary is authorized to administer for the benefit of Indians. Another mechanism

afforded Indian tribes is the initial use of grants to plan the manner in which they wish the Indian Health Service to operate programs. This mechanism also requires additional staff for IHS to initiate a grants management program.

The Indian Health Service has identified additional requirements needed to implement this Act resulting in a proposed supplemental request for 1976 and a proposed budget amendment for 1977.

In addition, as a result of a proposed transfer in 1977 of funds for alcoholism projects from the National Institute on Alcohol Abuse and Alcoholism (NIAAA) to IHS being understated, a proposed budget amendment for the full-year cost of these projects is requested.

In summary, a 1976 proposed supplemental of $12,000,000 and 38 positions to implement P.L. 93-638, a 1977 proposed budget amendment of $37,000,000 and 85 positions to implement P.L. 93-638, and $2,857,000 for the full-year cost of alcoholism projects previously funded by NIAAA is requested. A more detailed justification of these requests follow.

FY 1976 Supplemental
Implementation of P.L. 93-638

Currently, various tribal groups have submitted projects exceeding $12,000,000. These projects have been reviewed and evaluated by IHS and meet the criteria of the Rules and Regulations as published in the Federal Register on November 14, 1975, for capacity building, operation and other development toward assisting tribes to man and manage their own health programs.

In view of the above, the Indian Health Service requests a supplemental of 38 positions (i.e., contract administrators, costs analysts, and grants management officers, etc.) and $12,000,000 in the Indian Health Services appropriation. For 1976, it is anticipated that the majority of the funding will be by contract in lieu of grants. Regardless of the funding mechanism, the Indian Health Service must invest time, positions, and funds to put into place the response systems for providing the training and technical assistance to the respective tribal organization. Exclusive of the funds to support the 38 positions, funds are immediately required:

> to respond to unsolicited requests from Indian tribes enabling them to formulate and manage their own health organizations including such costs as training of Indians in the field of health administration;
>
> for feasibility studies of various community health programs to assist in determining the method, procedures, costs and capabilities of managing their health programs.

Fiscal year 1976 effort will be largely a matter of laying the groundwork and establishing the basis for a fiscal year 1977 program, and to continue development and intensification of contract and grant compliance systems. To accomplish this, the Indian Health Service must establish the capability to meet subsequent tribal requests.

There is no legal issue related to initiating this program if the amount of funds available are insufficient to make grants and contracts for all interested and qualified Indian groups.

Since the Indian Health Service is not meeting its identified health needs at this time, it cannot fund P.L. 93-638 activities with existing IHS resources without further decreasing the level of services currently provided. The IHS appropriation is the only source of funds available for this program.

FY 1977 Amendment
Implementation of P.L. 93-638

For FY 1977, 85 positions and $37,000,000 are requested as a budget amendment to enable the Indian Health Service to continue and expand the types of programs provided under the 1976 proposed supplemental. This amendment represents an increase of 47 positions and $25,000,000 over the FY 1976 supplemental request of 38 positions and $12,000,000.

INTRODUCTION OF ASSOCIATES

Senator STEVENS. Dr. Johnson, will you identify the associates that you have with you this morning for the record?

Dr. JOHNSON. Yes, sir. On my immediate right is Dr. Joseph Exendine, Acting Deputy Director, Indian Health Service. On his right is James Danielson who is the project manager for Public Law 93–638 implementation. On my immediate left is Sol Orden, Chief, Financial Management Branch. On his left is Mike Flattery, budget analyst, Office of Financial Management, Health Service Administration. And on the far left is Mr. Mike Sturman, Director for the Budget Review Office.

TO IMPLEMENT PUBLIC LAW 93–638 NEED FOR FUNDING

Senator STEVENS. Let's go first to the major part of your request for implementing the Indian Self-Determination Act. You seek $12 million and 38 new positions for the current year and $37 million and 47 more new positions for 1977, a total of 85 positions.

Will any of this actually increase your medical services program?

Dr. JOHNSON. No, Mr. Chairman. This is basically to put in the administrative mechanism, the planning, the feasibility studies and the training apparatus to permit the tribes to have the opportunity to contract to deliver the medical services that we are now currently providing.

ADDITIONAL POSITIONS

Senator STEVENS. Well, why does it take so many new positions to contract out to independent entities to perform the services you are now performing?

Dr. JOHNSON. Well, in the first place, the act has the section on grants; section 104 of the act provides for a grant to be made to the tribes for planning and operation. The Indian Health Service has never had a grant program.

We are starting out with absolutely ground zero on the grants. And it is going to be necessary for us to develop a grants management program within the system.

In addition, the number of contracts that we have and the volume of contracts has been going up significantly over the last number of years. We have had tribal contracts for some 7 or 8 years now under different authorities and we have gotten to the point where it is not going to be possible to absorb this continual escalating number of contracts, the volume of contracts, if we are going to be sure that we have contracts with the tribal governments adequately prepared with standards of accountability, standards of performance, good accounting. All this is necessary so that we can have acceptable and productive contracts with the tribes.

It is much different, it seems to me, Mr. Chairman, in dealing and contracting with a tribal government to deliver complex health services than it is to contract where we buy drugs from some major drug firm or something like that.

There is a lot of development work that has to go in here and that takes people.

SUPPLEMENTAL REQUEST

Senator STEVENS. With regard to your supplemental request, I don't know of any supplemental that is going to come through here before the end of this fiscal year, at least not to my knowledge. What is going to happen now with regard to that request—do you have clearance to add that to the 1977 request instead of the 1976?

Mr. STURMAN. Perhaps I can answer that. The answer is no. The reason the supplemental request was submitted, the decision was made before the second supplemental had occurred in the Congress. Unfortunately, the message got delayed and so the request missed the second supplemental. It was intended to be——

Senator STEVENS. Well, I know that. Are we to assume that these are redundant requests? Do you want to add the money for the supplemental request to the 1977 budget? And do you have authority to request that change over 1977?

Mr. STURMAN. I have no authority to make that decision.

Senator STEVENS. Have you approached OMB for that?

Mr. STURMAN. No, sir. We haven't.

Senator STEVENS. Were they redundant requests? The same money, just extended over into 1977 when you knew that you couldn't get 1976?

Mr. STURMAN. I think those were contract renewals, weren't they?

Dr. JOHNSON. Let me clarify that a little. The $37 million is identified in the 1977 budget amendment including the $12 million. So I would think that technically we have the approval for the $12 million in the supplemental to be carried into the 1977 budget.

Senator STEVENS. Assuming there is no supplemental that comes through here, can we ignore the supplemental request?

Dr. JOHNSON. We could deal with the 1977 request which includes the $12 million plus another $25 million.

Senator STEVENS. The $37 million includes the $12 million?

Dr. JOHNSON. Right. That is correct.

REQUEST FOR ADDITIONAL ALCOHOLISM FUNDS IN 1977

Senator STEVENS. All right. That eliminates that problem. Now, how about the alcoholism situation?

Dr. Johnson, I am sure you know I have recommended to the chairman of this subcommittee and to Senator Magnuson that we phase in the projects that are now supported by NIAAA; and that there be a gradual transfer to the Indian Health Service as opposed to the budget recommendation. Are you familiar with that?

Dr. JOHNSON. Yes, sir.

Senator STEVENS. Are you prepared and can you state an opinion on what the Indian Health Service believes about that?

Dr. JOHNSON. Well, our basic position on that and our recommendation originally was that it be a phased transfer. For whatever reason, the decision was made to transfer them all at the beginning of the next fiscal year. It is my personal opinion and my professional opinion that it would be better to phase them in as we had originally proposed.

Senator STEVENS. Well, as you know, I personally feel that the Institute has done a very creditable job in the alcohol area in general and has been quite responsive to the particular needs of Native Amer-

icans. At the same time, this committee is aware of the necessity of providing long-term support for the Indian alcoholism program.

In the near future, the HEW subcommittee will be hearing from NIAAA on the question on the transfer of this responsibility. Working with the Institute, would you please submit to the committee a plan for gradual transfer of the Indian projects to IHS?

INDIAN ALCOHOLISM PROGRAMS

My feeling is that with the funds in NIAAA which would be freed by the transfer, the Institute should maintain responsibility for initiating new programs for Native Americans. And there continues to be a great unmet need for alcoholism programs.

So I would like to see a plan which envisions placing responsibility for the matured and tested programs with you and responsibility for new Indian trial efforts to continue with the Institute. And unless you have some disagreement, I think we ought to have some outline of a plan to accomplish that in order to work with both this committee and the HEW subcommittee.

Does that meet with your approval?

Dr. JOHNSON. Yes. We would be glad to provide that.

[The information follows:]

The proposed phasing of Indian Alcoholism Programs into Indian Health Service after six years of support from NIAAA follows:

Assuming the number of Indian alcoholism treatment projects to remain constant at the present level of funding, the matured projects and their estimated costs are reflected in the following table:

Fiscal year	No. of projects	NIAAA cost (millions)	Matured projects transferred totals	Cumulative total of projects transferred	Added costs to IHS per fiscal year (millions)	Cumulative total added costs (millions)
1977	153	$15.6	0	0	$0	$0
1978	119	12.2	34	34	3.4	3.4
1979	66	7.5	53	87	4.7	8.1
1980	63	7.3	3	90	.2	8.3
1981	4	.6	57	147	6.7	15.0
1982	0	0	6	153	.6	15.6

This table does not reflect an additional 42 approved but unfunded projects at a cost of $4.8 million. Also, there are no costs reflected for training programs to train Indians to work in Indian alcoholism treatment programs. The costs for 10 programs are $1.2 million.

DELAYS IN SUBMITTING SUPPLEMENTALS AND AMENDMENTS

Senator STEVENS. All right. We have some other questions, doctor, and again I apologize to all of you for the tight limits on our time.

I have raised this with the other people—why is it that it took so long to get this supplemental and budget amendment to Congress?

Who can speak to that? Where was it delayed? We find it awkward, to say the least, that the supplemental request gets here the day after we reported out the second supplemental bill.

Dr. JOHNSON. I would have to refer that question to the Department.

Mr. STURMAN. It was delayed at all points in the Department. There was not a good record in the approval process.

Senator STEVENS. We had estimates when we first met in January from BIA as far as self-determination is concerned. But when did you put the Indian Health Service self-determination funding request to the Department?

Mr. STURMAN. It came to the Department from the Assistant Secretary for Health on February 7. It was finally transmitted from the Department to OMB on April 7, and subsequent to April 7, OMB reviewed it for the Presidential transmittal.

Senator STEVENS. And we received it here June 8.

We just cannot operate, really—when we get down to this point, we have a full committee going on over there now with appropriations, and the floor is jammed up with legislation. If we had had this early enough we could have done it some better justice and been in a better position to defend the request before the full committee. I am afraid it is going to be severely damaged coming in at this late date as far as the full committee action is concerned.

So I would urge that somehow or other we get these items more in control, and if you people are having trouble with OMB after this, why don't you let us know. We will call OMB. I didn't know that was on its way. I thought it was going to be deferred until 1977 anyway. It took almost 5 months to clear up a simple supplemental request for $5 million. That is much too long.

Gentlemen, and doctor, I know you know that there is no personal involvement. It is just that we would like to be in a better position to support your request and we don't have time enough to do it.

ADDITIONAL QUESTIONS

I appreciate your concern and I hope you will respond in full to the questions and we will print them in the record in full.

Thank you gentlemen. And, again, I apologize for the precipitousness of this hearing.

[The questions and answers follow:]

INDIAN HEALTH SERVICE

Question: BIA is implementing self-determination with less money ($8.2 million in 1976 and $32 million in 1977); why are your needs greater than theirs?

Answer: Mr. Chairman, I don't know how the Bureau of Indian Affairs arrived at the amount they would require to implement 93-638. The Indian Health Service developed their request for 1976 primarily on the number of unsolicited proposals on hand and projected this number in addition to new starts into 1977. Also, these estimates include funds for training, technical assistance and capacity building.

* * * * *

Question: When did IHS first request self-determination funding, and when did the Departmental request go to OMB? Give us the timetable so that we can determine where the delay occured.

Answer: The initial request from IHS was submitted on September 15, 1975. The Department submitted the request to OMB on April 7, 1976.

* * * * *

Question: How much of the $12 million supplemental and $37 million amendment would actually go to contracts for Indian operation of medical programs?

Answer: Some tribes are currently carrying out medical programs and other tribes are sufficiently developed to enter into the operation of medical programs; however, many tribes will require assistance in capacity development. Therefore, in the initial phase of P.L. 93-638, major efforts will be in capacity building.

* * * * *

Question: How much of the requested funding, both 1976 and 1977, is for contract overhead cost support? (Details for record.)

Answer: For FY 1976, $127,000 is programmed for contract overhead cost support. For FY 1977, the amount programmed for overhead cost support is $1,964,000. Please see attached obligation by object table for FY 1976 and FY 1977 with footnote notation.

* * * * *

HEALTH SERVICES ADMINISTRATION

Indian Health Services

Obligations by Object

	FY 1976 Presently Available	FY 1976 Revised Estimate	Increase or Decrease
Total number of permanent positions	8,500	8,538	+38
Full-time equivalent of all other positions	170	170	---
Average number of all employees	7,952	7,953	+1
11 Personnel compensation	$112,986,000	$113,005,000	+$ 19,000
12 Personnel benefits	19,999,000	20,001,000	+ 2,000
21 Travel and transportation of persons	11,306,000	11,318,000	+ 12,000
22 Transportation of things	2,517,000	2,556,000	+ 39,000
23 Rent, communication, and utilities	9,379,000	9,384,000	+ 5,000
24 Printing and reproduction	800,000	800,000	---
25 Other services	102,902,000	114,777,000	+ 11,875,000
26 Supplies and materials	20,342,000	20,344,000	+ 2,000
31 Equipment	3,684,000	3,730,000	+ 46,000
32 Lands and structures	315,000	315,000	---
Sub-total	284,230,000	296,230,000	+ 12,000,000
Deduct quarters and subsistence charges	-920,000	-920,000	---
Total Obligations	283,310,000 1/	295,310,000 1/	+ 12,000,000

1/ Excludes reimbursements in the amount of $1,900,000.

NOTE: The IHS overhead cost support is the dollar costs shown in the last column of the above table with the exception of object class 25 "other services". Only $2,000 of this object class is overhead cost support for P.L. 93-638.

HEALTH SERVICES ADMINISTRATION
Indian Health Services

Obligations by Object

	FY 1977 Request Pending	FY 1977 Revised Estimate	Increase or Decrease
Total number of permanent positions	7,831	7,916	+85
Full-time equivalent of all other positions	170	170	--
Average number of all employees	7,497	7,579	+82
11 Personnel compensation	$118,264,000	$119,680,000	+$ 1,416,000
12 Personnel benefits	20,591,000	20,733,000	+ 142,000
21 Travel and transportation of persons	11,637,000	11,822,000	+ 185,000
22 Transportation of things	2,565,000	2,655,000	+ 90,000
23 Rent, communication, and utilities	10,923,000	10,941,000	+ 18,000
24 Printing and reproduction	801,000	809,000	+ 8,000
25 Other services	122,854,000	157,920,000	+ 35,066,000
26 Supplies and materials	23,345,000	23,375,000	+ 30,000
31 Equipment	4,219,000	4,264,000	+ 45,000
32 Lands and structures	315,000	315,000	---
Sub-total	315,514,000	352,514,000	+ 37,000,000
Deduct quarters and subsistence charges	-920,000	-920,000	---
Total Obligations	314,594,000 1/	351,594,000 1/ 2/	+ 37,000,000 2/

1/ Excludes reimbursements in the amount of $1,900,000.

2/ Reflects 1977 Self-Determination only.

NOTE: The IHS overhead cost support is the dollar costs shown in the last column of the above table with the exception of object class 25 "other services." Only $30,000 of this object class is overhead cost support for P.L. 93-638.

Question: Please supply a breakdown for both the supplemental and the 1977 requests showing how the funds will be used -- how much for planning and evaluation, how much for grants and contracts to Indian groups, and so forth.

Answer: Initially, major efforts will be in capacity building and the conducting of feasibility and planning studies by tribal groups. Approximately 95% of the funds appropriated for P.L. 93-638 will go into grants and contracts with tribal groups.

* * * * *

Question: The statement is made in the justification that the majority of funding will probably be by contract in lieu of grants. Why? What does that mean?

Question: Neither your 1976 nor your 1977 requests show any grant funds at all in the object class statements. Why aren't you planning any grants to assist Indian groups in developing contract programs?

Answer: The IHS has contracting authority and contract machinery in place to negotiate contracts and is currently engaged in contracting with tribes.

The authority to make grants is new to the IHS, consequently, there is no capacity to make grants. The supplemental request for additional staff and funding will enable the IHS to initiate a grants program.

The absence of an object class for grants in the budget does not preclude the IHS from initiating a granting mechanism when the resources and staffing become available.

* * * * *

Question: How many Indian groups to date have asked to take over IHS medical programs by contract? What would it cost to honor these requests?

Answer: We have received 36 proposals amounting to over $5 million which involve the takeover of medical and field health programs of IHS.

* * * * *

Question: To what extent are you already contracting out medical programs to Indian groups?

Answer: We currently have over 50 contracts with Indian groups amounting to approximately $22 million involving the management and operation of inpatient, ambulatory, and field health programs.

* * * * *

Question: You have done this contracting without additional funds and personnel haven't you? What additional expenses were involved?

Answer: Many of the contracts the IHS has with tribes, such as the maternal and child health and family planning contracts, were transferred to the IHS from OEO along with the funds to support

them. Also, programs such as otitis media were added by the Congress to the IHS budget.

The contracts negotiated by the IHS with tribes for services have usually cost the tribes money because of the inadequate resources in the contracts for tribal operations. Also, the already overworked field IHS staff has continually absorbed additional workload such as providing technical assistance, acting as project officers, adding to the number of contracts, increasing the number of vouchers examined in order to give the tribes an opportunity to develop their managerial capabilities. Without additional funds and personnel the tribes cannot afford to contract with the IHS and the IHS staff cannot maintain the workload.

* * * * *

Question: Please supply for the record a separate object class statement for your 1977 self-determination request.

Answer:

Obligations by Object

		FY 1977 Request Pending	FY 1977 Revised Estimate	Increase or Decrease
	Total number of permanent positions	7,831	7,916	+85
	Full-time equivalent of all other positions	170	170	--
	Average number of all employees	7,497	7,579	+82
11	Personnel compensation	$118,264,000	$119,680,000	+$ 1,416,000
12	Personnel benefits	20,591,000	20,733,000	+ 142,000
21	Travel and transportation of persons	11,637,000	11,822,000	+ 185,000
22	Transportation of things	2,565,000	2,655,000	+ 90,000
23	Rent, communication, and utilities	10,923,000	10,941,000	+ 18,000
24	Printing and reproduction	801,000	809,000	+ 8,000
25	Other services	122,854,000	157,920,000	+ 35,066,000
26	Supplies and materials	23,345,000	23,375,000	+ 30,000
31	Equipment	4,219,000	4,264,000	+ 45,000
32	Lands and structures	315,000	315,000	---
	Sub-total	315,514,000	352,514,000	+ 37,000,000
	Deduct quarters and subsistence charges	-920,000	-920,000	---
	Total Obligations	314,594,000 1/	351,594,000 1/	+ 37,000,000 2/

1/ Excludes reimbursements in the amount of $1,900,000.

2/ Reflects 1977 Self-Determination only.

Question: Let's turn to your $2.8 million amendment for the alcoholism program which is currently budgeted at $12 million. Is the additional amount fully enough to cover all projects that would transfer to you from the Institute of Alcoholism and Alcohol Abuse? We understood the need was more like $4 million.

Answer: The $2,857,000 is the additional amount needed to fully fund the alcoholism projects that are proposed for transfer. This assumes the availability of $1,800,000 for these projects from prior years' unexpended balance.

* * * * *

Question: The justification states $400,000 of the requested funding will be for five "prevention and poverty programs". What is that?

Answer: There are five alcoholism community programs classified as prevention and poverty programs which are directly related to Indians and are now receiving support from ADAMHA. These are not included in the NIAAA count of Indian Alcoholism program (153) since they are not classified as Indian. Nevertheless, they are Indian grants and should be added to the $15.6 million for a revised total of $15,854,000 and 158 grants.

* * * * *

Question: Please explain the $257,000 earmarked for training grants.

Answer: There are 10 alcohol training grants supported by ADAMHA in 1976 which are made to Indian organizations and tribes. These programs were not originally proposed for transfer to IHS. The total cost of these ten programs in 1976 is estimated at $1,170,000. Seven of the ten are scheduled for termination in 1976, their project period having expired. The estimated 1977 cost of the three remaining projects is $557,000. The 1977 ADAMHA budget contains $300,000 for these projects. The Department proposes transfer of budget authority and responsibility to IHS in 1977 and an increase of $257,000 in the IHS budget to meet 1977 costs.

Question: Please explain the need for $400,000 to exempt Indian alcoholism programs from the general cutback proposed under the NIAAA.

Answer: Since there is proposed a general cutback for ADAMHA in 1977, the IHS budget needs to be increased by $400,000 to cover costs of present alcoholism training and community grants.

Question: Is IHS currently operating any alcoholism prevention and treatment programs other than those designed to aid your employees?

Answer: Yes. The IHS is currently spending $717,000 in support of 25 programs.

* * * * *

Question: Do you feel that the existing staff of IHS has the necessary time and experience to assume immediate responsibility for a program of this magnitude?

Answer: No. If this program is to be effectively managed by IHS we would need 25 positions and $420,000 for administrative

support. Otherwise, experienced program people would need to be pulled from other program areas and given additional duties.

* * * * *

Question: Would you briefly explain what type of alcoholism program you are now running at Mt. Edgecumbe?

Answer: The Mt. Edgecumbe Hospital made available in June 1975, eight in-patient beds to set up a community alcoholism program and contracted for $72,000 with the Sitka Council on Alcoholism to supply counselors to work with the patients. The patients had to sign a 30 day contract with the Council that they would remain in the program. Space was made available in the Hospital for the counselors to work. An assessment of job skills and vocational training was done during this time through arrangements with the Community College. Placement of individuals into jobs after completion of the 30 days resulted in 90% job placements. The counselors also traveled to the villages to do followup with patients and their families, and some case finding. An NIAAA Alcoholism Grant No. 5R18 AA0027 funded at $62,300 since 10/6/74 originally set up the Sitka Council on Alcoholism and in addition to the Councils regular activities are used to supplement a half-way house operation in conjunction with the above described effort.

* * * * *

Question: NIAAA also has responsibility for alcoholism research and training. What are your recommendations regarding the training activities directed toward the Indian people?

Answer: The NIAAA is currently supporting in FY 1976, 10 American Indian Alcoholism training programs to train Indian Counselors and workers in the field of alcoholism at a cost of $1,170,000. It is important that these grants be continued along with the other Indian Alcohol Programs as they are a necessary accompaniment to successful operation of these programs.

* * * * *

Question: Supply for the record the grade levels, titles and job descriptions of the requested new positions for 1976 and 1977.

Answer: The additional positions would be filled with people who have knowledge in the fields of community development such as community development program specialist. In contracting, grants management, program analysis, financial management, program planning, general administration and other managerial and administrative skills. The program types and levels of responsibility have been worked out, but the job descriptions have not been fully developed.

The projected grade levels are reflected in the following table.

	1976 Supplemental No.	FY 1977 Budget Amendment No.
GS-15	1	2
GS-14	13	15
GS-13		11
GS-12	11	11
GS-11	2	10
GS-10		
GS-9		8
GS-8		
GS-7	6	8
GS-6		
GS-5	5	20
GS-4		
GS-3		
GS-2		
GS-1		
Total	38	85

* * * * *

Question: Your $185,000 travel request for 1977 seems high. Why do you need that much, and how did you compute the estimate?

Answer: The $185,000 for travel represents our best estimate of the cost for the type of travel that will be necessary to implement this act. It includes such cost as change of station travel required to bring on board the 85 additional staff, the travel required for meetings with tribal groups, and the travel required for the monitoring of contracts and grants.

Question: Working with the Institute, would you please submit to the Committee a plan for the gradual transfer of the Indian projects to IHS. My feeling is that with the funds in NIAAA which would be freed by the transfer, the Institute should maintain responsibility for initiating new programs for Native Americans.

There continues to be a great unmet need for alcoholism programs, so I would like to see a plan which envisions placing the responsibility for "matured" programs with you and the responsibility for new Indian efforts with the Institute.

Answer: Based on the current operation of NIAAA, a phased transfer of Indian alcoholism programs is proposed after six years of NIAAA funding.

In FY 1978, 34 projects will mature and be transferred to IHS at the funding level of $3.4 million.

In FY 1979, 54 projects will mature and be transferred at the funding level of $4.7 million.

In FY 1980, 2 projects will mature and be transferred at the funding level of $.2 million.

In FY 1981, 59 projects will mature and be transferred at the funding level of $6.7 million.

In FY 1982, 4 projects will mature and be transferred at the funding level of $.6 million.

The implementation of this plan for phased transfer will be done jointly with the.NIAAA and with the projects.

The Administration's proposal is to transfer NIAAA money to IHS along with the grants. This would not leave any freed up funds to initiate new grants.

* * * * *

Question: It is difficult to understand your requests for new positions. The supplemental justification shows 38 new positions but only one additional in average employment. What's the story?

Answer: Because FY 1976 is about over, the estimate of one average employment results from the projected employment of the additional positions for only a portion of a month.

* * * * *

Question: Explain your $19,000 personnel compensation request in the supplemental for 38 new positions.

Answer: For the same reason mentioned previously, the $19,000 represents the salary cost for the additional positions for only a portion of a month.

PENNSYLVANIA AVENUE DEVELOPMENT CORPORATION

STATEMENT OF ELWOOD R. QUESADA, CHAIRMAN

ACCOMPANIED BY:

PETER T. MESZOLY, GENERAL COUNSEL
F. DAVID HARRIS, ASSISTANT DIRECTOR, FINANCE

INTRODUCTION OF ASSOCIATES

Senator STEVENS. Let me turn now to the Pennsylvania Avenue Development Corporation.

Mr. Quesada, it is nice to see you here again. Would you introduce for the record the gentlemen who are with you, please?

Mr. QUESADA. On my left is Mr. Meszoly and on my right is Mr. Harris.

PREPARED STATEMENT

Senator STEVENS. We will include the Chairman's statement in the record at this point.

[The statement follows:]

Mister Chairman and Members of the Committee:

I am Elwood R. Quesada, Chairman of the Pennsylvania Avenue Development Corporation. With me today are the Corporation's General Counsel, Mr. Meszoly, and the Assistant Director, Finance, Mr. Harris.

We appreciate the scheduling of this opportunity to present the Corporation's appropriations request for fiscal year 1977. As the Committee knows, an earlier hearing scheduled in March was postponed when the House of Representatives failed to pass under suspension of rules the authorization bill for the Corporation. This was quite disappointing in view of the fact that the Senate had passed a companion bill in December 1975, and the Pennsylvania Avenue Plan was fully supported in the President's Budget for FY 77. Recently, however, we have been encouraged by a growing sentiment in the House in favor of reconsideration of the Corporation's authorization. On June 3rd, the House Interior Committee voted an amendment to the bill defeated under suspension, so that its prospects for passage on the floor would be enhanced. It is now anticipated that the bill will be brought to the floor in a short time, after the Rules Committee has had an opportunity to hear the matter.

The approval of the development plan by Congress more than one year ago, and the prospects of necessary funding authority, mean that the beginning of the physical renewal of the Avenue is close at hand. As a consequence, the Corporation's fiscal year 1977 request calls for an increase in operating funds and, for the first time, use of Treasury borrowings for land acquisition and preparation.

I shall begin with our more familiar request for operating funds.

The Corporation is asking for $1,425,000 for salaries and expenses for fiscal year 1977. This amount is allocated between two activities, Executive Direction and Planning. Executive Direction is the activity which is responsible for the general administration of the Corporation's affairs, including determinations of policy and broad aspects of the development program. Meetings of the Board of Directors, legal and regulatory services, personnel administration, and budget and financing are all discharged under this activity.

The second activity funded by yearly appropriations for salaries and expenses is Planning. This activity is staffed mostly by architects, urban planners and engineers. They are responsible for overall planning for the development area, detailed design of public projects to be carried out by the Corporation, and review of private development projects for conformity with the plan. The most significant, new operation in this activity for Fiscal Year 1977 will be the start-up of public improvements in the Avenue area. Public improvements we hope to begin next fiscal year include: rebuilding of the Pennsylvania Avenue right-of-way, parks and open spaces, lighting and street fixtures, and historic preservation activities.

The $1,425,000 requested in fiscal year 1977 for the foregoing activities represents an increase of $601,000 over the sum appropriated for similar purposes in this fiscal year. The increase is predicated upon a proposed, modest expansion in staff size to enable the Corporation to undertake substantive development projects. Up to the present, the Corporation has been functioning as a planning agency. We are now seeking the capability to become developers as well.

The Corporation's work this year has been to establish the basis for prompt and efficient implementation of the plan, beginning in FY 77. Regulations were drafted, procedures were coordinated with affected agencies,

and project designs were prepared. Administrative and planning responsibities will continue to be carried out. However, additional manpower will be needed next year to meet the needs of initial construction activities. Therefore, the Corporation would like to increase its staff from the present level of 20 permanent employees to 33 during the course of FY 77. This expansion will include the use of additional office space, equipment and administrative support. An analysis of costs by object class is provided in the budget justification.

The second part of the Corporation's request for fiscal year 1977 is for $25 million to be borrowed from the Treasury of the United States. This money would be used for property acquisition, land preparation and related expenses such as, appraisal fees, and in-lieu-of-tax payments. The $25 million would be part of the $50 million borrowing limit authorized in the Corporation's enabling act (40 U.S.C. 875). Land parcels assembled and cleared by the Corporation would be sold or long-term leased to private developers. (The Corporation has estimated that private entrepreneurs would invest over $350 million in redevelopment under the plan). The proceeds from the sale or lease of land by the Corporation would then be used to pay off Treasury borrowings.

During the first year of development (fiscal year 1977), the $25 million in borrowed money would be used for the acquisition of property between seventh and ninth streets (the situs of the proposed housing development), and on Square 225 (the situs of the Willard Hotel). The Willard itself has a high priority because of its vacant and deteriorated condition, and the importance of its restoration to the success of the plan. Prompt acquisition of the Willard would also put an end to the litigation over its disposition which has been extant for the last two years.

A third part of the Corporation's request, which was to have been transmitted recently by the President as a budget amendment, is a request for $11,450,000 for capital improvements.

This amount is the first-year's portion of the $130 million projected by the Corporation in the plan, as the total cost of public improvements for the development. The funds are to be used in the following general categories: (1) public development - rebuilding of the Avenue, parks and open spaces, street fixtures and furnishings, and historic preservation; (2) site improvements - sidewalks, curbs and gutters, sewers and utility relocation and replacement; (3) relocation and property management - relocation benefits to displaced businesses under existing law, special assistance to help re-start businesses in the redeveloped area, and management of acquired property; and (4) interest on the Corporation's borrowings.

More specifically, the $11.45 million requested for the above activities in fiscal year 1977 is intended for the following uses.

(1) $5 million for design, working drawings, and the beginning of reconstruction of the Pennsylvania Avenue right-of-way, particularly in the western part of the development area.

(2) $600 thousand for final drawings, specifications and early construction for parks and open spaces at such locations as John Marshall Place, Indiana Avenue Plaza and Sherman Park. A like amount is intended for final design and pilot models of signs, signals and street furniture. $500 thousand is needed for design and pilot models for street lighting throughout the development area.

(3) $800 thousand has been estimated as the amount necessary in the first year for renovation of historic facades, and the dismantling and preservation of valuable elements of smaller buildings to be razed.

(4) $600 thousand is intended for project management over the construction period. This activity sets up a general schedule of all public improvements, taking into account the pace of construction, re-routing of traffic, and utility relocation.

(5) Relocation and Property Management has been allocated $1,112 thousand. Of this, $112,000, is estimated as necessary to develop and establish a relocation program which would conform to the requirements of present law. The one million dollar balance would be available to proceed with an interim business relocation facility, if final feasibility is determined.

(6) $300 thousand is intended for the temporary operation of property acquired by the Corporation, prior to its disposition for development.

(7) $1.938 million is for interest accrued on borrowings of $25 million from the Treasury, calculated at the anticipated rate of 7.75%.

Mr. Chairman, we have been before this Committee for several years reporting the progress of our planning efforts. The Committee and the Congress have been very patient. Owners and businessmen in the redevelopment area have also been very patient, despite the fact that the future of the Avenue has been subject to varying degrees of uncertainty for over a decade. In previous testimony before this Committee I have urged Congress to accept the plan and to fund it, or to repeal the plan completely. The decision to go forward appears reasonably imminent. I am hopeful that these funds, requested in the President's budget, will indeed be made available. If they are, we will be diligent in carrying out the plan and, I hope, wise in the use of the public trust and monies charged to us. The Pennsylvania Avenue Plan is an endeavor worthy of being undertaken by a combination of public and private investment in this bicentennial year.

Thank you.

STATUS OF AUTHORIZATION

Senator STEVENS. Unfortunately, you have witnessed the time problem we have, and we have a series of questions we would like to submit to you for response to the record.

With regard to the legislation, as I understand it, the House bill does differ from the Senate bill. Have you expressed a position on that bill to the conferees?

Mr. MESZOLY. Sir, if I may respond to that. The House bill has not yet been passed. An amendment was reported by the Interior Committee and we expect it to go to the Rules Committee. The Corporation is quite satisfied with the amendment reported by the Interior Committee and we feel that any reconciliation between the Senate version and the House Interior version will be quite satisfactory.

Senator STEVENS. It is my understanding the House bill authorizes $38.8 million to commence implementing the development plan; is that correct?

Mr. QUESADA. Right, sir.

Senator STEVENS. Now, do you have these specifics figured out as to what you would use that $38.8 million for? I don't need to have them right now, but do you——

Mr. QUESADA. We will be able to give them to you and we will give them to you.

USE OF BORROWING AUTHORITY AND APPROPRIATIONS

Senator STEVENS. What is going to determine whether you use the money under an appropriation as opposed to your borrowing authority? You do have borrowing authority; don't you?

Mr. QUESADA. We have a borrowing authority now, yes, sir.

Senator STEVENS. Is part of the plan to use both appropriated funds and borrowed funds?

Mr. MESZOLY. Yes, sir.

Senator STEVENS. How much are you going to use in terms of borrowing funds?

Mr. HARRIS. We expect to use some $25 million of the $50 million authorized to be appropriated for fiscal year 1977—$25 million.

Mr. MESZOLY. That is borrowed funds, sir. It has to be included in an appropriation act, but that is $25 million in borrowings that we would attempt to use next year.

Senator STEVENS. I see. So it is $38.5 million. Does that include appropriations and borrowed funds?

Mr. MESZOLY. No, sir. The $38.8 million is a 2-year authorization of direct appropriations of which we will be requesting $11.4 million for fiscal year 1977. In addition, we are requesting $25 million in borrowed funds out of the $50 million presently authorized.

PENDING BUDGET AMENDMENT

Senator STEVENS. What is the status of the proposed $11.5 million?

Mr. MESZOLY. Sir, we are awaiting a transmittal from the Office of the President. We have been advised that OMB has sent it up to the President's Office for signature.

Senator STEVENS. And you will need that in fiscal 1977; is that correct?

Mr. MESZOLY. Yes, sir.

Senator STEVENS. Can you tell us what is the estimated life span now of the Corporation?

Mr. QUESADA. That is going to be a very hard question to answer. But if we are successful in getting the funds and attracting private capital, which is the keystone of the whole project as the vast majority of the funds will come from the private sector, we anticipate a 14- to a 15-year program.

But my personal opinion is it will be a longer program.

LOCAL OPPOSITION TO THE PLAN

Senator STEVENS. We, as I recall, had some substantial opposition expressed from a downtown group. Are you working with that group to try to resolve those differences?

Mr. QUESADA. We are. But, Mr. Chairman, I think the degree of opposition is dwarfed by the overwhelming support. I would have no hesitancy in saying that if the opposition to this program wishes to come up to the Hill and testify and convince the committee that it should not be pursued, it would be all right with us. But the city and the vast majority of the merchants would be up in arms, I assure you. I am not aware of any opposition except from one person who is not even in the area.

Senator STEVENS. When we had public witnesses, I remember chairing the hearing at the time they appeared. It will be in our record.

My only suggestion to you generally—I understand the city endorses this plan.

Mr. QUESADA. Oh, very strongly. And we have met over and over with the various groups in the area. We have an advisory group of people who have businesses in the area, as the law requires. And I would imagine that we have had 50 or 60 meetings with various groups, if not more.

The overwhelming reaction is support. There are a few that have some objections of their own and for their own reasons.

Senator STEVENS. Yes, we understand. There is a definite conflict financially. That was the impression I had. I am not asking you to give us a flood of correspondence, but I do think that some indication from the city and the association of downtown Washington businessmen, the Board of Trade, or whatever it is, that this is still the desire of the majority of the downtown people.

Mr. QUESADA. I will get it from the Board of Trade and Downtown Progress. And, also, I will get something for insertion into the record from our advisory committee, made up of area businessmen.

Senator STEVENS. I believe we did hear from Mr. Danzansky already. Just so there is something in the record to show that we did inquire beyond the Corporation itself in view of the opposition that was presented from an independent group.

Mr. QUESADA. I understand.

Senator STEVENS. And if you will be so kind to respond to the questions that are technical and other questions prepared by the staff which are pertinent.

Mr. QUESADA. I will.

[The questions and answers follow:]

Pennsylvania Avenue Development Corporation

Additional Questions

Authorization

The reported House bill would authorize $38,800,000 to commence implementation of the development plan. For what specific activities would you use the $38.8 million? What determines whether you use this authority or your borrowing authority?

Sums appropriated to the Corporation out of the $38.8 million authorization would be used for public improvements and related expenses, as specified in the approved plan and in annual budget estimates. The public improvements would be the Government's investment in the plan for things that private developers could not be expected to do, but which are needed to upgrade the area to attract private investment. For example: rebuilding the Avenue with distinctive paving; wider sidewalks with landscaping; preservation of historic structures; new parks and open spaces; and, lighting and street furniture would all be paid out of the direct appropriations budget. Related expenses, such as business relocation and project management, would also be paid out of these appropriations.

The borrowed funds would be used essentially for projects which will produce a return to amortize the borrowings. The Corporation would use the borrowed funds to purchase and assemble land for private developers. The land would be cleared by the Corporation and leased to private entrepreneurs for development in accordance with the standards of the plan. This will reduce the front-end load to developers. The Corporation will then retire its debt to the Treasury, using the lease payments which it receives.

Financing Plan

How long do you estimate it will be before your borrowing will be repaid?

Within twenty years of project completion, the Corporation estimates that the revenues generated by the ground leases will have retired the debt.

Neither the House nor the Senate authorization bills would grant you all of the authority needed in the Pennsylvania Avenue Plan. Do you feel that you will still be able to complete development without the authority to sell long-term obligations or the $150 million working capital loan fund?

The authority to sell long-term obligations is not necessary for completion of the plan. It was proposed as one mechanism to refinance short term borrowings from the Treasury, i.e., aggregate repayment of those borrowings with lease repayments. However, the Treasury and OMB recommend that any borrowings by the Corporation simply be repaid by directly channeling lease payments into the Treasury. We will, however, need additional loan authority in future years, beyond the $50 million already authorized. Whether or not the full, additional $150 million will be necessary will depend upon the pace of private development and the extent of land acqui-

sition required of the Corporation. If, for example, there is a substantial amount of private land assembly, less borrowing for the same purposes will be required by the Corporation.

Corporation Powers

The Corporation has a broad range of powers which include the authority to (1) sue and be sued in its own name, (2) acquire property by eminent domain proceedings, and (3) establish restrictions, standards, and other requirements that will insure conformance to the plan.

Have you promulgated regulations for standards of conduct and conflicts on interests, so that these powers are not abused by the Corporation or its employees?

Yes. Draft regulations implementing statutory requirements, Presidential Orders, and Civil Service Commission regulations governing standards of conduct, have been drafted and submitted to the Commission for comment. Comments have been received, and final regulations will be published shortly in the Federal Register. At the Directors' request, the Corporation's Board has already received both an oral presentation and written memorandum on applicable standards, and on the avoidance of conflicts of interests.

What type of appeal process, if any, is available to those parties contesting the Corporation's taking of property? What is the rationale for the authority to sue and be sued in your own name?

With respect to the first question, the Corporation is required to follow the procedures of the Uniform Relocation Assistance and Real Property Acquisition Policies Act. This means that the Corporation must negotiate with an owner in an attempt to reach a satisfactory transaction. Failing that, the Corporation has the power to condemn, which affords the owner the protection of contesting in court the validity of the taking and the value of his property.

In response to the second part of the question, the authority to sue and be sued in the Corporation's name was probably included in the enabling act to make the Corporation more like a private, commercial entity. Although not yet legally construed with respect to the Pennsylvania Avenue Development Corporation, some courts have held that the inclusion of such language in the act of a Federal agency constitutes a waiver of sovereign immunity for actions by the agency.

Development Plan

Please review for the Committee the proposed land uses as provided in your plan. What will be the main focus of the western and eastern portions of the Avenue?

The approved plan provides for four major uses: hotel, commercial (both office and retail), and housing. The eastern portion of the area, centered on 8th Street, will be the situs of a housing-mixed use complex. A total of 1500 units of housing will be built above ground floor retail, and office space. A low-scale reconstruction of historic buildings will also be built in the eastern half. The western half of the development area will be anchored by

a renovated Willard Hotel and new retail/office facilities. Adjacent blocks will be developed primarily for commerical and entertainment facilities and new open space areas.

Do you have any indication if any of the present business owners plan to remain on the Avenue? Will you give the present occupants preference if they want to remain on the Avenue?

Our analysis indicates that approximately one half of the existing businesses intend to remain in the area. The others would prefer to take their compensation and retire. Those desiring to remain will be given priority in newly developed space created for similar uses. This is required by a provision of the Corporation's enabling act.

What do you feel will be the major benefits of developing Pennsylvania Avenue?

Fundamentally, it is the benefit of improving the appearance and amenities of the area for the millions of visitors who come to the Nation's Capital, and for area residents who enjoy its attractions. It will also enrich the area with new residential and commercial uses, helping to tie the governmental city of the Mall and the Federal Triangle with the commercial city of the downtown business core. We also hope that the development will serve as a model for similar planning programs in other cities.

Salaries and Expenses

On page 2 you mention that a "number of support functions will have to be discharged through contracts or through reimbursable services provided by other agencies." Please insert in the record a list by amount and purpose of the funds you propose to contract or have provided by other Federal agencies for FY 1977.

$30,000 to the General Services Administration for administrative support services including personnel management, accounting and budget preparation.

$15,000 to the General Accounting Office for a mandatory, reimbursable audit of the Corporation's finances and transaction.

$10,000 or less, to a Federal or District agency, possibly WMATA, for guidance in setting up a relocation assistance program.

What specific functions do you propose to contract? Do you feel that this work can be accomplished more effectively and efficiently through contracting than being performed in-house?

The Corporation has a small number of architects, engineers, and planners on its staff, and intends to add a few more in FY 77. They will do considerable in-house design work, and will also be responsible for reviewing design of developers and helping private entrepreneurs meet the requirements of the plan. In order to avoid having a staff several times larger than that contemplated, final working drawings for public improvements, engineering studies, and design of fixtures will be contracted out. In addition the Corporation will continue to contract for certain economic and business studies. This method is less costly and more efficient than trying to have all disciplines represented on the permanent staff of the Corporation.

66-307 O - 76 - pt. 5 -- 75

Will the contracts be awarded by competitive bidding?

Yes. All of the Corporation's past and future contracts are subject to Federal procurement laws and the procurement regulations published by GSA for Federal agencies.

On page 2 you are requesting an increase of $224,000 and three positions for executive direction. Describe the projected workload which necessitates the need for that increase.

In FY 77 the Corporation intends to begin the process of development. This will require additional in-house work in legal and administrative areas, under the activity of executive direction. Additional legal work will include the drafting and publication of development regulations, and administrative regulations applicable to all Federal agencies, and work necessary to acquire or condemn property and to enter into development contracts and leases. Other administrative programs will include review of developers' proposals, the management of acquired property, and the supervision of business relocation.

You mention this activity is responsible for relocation assistance. Who is eligible for relocation assistance and specifically what do you provide to those eligible?

Businessmen who are displaced by the Corporation's acquisition of property are eligible for benefits under the Uniform Relocation Assistance Act of 1970. The benefits are: either the actual costs of relocation, including expenses related to the businessman's search for a new facility; or, a lump-sum payment of not less than $2,500 or more than $10,000.

You also mention that the relocation assistance "is to be carried out on a reimbursable basis by an appropriate Federal or District agency." Have you selected that agency?

Not yet. The Corporation is authorized by its enabling act to use the services of the Redevelopment Land Agency, or other appropriate agency, to handle relocation on a reimbursable basis. However, a final selection or agreement has not yet been made.

What is the need for a relocation assistance officer and two secretarial positions for this activity if you plan to contract the work?

The relocation officer is needed to develop the program, which will be administered by another agency. The officer will have to monitor the contracted agency's execution of the program, as the Corporation has legal responsibility for paying benefits. The officer will also be necessary to relate the Corporation's substantive activities to relocation administration. The two secretarial positions are for the entire activity, and will not be used exclusively for the relocation assistance function.

You have requested $55,000 for "other lesser object class costs." Please provide for the record a list by amount and purposes of these costs.

The $55,000 has been requested for the following objects:

Travel and Transportation ---- $15,000
Printing and Reproduction ---- $17,000
Supplies and Materials ------- $15,000
Equipment ------------------- $ 8,000

On page 2 you are requesting an increase of $377,000 and three positions for planning. Since the overall Pennsylvania Avenue Plan has been completed and approved by Congress, what specific planning activities do you propose to engage in?

The Congressionally approved Avenue Plan is really a master plan with general land uses and development guidelines. However, implementation of the plan requires detailed plans for public improvements, open spaces, engineering studies and the like. These functions are to be carried out by the planning staff. They will also work with private developers to review and recommend changes to their proposals. Certain aspects of the approved plan are quite general, and are being worked up in much greater detail for implementation. For example, the Corporation is presently preparing a detailed historic preservation program to conform with the general requirements of the Avenue Plan.

How many structures or areas have been identified as being "historic?" What are your plans in regard to these structures?

Eight structures within the development area are designated landmarks on the National Register. All of these are to be preserved. In addition, there are a number of less significant structures recognized by the Joint Committee on Landmarks and other groups as having historic or architectural merit. The Corporation's program will seek to preserve some of these, or to relocate their facades in a central historic district.

Land Acquisition

On Page 2 you are requesting $25,000,000 for property acquisition and preparation. Since this is the initial funding for this activity, please review for the Committee how you propose to operate this program.

The Corporation is requesting authority to borrow $25 million from the Treasury of the United States as provided in our enabling act. The money would be used to acquire land, assemble sites, and to clear them for development by private entrepreneurs. The cleared sites would be leased to developers for 99-year terms. Although sale of the sites is not precluded, most developers would prefer to lease because it reduces their front-end costs. The Corporation would use the revenues from the leases to pay off the debt to the Treasury.

What specific structures or areas would the Corporation be acquiring with the $25,000,000 in FY - 1977? Are these what you consider your "distressed properties?"

In the first year of development the Corporation would acquire property on the Willard Hotel block, including the Willard itself, but excluding the Washington Hotel. This will enable a prompt beginning of restoration of the Willard and the development of a new commercial complex between it and the Washington Hotel. The Corporation would also acquire property on the two blocks north of Pennsylvania Avenue, between 7th and 8th Streets. This would enable a start on the housing-mixed use complex. Many of the properties involved, such as the Willard, can be considered distressed, as they are vacant and non-income producing. The Corporation is also prepared to buy properties outside of the blocks just discussed, if special hardships to the owners are involved.

What are your plans for the Willard Hotel?

Very simply, our plans are to acquire the property at fair market value and to lease it to a developer who will restore and operate it, preferably as a hotel. The Corporation would lease at terms that include a subsidy to cover the deficit costs of restoring the extremely dilapidated building.

What procedures do you have for determining fair market values of properties you plan to acquire, particularly since few, if any properties have been sold in recent years to establish their value?

The Corporation would hire professional appraisers, who qualify as experts, and use their best judgements to arrive at fair market value. We will also follow the Department of Justice's guidelines for determining value and any other requirement the Department has for Federal land acquisition.

What happens if the owners don't agree with your appraisals of the values of their property?

The Corporation is required to negotiate for the acquisition of an owners property, and to offer no less than fair market value. If a voluntary agreement of sale can not be reached, the Corporation would deposit the fair market value in court and ask the Justice Department to file a declaration of taking. The private owner would retain full rights to a jury trial on the question of value and could contest the Corporation's determination in court.

You indicate that individual property appraisals have not been obtained. When will this be done and by whom?

As soon as we know that the Corporation can reasonable expect funding for development, we will contract with professional, qualified appraisers to evaluate the first properties we intend to buy.

You are requesting $150,000 for in lieu property tax payments to be made to the District of Columbia Government. Would not these costs be borne by the developers?

The amount we requested is to cover the tax costs for the short period of time during which the Corporation holds land, prior to its conveyance to a developer.

If this is Corporation-owned property, why wouldn't you be requesting funding for this activity under your "public portion" of your program for which the House intends to authorize $38.8 million?

The Corporation believes that these interim tax payments can be recouped from the proceeds of conveying the land to a developer, either in fee or as a long-term lease. Therefore, we can use borrowed funds to pay the taxes with the expectation that the costs will be repaid.

You are requesting $23,000 for travel? What type of travel is performed?

A little over one third of this amount is to reimburse the expenses of having our out-of-town members of the Board come to meetings in Washington. The balance of the amount is for local travel of the staff and travel to occasional planning, design or historic preservation conferences elsewhere in the United States.

ADDITIONAL MATERIAL FOR RECORD

Senator STEVENS. All right. We will include any additional letters, both pro and con, in the record at this point. And if your pending budget amendment is transmitted before the record is closed, we will include the justification for that as well.

The committee is aware that still more budget amendments have been proposed and are in the OMB process at this time. Again, if they are transmitted in time the justifications will be included in the record.

To make the record complete, we will include justifications for previous budget amendments that were covered in earlier hearings. The initial budget justifications for the Pennsylvania Avenue Development Corporation were included, of course, in part 2 of the hearing record.

[The information follows:]

LETTER FROM MAYOR WALTER E. WASHINGTON

THE DISTRICT OF COLUMBIA

WASHINGTON, D. C. 20004

14 JUN 1976

Dear Chairman Byrd:

I am writing to you in connection with the hearing that you are about to hold on the Fiscal Year 1977 budget for the Pennsylvania Avenue Development Corporation.

I would like to emphasis the continued interest in and support for the Pennsylvania Avenue Plan on the part of the District of Columbia Government.

The Plan is of particular importance to our Downtown revitalization efforts, and to the efforts of the Federal Government in developing museums and creating new activities in the Mall area and Downtown. We are at the point where long years of effort to revitalize the area between the Capitol and the White House are beginning to pay off. The first section of Metro through Downtown has opened. The first part of our "Streets for People" pedestrianization program is nearing completion. Several new public and private office buildings including the new Labor Department and the FBI Buildings, have been completed. The Hyatt Regency Hotel will be opening this week.

The Pennsylvania Avenue Plan is a key element in both Federal and local programs for the Downtown area because it can resolve the development problems of the southern portion of Downtown, and serve as a bridge between the Mall and the F and G Streets core. We believe it is critical to the future of the capital city that the plans for Pennsylvania Avenue go forward.

We are concerned with our local economic improvements efforts, but we believe the plan also meets strong national interests. There is a symbolic value that is difficult to measure in having life, activity, and beauty in this historic area that is now depressed. The visitor expects the National Capital to represent the best of our country. At present, this portion of Pennsylvania Avenue leaves much to be desired.

The District Government will continue efforts to improve Downtown, but action of the Congress is needed to move the Pennsylvania Avenue program forward. The Pennsylvania Avenue Development Corporation is closely coordinating its actions with the District's efforts to improve the Downtown area.

I hope that the necessary steps can be taken to fund the Pennsylvania Avenue Plan so that it may become a reality.

Sincerely,

Walter Washington

WALTER E. WASHINGTON
Mayor

LETTER FROM STERLING TUCKER

COUNCIL OF THE DISTRICT OF COLUMBIA

WASHINGTON. D. C. 20004

June 21, 1976

Honorable Robert C. Byrd, Chairman
Subcommittee on the Interior
Committee on Appropriations
United States Senate
Washington, D. C. 20510

Dear Senator Byrd:

The Council of the District of Columbia has worked closely with the Pennsylvania Avenue Development Corporation in preparing a plan for the Avenue that reflects the needs and desires of the District of Columbia. It is our belief that implementation of the plan will contribute significantly to the economic health of this city and will create a more beautiful Nation's Capital that can be the source of pride for all Americans.

Pennsylvania Avenue has been the subject of intensive planning since 1962, when the first President's Advisory Council was appointed by President Kennedy. The plans developed during the 1960's seemed overly monumental and unsympathetic to the needs of the downtown and the city at large. The new plan, which has been approved by Congress, pays careful attention to economic development, historic preservation and other important community objectives. For this reason, the plan has received the basic support of the District of Columbia and virtually all major community organizations concerned with the economic health and physical appearance of the city.

As Chairman of the Council of the District of Columbia, I urge that you give early and favorable consideration to the appropriations measure now before the Subcommittee so that the long-delayed rebuilding of the Avenue can proceed.

Sincerely,

Sterling Tucker

STERLING TUCKER
Chairman

LETTER FROM JOSEPH B. DANZANSKY

The Metropolitan Washington Board of Trade

Joseph B. Danzansky
President

June 11, 1976

The Honorable Robert C. Byrd, Chairman
Subcommittee on the Interior
Committee on Appropriations
United States Senate
Washington, D. C. 20510

Dear Senator Byrd:

The Metropolitan Washington Board of Trade continues to be in support of the overall development of the Pennsylvania Avenue Plan as presented by the Pennsylvania Avenue Development Corporation and as agreed to by the Congress.

The Appropriations Bill before you, we believe, requires your prompt attention and support so as to insure an orderly but expeditious movement towards improvements in this national Avenue. The many businesses as well as prospective investors in the Pennsylvania Avenue area need to know Congress' intention to initiate a public/private partnership for the re-development of this area. For too long this area has been planned. We are now, however, on the verge of implementation.

Your attention to the appropriations and ultimate support can well enhance the Nation's Capital and move it forward to even greater status as the finest city in the world.

Cordially,

Joseph B. Danzansky

JOSEPH B. DANZANSKY

LETTER FROM HAROLD GRAY

HAROLD GRAY
5050 FULTON STREET, N. W.
WASHINGTON, D. C. 20016

June 15, 1976

Senator Robert C. Byrd, Chairman
Subcommittee on Interior
Senate Committee on Appropriations
1116 Dirksen Senate Office Building
Washington, D. C. 20510

Dear Senator Byrd:

For your hearings on appropriations for the Pennsylvania Avenue Plan in S. 1689, please record the Federation of Citizens Associations of the District of Columbia as favoring the Plan in general and supporting the appropriations contained in the President's Budget Request.

Enclosed is a copy of the Federation's statement on the 1974 Plan dated March 3, 1974, which still reflects our policies.

Sincerely,

Harold Gray

Harold Gray, Chairman
City Planning and Zoning Committee
Federation of Citizens Associations
of D.C.

Statement on the "Pennsylvania Avenue Plan - 1974"

Introduction - This Federation has followed with great interest the several planning efforts for the redevelopment of the north side of Pensylvania Avenue from the Capitol to the Treasury which have been underway for the past decade. The first two attempts in the early and mid- sixties, both of which included the concept of a 'National Square' between 13th and 15th Streets, we felt were unsatisfactory and we were pleasedwhen no action was taken on them. The current effort by the Congressionally authorized Pennsylvania Avenue Development Corporation as described in the booklet entitled "The Pennsylvania Avenue Plan - 1974" (dated October 1974) is much more successful in balancing the various interests and objectives for Washington as the Nation's Capital and as the District of Columbia, a city where three-quarters of a million people live.

In general we belive the 1974 plan is sound and one which we can support. We recognize that there are a number of assumptions in the plan which if found faulty or inadequate can cause problems which might result in collapse of this plan also. However with the definition by the Congress of a Pennsylvania Avenue redevelopment area between Third and 15th Streets, we can be optimistic that alternate solutions consistent with the overall objectives can be found if necessary.

Comment - In reviewing the plan this Federation has noted a number of items on which it desires to make the following observations and recommendations:

1. Building Line and Building Height - We applaud the Plan's recommendation to establish a 50' setback from the present building line giving a total 75' setback from the curb on the north side of the Avenue. With regard to building height we note that the permitted maximum hightd have been increased as compared to the March 1974 draft version of the Plan from 90' to 110' in the area east of 9th Street and from 110' to 135' between 10th and 11th but holding to 135' from 11th to 15th. These limits are in excess of what is permitted under current zoning, being 90' for C-3B applicable to the area east of 7th Street and 110' for C-4 elsewhere. The reaons for these more generous maximums are not stated and since the FBI building according to our information is 110' on the Pennsylvania Avenue front we would like to know if the 135' limits have been coordinated with and approved by the architectural community, the National Capital Planning Commission, Fine Arts Commission and similar groups. If it has not been so approved we recommend that the heights be returned to the C-3B and C-4 zoning limits.

2. Residential Units - The proposal for approximately 1500 residential units in the 6th to 9th Street area and taking up most or all of three city blocks is one about which we have mixed feelings. We agree that some action is needed to keep the Pennsylvania Avenue area inhabited outside of working hours. (Several years ago this Federationproposed and lobbied hard to locate what is now the Kennedy Center in this general area along the Avenue in order to stimulate public usage during the evening hours). In our opinion the proposed design for terraced apartments is ingenious and attractive. However we recommedn that additional studies of more conventional apartment designs be undertaken in the hope that increased density as compared to the Jacobsen proposal can be developed while retainingsome of the intimate character of this latter proposal. In view of the large land value write-down needed for an economically viable residentioal project in this area, we believe that a plan which provides the densist possible housing compatible with the basic redevelopment objectives should be adopted.

The large write-down in land values to permit residential use of major portions of the Eastern Site ($20.21M is given in Table 4, p.65) represents a very large subsidy which we will

oppose if any significant portion of it is to be borne by D. C. taxpayers. Hence the write-down must be a Federal grant to the Corporation as part of the Nation's cost of improving the Avenue. Also because the area lies entirely within the National Capital Service Area as defined in P.L.93-198 it is appropriate that it be the responsibility of the Federal Government.

The Plan proposed that some 250 of the 1500 housing units be allocated and further subsidized for low income families. We understand and sympathize with the humanitarian and legal motives behind this suggestion but we believe the realities of experience with public housing in this country (Witness St. Louis) will show that to force a mix of housing over the complete economic spectrum will benefit neither end of the economic scale and in fact will very likely result in the failure of the project.

We also believe that some consideration should be given to providing residential housing in a part of the Western Site development, possibly along the lines of penthouse units on the new office buildings as suggested in the Plan, or devoting several of the upper floors to apartments. We suggest that this possibility be further studied to see if it is feasible from both design and financial standpoints.

3. Building Quality - Although we are sure that the Corporation's intentions are to assure that both in design and construction any new buildings on the Avenue are of the highest possible quality, we emphasize that this is most important so as to produce in Washington a "Main Street" of impressive appearance of which both the present and future generations can be proud.

4. Historic Buildings - The care exercised by the Corporation in considering retention of historic buildings "representative of different eras and styles" is commendable. However we suggest with regard to the Matthew Brady studio that it may be preferable to relocate it within a new building similar to the exhibits of the Smithsonian's Museum of History and Technology so that it will serve as a tourist attraction, this new building to have the setback to the new building line. Hence we suggest that this matter together with retention of the Apex (Central National Bank) building be studied further.

5. Willard Hotel - Most of our Federation delegates who are either native or long time residents of Washington have a very sentimental attachment to the Willard Hotel. Hence we favor the Corporation's preferred alternative which would renovate the Willard for use as a hotel or apartment house. This has the added advantage that together with the National Theatre and the proposed new housing there would be greatly increased use of the Avenue outside of normal working hours. We are aware of the threat of the recent owners to gut the Willard and rebuild it as an office building, including repalcement of its facade by a modernistic design, a tragic and serious mistake. We are also aware that a change in ownership has recently been reported but so far no firm plan has apparently been worked out. We therefore believe that the Corporation would be justified in going to Congress for emergency authority and funds to acquire the Willard and arrange for its remodeling as a hotel in a proper manner. In addition to preserving the facade this should include provision of adequate parking for those of its guests who come to Washington by automobile.

6. Traffic Proposals - The proposals for street changes appear to be straight forward and we have no particular comment to make, other than to state our agreement with elimination of the Ellipse tunnels and the Constitution Avenue underpass which were proposed in the preliminary issue of the Plan. The change of 14th and 15th Streets into one way thoroughfares is in keeping with good traffic routing; however it is not clear to us how southbound traffic on 15th Street which now makes a left turn onto Pennsylvania to go east will be handled. Presumably this will occur at E Street but since E has two way traffic this would appear to be a potential bottleneck.

7. Financing - a) Our understanding of this complicated but vital subject begins with the project cost as follows:

Public Investment		Private Investment	
Property Acquisition	$112.85M	Total	250.
Public Improvement	58.10		
Relocation, etc.	9.50	Grand Total	
Site Supervision, etc.	6.00	Public	223.
Accrued Interest, etc.	36.55	Private	250.
	223.00		$473.M

Of the $223.M costs defined as public, $93.M would be paid for by Corporation Bonds to be paid off over 40 years by revenues from ground leases, and the balance of $130.M would come from a grant from the Federal government.

b) The D. C. tax revenues are estimated to increase as follows:

	D. C. Tax Revenues	
	Present	After Redevelopment
Real Estate	1.94	5.40
Sales	2.70	4.36
Income	.02	1.05
	4.66	11.81
		4.66
Increase		$ 7.15M

Strictly from a business standpoint a gain of $7.15M from an investment of almost a half billion dollars seems hardly worthwhile. However it is more reasonable to consider the intangible behefits to Washington as the Nation's Capital and that this will justify going ahead with the project.

8. Timing - We have discussed the pros and cons of going ahead with this project during this period nationwide financial squeeze. From the short term standpoint it would seem wise to delay the project since relatively little can be done in time for the Bicentennial celebration and it would add to the Federal deficit. On the other hand to go ahead now with a project that would create jobs in a period of economic slowdown, reduce unemployment costs and stimulate other sectors of the economy might well prove more beneficial. We do not have the expertise to properly assess these two conflicting points of view but felt it obligatory to call the matter to the attention of those who must make the decidion on timing.

9. Relocation - We now want to emphasize the importance of the relocation plan for such businesses as may be temporarily displaced by the redevelopment. The plan outlined by the Corporation for handling the problem seems reasonable, but past experience with other redevelopment projects - Southwest, RLA, METRO, etc. - makes us a little sceptical of the difference between good intentions and actualities in carrying out a plan. We therefore ask the Corporation to keep this problem in the forefront as work on the Plan proceeds.

Summary - This Federation compliments the Pennsylvania Avenue Development Corporation for producing an attractive, reasonable, and we hope financially feasible plan for redevelopment of the north side of Pennsylvania Avenue from the Capitol to the Treasury building. We have tried to submit herein constructive comments which we hope the Corporationa and the Congress will consider in finalizing plans for and proceeding with this important project.

George M. Brady, Chairman
City Planning and Zoning
Committee

LETTER FROM PHILIP J. BROWN

Businessmen Affected Severely by the
Yearly Action Plans, Inc. (BASYAP)
1789 Lanier Place, N.W.
Washington, D. C. 20009

Hon. Robert C. Byrd, U.S.S.
Chairman,
Interior Subcommittee of the Senate
Committee on Appropriations
Senate Office Building, Room 1114
Washington, D. C. 20510

Dear Mr. Chairman:

There are a number of constitutional and legal questions which your Subcommittee has so far overlooked with regard to Public Law 92-578, which we hereby call to your attention and request that you seek and obtain from the Attorney General of the United States, the Honorable Edward H. Levi, a fully documented and researched legal opinion on, They are:

1. Section 3(j), which deprives the "tenants and owners of real property within the development area" of all voting rights with regard to their businesses and real property. Further, Section 3(j) deprives them of any real voice in the powers and management of the corporation.

2. Section 3(c), which gives the "powers and management of the Corporation" to Federal officials who are appointed; to two D. C. officials who are elected; and to eight other people. The single factor which ties these people together is that they are not required to own one square foot of property in the taking area or to own or be a part owner in a business.

Further, the President has great power in the area because of his authority, granted by Public Law 92-578, to appoint every member of the Board of Directors with the exception of the two officials from the D. C. Government.

3. Section 5(c), which states that the Commissioner of the District of Columbia "shall hold public hearings on the plan". The D. C. City Council is the legislative body of the District of Columbia, this was true under the Executive Order of the President establishing the Mayor and City Council form of Government. It is also true under the D. C. Home Rule Act. It is the D. C. City Council which holds the hearings, hears witnesses, etc. Section 5(c) clearly by-passes the D. C. City Council. Thus, although the Chairman, District of Columbia Council, is a member of the Board of Directors no specific role for the D. C. City Council is provided in the Act. How are the District citizens and businessmen to advise and consult with the Mayor-Commissioner and the Chairman of the City Council, and how are the rights of citizens and businessmen to be protected when they are deprived of their rights to be heard, to testify, in the proper ways provided by the Executive Order of the President and now the D. C. Home Rule Act?

These above cited provisions of Public Law 92-578 clearly abort and mock the legal and constitutional rights of residents and businessmen in the District of Columbia, which rights are guaranteed by the Constitution and by Acts of Congress. For this reason, we consider it very important for your Subcommittee to request the Attorney General to provide at the earliest possible moment a fully documented and researched legal opinion on Public Law 92-578 with particular reference to these cited sections. We included in our testimony before the Senate Committee on Rules and Administration at its Hearings on the nomination of Governor Nelson A. Rockefeller to be President a letter from the Chairman of the D. C. City Council to a member of our group protesting the exclusion of the D. C. City Council from any role in hearings on the Pennsylvania Avenue Plan (see

page 333 of the published hearings). Our protest of these plans by these means -- including the letter of Chairman Tedson J. Meyers of the D. C. City Council -- was primarily concerned with the illegal and unconstitutional action of the Congress in by-passing the D. C. City Council and the citizens and businessmen. We think a legal opinion by the Attorney General is long overdue.

We request you to obtain the legal opinion from the Attorney General before any property is taken or businesses displaced, and before any of the funds appropriated by the Congress are committed or spent by the Pennsylvania Avenue Development Corporation, and its Board of Directors--a Board which bears a great similarity to some of the governments imposed on the colonies by King George III whose power was ended by the successful American Revolutionary War.

We have reasons for believing that many Members of the Congress share our doubts about the wisdom, legality, and constitutionality of Public Law 92-578. It is clear that while the right of taking property by eminent domain is provided for in the Constitution, it is not legal or constitutional to take property without fully complying with the provisions of that historic document protecting all the rights of citizens and businessmen. We are not aware that in any other government in this nation, Federal, state, or local, that the rights of citizens and businessmen guaranteed by the Constitution and by Acts of Congress are similarly aborted. Since the House of Representatives voted against funding the Pennsylvania Avenue Development Corporation and its plans on March 15, 1976, 201 Nays to 149 Yeas, it behooves the U.S. Senate to have the legal and constitutional issues raised by us resolved by the Attorney General as soon as possible, since another vote is to be held in the next few weeks right after the Fourth of July recess.

Since this is the year of the nation's bicentennial, we hope it is not amiss to point out that the District of Columbia is not a colony nor an occupied territory, and that the right to abort and render null and void the legal and constitutional rights of its citizens and businessmen ended when the American Revolutionary War was won and this includes the rights of all those who live and do business in the District of Columbia.

Turning now to another issue, we have examined and made notes on the transcript of the hearings of your subcommittee on June 16, 1976. We note that a witness, General Elwood R. Quesada testified: "We are", when acting chairman Stevens asked him this question: "We, as I recall, have had some substantial opposition from a downtown group expressed. Are you working with that group to try and resolve those differences?" For the record, let us state that General Quesada and the other officers of the Pennsylvania Avenue Development Corporation at no time have worked with us, nor have they attempted to resolve any differences. So we think General Quesada's answer gravely imperils these hearings and takes advantage of the Subcommittee.

Chairman Stevens chaired the Subcommittee hearings when we appeared earlier, and from the transcript furnished us it is clear that both he and General Quesada were referring to our business group which includes both residents and businessmen in the District of Columbia, and there is this further exchange which took place at the subcommittee hearings June 16--

"Senator STEVENS. Yes, we understand there is a definite conflict financially. That was the impression I had. But I am not asking you to give us a flood of correspondence, but I do think that some indication that the city and -- or something to indicate in the record that the Board of Trade or whatever it is that this is still the desire of the majority of the downtown people.

"Mr. QUESADA. I will get it from the Board of Trade and Downtown Progress. And, also, I will get something for insertion into the record from our advisory committee, all of which are in the area and they are the businessmen of the area."

There are very few people in Downtown Progress or the Board of Trade who live in the District of Columbia. Most of them -- the members are white and these organizations are lilly-white -- are not representative of this city or the District of Columbia. They are superb lobbyists and have been able to lobby through the Congress programs which the Congress does not provide other cities. For this reason we think your Subcommittee should try to obtain the views of citizens and businessmen outside the downtown urban renewal -Penn.Ave commercial area which is prospering while the business areas of 14th Street, 7th Street, and H Street, the riot-burned areas, have not been rebuilt after more than 8 years. The Board of Trade and Downtown Progress have lobbied successfully for a stadium, it has gotten through the Congress legislation to provide a convention center. Congress does not provide stadiums and convention centers to other cities, why provide these "goodies" here? Congress has provided a subway and financed a large part of it. In House Report No. 94-1221, 94th Congress, 2d Session, there is this language: "If UMTA had been funding this (Metro) project now, it would not be built this way. There would not be enough money for one thing to fund it all at once. In the systems that we are funding, the very new fixed rail systems we are funding around the country, we require very detailed analysis of alternatives in advance, such as the Library of Congress is now arguing should be done on the unbuilt sugments now." These two business groups have shown no similar interest in rebuilding the burned-out areas of the District of Columbia.

So, Congressman Charles A. Vanik, chairman of the Oversight Subcommittee of the Ways and Means Committee had this comment on the Pennsylvania Avenue Development Corporation Act of 1972 when it was being debated on the House floor on October 14, 1972: "This is another bill to provide special preferences to the Federal City. I recognize the importance of a beautiful National Capital. But we are building this Capital City out of the tax dollars of the hard-pressed cities of the rest of the Nation. We are building a marble city here on the banks of the Potomac -- a city which we can show off to the rest of the world -- but in the meantime the rest of our great cities seem to sink into deeper and deeper difficulties. I have no doubt, Mr. Speaker, that the redevelopment problems of my own city of Cleveland, Ohio, could be largely met and overcome if they could be provided with a Federal Government development corporation.... Several days ago, $250 million in 7½ percent District of Columbia bonds were sold to the public -- guaranteed by all of the taxpayers of America. Several weeks ago this House passed legislation for a multimillion-dollar convention center in the District of Columbia under another authority guaranteed by the taxpayers of America. What will be left to save the other cities of America which so desperately need our help?" We support this view, and believe most D.C. citizens do likewise.

We believe the citizens and businessmen who are not members of the Board of Trade and Downtown Progress, and who are not members of the Advisory Committee have just as much right to support or oppose the Pennsylvania Avenue plan and corporation as the members of the Board of Trade, Downtown Progress, and the advisory group do. We, therefore, request your Subcommittee to take these terribly important steps (1) ask every tenant and every owner of real property within the development area their views of the plan and corporation and if they should be continued; (2) ask the citizens and businessmen city-wide and in the depressed areas and the riot corridors if the plan and corporation should be continued; (3) ask these groups of citizens and businessmen for their alternative suggestions.

Furthermore, Fortune Magazine (March 1975) in a major article on Washington, D. C. said: "Washington is one of the sickest cities of all. Outside of the well-groomed Federal area...the streets burned and looted in the riots that followed the assassination of Martin Luther King seven years ago are still desolate wastelands." Ask the citizens and businessmen city-wide if these riot-burned areas should be restored before Pennsylvania Avenue is rebuilt, or after it is rebuilt. Fortune noted that despite more than $500 million in Federal construction, "Private investment has generally avoided the area east of the White House." This east of the White House area

is controlled in large part by the Pennsylvania Avenue plan and corporation. It would be wise to ask the citizens and businessmen of the entire city, as well as the Board of Trade's 8,000 members, and the well-heeled 100 members of Downtown Progress, why it is that private investment is avoiding an area where the Federal Government is building a new Mellon Art Gallery, the new Federal Court Building, and has just completed the FBI Building, and the National Air Museum. If private investment is avoiding the area east of the White House we are entitled to know why before Congress puts more money in the area. We also want to point to the National Art program which includes the Hirshhorn Museum, the National Portrait Gallery, the National Collection of Fine Arts, the National Museum of History and Technology which also border and support the Pennsylvania Avenue Area. If all these Federal investments have not encouraged private investment east of the White House, why should anyone suppose that spending more Federal funds by the Pennsylvania Avenue Development Corporation will spur private investment there? We need answers, not more speeches by General Quesada, and his colleagues, on the Pennsylvania Avenue Development Corporation.

Respectfully yours,

Philip J. Brown

Philip J. Brown, President

George Frain

George Frain, secretary and registered agent

Businessmen Affected Severely by the Yearly Action Plans, Inc.
1739 Lanier Place, N.W.
Washington, D. C. 20009

LETTER FROM NANCY SCHWARTZ

DTID inc.

June 17, 1976

The Honorable Robert C. Byrd, Chairman
Subcommittee on Interior
Committee on Appropriations
United States Senate
1116 Dirkson Senate Office Building
Washington, D. C. 20510

Dear Senator Byrd:

It is my understanding that your committee is currently reviewing the budget appropriation for the Pennsylvania Avenue Development Corporation which would begin the rebuilding of Pennsylvania Avenue and save the historic Willard Hotel.

Our organization and Don't Tear It Down, our sister organization, have been working hard for the past several years to save landmarks on Pennsylvania Avenue, including the Willard, and to help the rebuilding of the Avenue begin. We feel that our "national main street" should have an appearance which reflects the dignity of our country and should be a more enjoyable place to be for visitors from home and abroad.

We were very pleased when the Senate passed the authorization Act (S.1689) for this program a few months ago, and we hope that you will approve the appropriation as requested in the President's budget now, so that this great task may begin.

Thank you for your interest.

Sincerely,

Nancy Schwartz

Nancy Schwartz
President

AMENDED JUSTIFICATION

PENNSYLVANIA AVENUE DEVELOPMENT CORPORATION

Identification code	19[illegible] actual	1977 Request Pending	1977 estimate Proposed Amendments	1977 estimate 1977 Revised Request
Budget Appendix Page — Pennsylvania Avenue Development Corporation				
808 Pennsylvania Avenue Development Fund		- - -	$11,450,000	$11,450,000
For public development activities and projects in accordance with the development plan approved under section 5 of Public Law 92-578, as amended, $11,450,000; Provided, That this appropriation shall be available only upon enactment of authorizing legislation.				

Program and Financing (in thousands of dollars)

Identification code 32-08-4084-2-3-451		1977 Request Pending	1977 Proposed Amendments	1977 1977 Revised Request
Program by activities:				
Capital Outlay, funded:				
1. Public development, site improvements, and preservation:				
(a) Public Development...	---	---	7,500	7,500
(b) Project Management ...	---	---	600	600
Total Capital Outlay, funded:	---	---	8,100	8,100
Operating Costs, funded:				
2. Relocation and Property Management	---	---	1,112	1,112
3. Temporary Operation of Acquired Property	---	---	300	300
4. Interest on Short-Term Financing	---	---	1,938	1,938
Total Operating Costs funded:		---	3,350	3,350
10. Total Obligations	---	---	11,450	11,450
Financing:				
40 Budget Authority (appropriation)	---	---	11,450	11,450
Relation of Obligations to Outlays:				
71. Obligations incurred, net....	---	---	11,450	11,450
74. Obligated balance, end of period	---	---	- 7,811	- 7,811
90. Outlays	---	---	3,639	3,639

OTHER INDEPENDENT AGENCIES
PENNSYLVANIA AVENUE DEVELOPMENT CORPORATION
PENNSYLVANIA AVENUE DEVELOPMENT FUND

OBJECT CLASSIFICATION (in thousands of dollars)

Identification code 32-08-4084-2-3-451	1975 actual	1976 estimate	TQ estimate	1977 estimate
Personnel compensation:				
11.1 Permanent positions				
11.3 Positions other than permanent				
11.5 Other personnel compensation				
11.8 Special personal services payments				
Total personnel compensation				
Personnel benefits:				
12.1 Civilian				
13.0 Benefits for former personnel				
21.0 Travel and transportation of persons				
22.0 Transportation of things				
23.0 Rent, communications, and utilities				
24.0 Printing and reproduction				
25.0 Other services				
Relocation & Operation of Acquired Property		...	...	1,412
Project Management		...	...	600
26.0 Supplies and materials				
31.0 Equipment				
32.0 Lands and structures	...	...	...	7,500
33.0 Investments and loans				
41.0 Grants, subsidies, and contributions				
42.0 Insurance claims and indemnities				
43.0 Interest and dividends	...	...	...	1,938
44.0 Refunds				
99.0 Total obligations	...	...	...	11,450

JUSTIFICATION

General Statement

The purposes of the program for which this budget authority is being requested are: (1) public improvements in the form of the streets, sidewalks, parks and other public spaces lying within the geographic area identified in the Pennsylvania Avenue Development Plan; and (2) the relocation and/or assisting of existing businesses located on property to be acquired by the Corporation.

The activities which will be carried on throughout the implementation period of the Plan --- commencing in FY 1977 --- will include the rebuilding of Pennsylvania Avenue itself; the creation of new parks and open spaces, and improvements to existing facilities; the imposition of signs, signals, street furniture and lighting; landscaping; sub-surface improvements; street and sidewalk construction and reconstruction off Pennsylvania Avenue; historic building preservation and rehabilitation; project oversight and management; property management; and relocation. The majority of these activities will be accomplished by engaging private sector contractors, rather than through staff increases.

Only a portion of these activities will be commenced in FY 1977. However, a full description of the activities is presented in the sections which follow, so that the scope of each major activity can be made known.

The total appropriation requested for FY 1977 is $11,450,000. These funds will be obligated in the manner described in the sections which follow:

DESCRIPTION OF MAJOR ACTIVITIES

1. Public Development, Site Improvements and Preservation.

This activity has as its objective the following purposes:

(1) A program to rebuild Pennsylvania Avenue and its northern adjacent squares from 15th Street to the foot of Capitol Hill in a significant and formal manner utilizing attractive and distinctive material; widening and rebuilding the sidewalks with coordinated paving, curbs and gutters; landscaping with three rows of mature trees on the north and two rows on the south sides of Pennsylvania Avenue; and, the planting of shrubs and flower beds throughout the area.

(2) The creation of parks and open spaces in public plazas and in squares adjacent to the Avenue along the new broader sidewalks on both north and south sides of the Avenue. To accomplish the foregoing, the relocation, modification, and reinstallation of several existing monuments in the area will be required.

(3) Installation of coordinated and distinctive signs, signals and street furniture (benches, kiosks, bike racks, children's play areas and related improvements), throughout the Pennsylvania Avenue development area.

(4) The installation of a new lighting system along the Avenue, and elsewhere in the area.

(5) Historic preservation. This program insures the maintenance and restoration of the exceptionally significant historic and architectural features of the development area, including: (a) rehabilitation and preservation of designated historic landmark structures in the area, including the Willard Hotel, the Evening Star Building, Central National Bank, the F Street facade between 8th and 9th Streets and the Atlantic Coastline Hotel; (b) restoration or adaptive reuse of many significant building facades in conjunction with planned new development; (c) acquisition of unused development rights of private owners of significant structures, in return for preservation and maintenance of such structures in a historically faithful manner.

Each of these programs will require architectural and design consulting contracts as well as labor and material contracts.

The requested $7,500,000 for FY 1977 for Public Development purposes will be spend in the following manner (tables show figures in thousands of dollars):

1 (a) Public Development	1977
Rebuild Pennsylvania Avenue	$5,000
Parks and Open Spaces	600
Signs, Signals and Street Furniture	600
Lighting	500
Historic Preservation	800
Total	$7,500

The rebuilding of Pennsylvania Avenue will require $5,000,000 in FY 1977 for funding of design and construction contracts. Specifically, contracts will be awarded for final landscaping and engineering designs, as well as for working drawings for initial construction in the 10th to 3rd Street area. Construction contracts will be awarded for the construction of the south sidewalk area between 10th and 3rd Streets and for sections of the street itself, from 10th Street to 3rd Street. Additional contracts for design and working drawings of sections of the Avenue, such as from 13th Street to 15th Street, are anticipated.

The amount necessary to meet the plans of the Corporation in FY 1977 for parks and open spaces is estimated to be $600,000, to

be spent on final landscape and engineering design contracts, and on working drawings and specifications for the construction of Avenue open spaces, such as John Marshall Place, Indiana Avenue Plaza and Sherman Memorial Park.

Signs, signals and street furniture planned throughout the area will require that contracts be awarded in FY 1977 for the final design of typical signage, traffic signals and street furniture, and for working drawings and specifications for pilot models. Total estimated contract cost for this program is $600,000.

Lighting contracts will be awarded in FY 1977 for final lighting design and electrical engineering design for Avenue lighting, working drawings and specifications for areas of proposed construction, and for the building of pilot lighting fixture models. Estimates of contract costs total $500,000.

An estimated $800,000 will be needed in FY 1977 for the renovation of existing building facades, the dismantling of building facades which are to be relocated, and for the salvage and storage of building elements of structures being razed.

Site Improvements

This sub-activity has the following objectives:

(1) The landscaping of public areas other than along Pennsylvania Avenue (e.g., central squares and plazas in the interior of blocks), including street furniture and signs.

(2) Improvements to streets, sidewalks, curbs and gutters in portions of the development area other than along the Avenue.

(3) Selected replacement of publicly-owned utilities throughout the plan area, including, where necessary, separation of storm and sanitary sewers.

Each of the above programs will require professional design consulting contracts, as well as labor and material contracts.

No allocation of budget authority to this activity is anticipated in FY 1977.

Site Improvements	1977
Landscaping	-0-
Streets, sidewalks, curbs and gutter	-0-
Sewer	-0-
Other	0

1 (b) Project Management

The Corporation expects to retain private construction management firms to perform project supervision and field surveillance

for all public development activities. This will include affirmative action programs in the area of construction employment. The Corporation's staff will supervise and coordinate the work of construction managers. It is expected that $600,000 will be needed for management contracts in FY-77.

Project Management	1977
	600

Project managers hired will devise a general schedule for the construction of all public improvements along Pennsylvania Avenue. This task will involve the scheduling and monitoring of construction, traffic re-routing, and utility relocations.

2. Relocation and Property Management

This activity has the following objectives:

(1) The payment of relocation benefits required by the Uniform Relocation Act.

(2) Interim relocation assistance to displaced businesses to prepare them to become participants in the completed new development.

(3) Temporary rent abatement to assist displaced businesses in adjusting to use of redeveloped space after relocation within development area, and,

(4) Administration of the Relocation and Property Management Program.

The paragraphs which follow detail the elements of the programs involved:

(1) Relocation Payment. These payments to cover moving expenses, actual direct losses, and related costs incurred by businesses or residents displaced by Corporation acquisitions, and which are required by the Uniform Relocation Act.

(2) Interim Assistance. At this point in the Corporation's planning, interim assistance consists of the possible development of a temporary relocation center in the vacant Lansburgh's Department Store structure, or on another site, for businesses which intend to stay in the area, but which are displaced prior to the availability of permanent sites in completed new development. The Lansburgh's building will have to be acquired for subsequent development at any rate, and an early acquisition of the building may serve to provide the Corporation with such an interim relocation center. If Lansburgh's is chosen as a feasible relocation center, budget authority is necessary to cover the cost of modifying the structure for its operation as a vertical mall shopping center. Minimum renovation of the buildings' electrical, mechanical, elevator, escalator, air conditioning and fire sprinkler systems are needed. Modifications to the

structure itself will involve some selective demolition and interior partitioning to create an interior mall with spaces for individual stores, and an overhead skylight.

Since relocated businesses are not expected to utilize all of the space which will be available in the center, the Corporation will actively market the balance of the building with the objectives of: (a) affirmatively aiding minority firms, (b) preserving the Seventh Street commercial corridor, and, (c) optimizing cash flow from rental revenues. Upper floor space in Lansburgh's not suitable for retail use may continue to be rented to the National Archives.

The center is planned to operate for a period of eight to ten years, and will be demolished when all tenants have been relocated to permanent space. The Corporation anticipates entereing into a management and operations contract with an experienced retail shopping center manager for operation of the center.

(3) Rental Assistance. This is aid to be provided to businesses displaced by the Corporation and relocated in new developed space in the area. Because of the cost of new construction, redeveloped space will require substantially higher rentes than those experienced in old, marginal structures now characterizing the area. Aside from aiding relocated businesses, rent abatement will help to achieve Corporation objectives in obtaining a desirable mix of commercial uses in the development area, most vitally along Pennsylvania Avenue frontages. Many retail shops that will service tourists, local and metropolitan area residents and which will generate "people" traffic after work hours (restaurants, shops, botiques, galleries, theater), cannot, in the beginning, afford prevailing rents for new construction in the business core of the region. To aid relocated businesses and encourage desired uses, the Corporation for a limited number of years and on a declining basis will subsidize rental costs (such as by lease guarantees, overages, lease-back arrangements, and other means), to bring rent levels within the reach of businesses which will contribute to vitality along the Avenue.

(4) Relocation Administration. This is the management of the business relocation assistance program and properties involved in displacement and replacement. Experience of the District of Columbia Redevelopment Land Agnecy and the Metro Subway project indicates that administration for the relocation process itself and the making of payments under the Uniform Relocation Act comes to 20 - 30% of the total payments actually made.

The appropriation request of $1,112,000 for FY 1977 is anticipated to be obligated in the following manner:

	1977
Relocation and Property Management	1,112

The Corporation estimates that $1,112 million in FY 1977 funds will be required to cover relocation-related expenses and contingencies. Of this amount it is estimated that $112,000 will be requried to develop administrative procedures, to perform the replacement housing studies required by Public Law 91-646, and to provide contingencies for unanticipated first year relocation needs.

With regard to the need to find suitable facilities to resettle retail merchants and other tenants displaced by redevelopment activities by the Corporation in future years, the Lansburgh building has been under study as a business site for such relocatees. A private group in the local community has been conducting economic and architectural studies on the use of this building as an income-producing entity. The possibility exists that, should this use of Lansburgh's prove financially sound, PADC would be prepared to invest $1 million in funds available in FY 1977 in order to prepare this building for occupancy by displaced firms. These funds would be required for extensive renovation and construction of the interior of the building, to convert a department store into an interior-mall retail setting. Should such Corporation funds be insufficient for these improvement expenses, the Corporation would enter into joint venture discussions with any private groups which express a willingness to explore such an equity partner relationship with Pennsylvania Avenue Development Corporation.

3. Temporary Operation of Acquired Property

This activity has the following objectives:

(1) The funding of the maintenance, operating and mortgage costs that accrue on property acquired by the Corporation throughout the development period. The property would be acquired either for a temporary holding period --- until the site was cleared for redevelopment in accordance with the Plan --- or, for a long term period if its present use conforms to the Plan.

(2) The funding of the maintenance, operating and mortgage costs that accrue on property developed by the Corporation.

66-307 O - 76 - pt. 5 -- 76

It is expected that in the early years of the Plan's implementation the Corporation will be acquiring many improved properties in the eastern portion of the development area that will be demolished shortly thereafter, in order to allow new land uses in conformity with the Plan. Hence, much operation of acquired property by the Corporation will be of a temporary nature.

The appropriation request for $300,000 in FY 1977 relates to the anticipated maintenance costs associated with the Willard Hotel property, as well as to any properties acquired by the Corporation on squares 407, 408, 431 and 431.

	1977
Temporary Operation of Acquired Property	300

4. Interest on Short Term Financing.

At an anticipated interest rate of 7.75% per year on Treasury Borrowings of $25 million, the Corporation will incur a financing cost of $1,938,000.

	1977
Interest on Short Term Financing	1,938

AMENDED JUSTIFICATION

DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

Budget Appendix Page	Heading	Request Pending	Proposed Amendment	Revised Request
462	Surveys, Investigations, and Research ----------	$296,158,000	$1,700,000	$297,858,000

9. National Petroleum Reserve

FY 1977 request pending $1,000,000; revised request, $2,700,000; proposed amendment, $1,700,000. The increase consists of:

	Increase (+) or Decrease (-) Amount	Positions	Total Program	Total Positions	Explanation
a.	$+1,700,000	—	$2,700,000	27	National Petroleum Reserve

Need for Amendment

Title I of the Naval Petroleum Reserves Production Act of 1976, P.L. 94-258, dated April 5, 1976, redesignates Naval Petroleum Reserve No. 4 in Alaska as a National Petroleum Reserve and transfers jurisdiction of that Reserve to the Department of the Interior as of June 1, 1977.

Section 105(b)(1) of the Act directs the President to conduct a study to determine the best overall procedures to be used in the development, production, transportation and distribution of petroleum resources in the Reserve. The Department of the Interior is required to prepare an environmental impact statement addressing each of the alternative procedures considered in the study, before any action pursuant to the findings of the study can be implemented.

The study must be completed and submitted to Congress, together with recommended procedures and any proposed legislation necessary to implement the procedures, not later than January 1, 1980. Prior to that date, the environmental impact statement must be completed to be available for consideration in conjunction with the study findings.

To insure the timely completion of the EIS, the U.S. Geological Survey will:

- Review and evaluate previous, pertinent environmental studies.
- Develop a detailed outline of the EIS.

- Establish the appropriate methodology for conducting the EIS.
- Determine a detailed schedule for the EIS that will insure completion concurrently with the Presidential study.
- Manage the analysis according to the above outline, methodology, and schedule.
- Arrange for appropriate contributions of other bureaus, agencies, and outside contractors.
- Publish a draft environmental impact statement; obtain appropriate review by other Federal agencies, State agencies, and the public; conduct public hearings as required; and publish the final environmental statement.

The statement will cover the entire Reserve of approximately 37,000 square miles and other areas impacted by the development, production, transportation and distribution activities associated with the Reserve

Cost Factors. Personnel services and benefits for 10 permanent man-years of effort will be internally redirected from current studies in Alaska to assist in the contract preparation monitoring and review required for EIS preparation at an annual rate of $30,000, $300,000. In addition 10 other than-permanent man-years are needed to support EIS preparation at an annual rate of $25,000, $250,000; contractual services, $1,030,000; and other related costs, $120,000.

Program and Financing (in thousands of dollars)

Identification code 10-28-0804-0-1-306		19 77 Request Pending	19 77 Proposed Amendment	19 77 Revised Request
Program by activities:				
9. National Petroleum Reserve		1,000	1,700	2,700
All other activities - no change		295,158	--	295,158
Total, direct program		296,158	1,700	297,858
Total, reimbursable program		66,842	--	66,842
10 Total program costs, funded, obligations		363,000	1,700	364,700
Financing:				
Receipts and reimbursements from:				
11 Federal funds		-20,833	--	-20,833
14 Non-Federal sources		-46,009	--	-46,009
40 Budget authority (Appropriation)		296,158	1,700	297,858
Relation of obligations to outlays:	/			
71 Obligations incurred, net	--	296,158	1,700	297,858
72 Obligated balance, start of period		42,923	--	42,923
74 Obligated balance, end of period		-44,536	-75	-44,611
90 Outlays, excluding pay raise supplemental		294,140	1,625	295,765
91.10 Outlays from wage board pay raise supplemental		16	--	16
91.20 Outlays from civilian pay raise supplemental		389	--	389

DIRECT PROGRAM

OBJECT CLASSIFICATION (in thousands of dollars)

Identification code 10-28-0804-0-1-306		19 77	19 77	19 77
	Personnel compensation:	Request Pending	Proposed Amendment	Revised Request
11.1	Permanent positions	139,274	275	139,549
11.3	Positions other than permanent	13,395	225	13,620
11.5	Other personnel compensation	2,292	—	2,292
	Total personnel compensation	154,961	500	155,461
	Personnel benefits:			
12.1	Civilian	15,476	50	15,526
13.0	Benefits for former personnel	22	—	22
21.0	Travel and transportation of persons	10,660	60	10,720
22.0	Transportation of things	3,521	10	3,531
23.0	Rent, communications, and utilities	31,248	20	31,268
24.0	Printing and reproduction	3,779	10	3,789
25.0	Other services	43,989	1,030	45,019
26.0	Supplies and materials	12,113	10	12,123
31.0	Equipment	16,857	10	16,867
33.0	Investments and loans	20	—	20
41.0	Grants, subsidies, and contributions	3,518	—	3,518
42.0	Insurance claims and indemnities	15	—	15
95.0	Quarters and subsistence charges	-21	—	-21
99.0	Total obligations	296,158	1,700	297,858

PERSONNEL SUMMARY

Identification code 10-28-0804-0-1-306		19 77 Request Pending	19 77 Proposed Amendment	19 77 Revised Request
Direct Program				
Total number of permanent positions		7,523	--	7,523
Full-time equivalent of other positions		1,489	10	1,499
Average paid employment		8,786	10	8,796
Average GS grade		9.74	--	9.74
Average GS salary		$18,024	--	$18,024
Average salary of ungraded positions		$16,400	--	$16,400

AMENDED JUSTIFICATION

DEPARTMENT OF THE INTERIOR
BUREAU OF INDIAN AFFAIRS

Budget Appendix Page	Heading	FY 77 Request Pending	FY 77 Proposed Amendment	FY 77 Revised Request
480	Road Construction (Liquidation of Contract Authority):			
	23 U.S.C., Section 203, as amended by Federal-Aid Highway amendments of 1974	$46,795,000	-$10,000,000	$36,795,000
	25 U.S.C., Section 318a	27,205,000	+ 10,000,000	37,205,000

ROAD CONSTRUCTION (LIQUIDATION OF CONTRACT AUTHORITY)
Program and Financing (in thousands of dollars)

Identification code		1977 Requests Pending	1977 Proposed Amendment	1977 Revised Request
Program by activities:				
Direct program:				
Federal-aid highway roads....		68,544	-	68,544
Reimbursable program:				
Federal-aid highway roads....		600	-	600
Total program costs, funded		69,144	-	69,144
Change in selected resources (undelivered orders).....		-	-	-
Total Obligations.....		69,144	-	69,144
Financing:				
Receipts and reimbursements from:				
Federal funds.....		- 600	-	-600
Unobligated balance available, start of period:				
Appropriation.....		-	-	-
Contract Authority.....		-41,339	+10,000	-31,339
Unobligated balance available, end of period:				
Appropriation.....		-	-	-
Contract Authority.....		-	-	-
Budget Authority.....		27,205	+10,000	37,205
Budget Authority:				
Current:				
Appropriation.....		74,000	-	74,000
Portion applied to liquidate contract authority.....		-46,795	+10,000	-36,795
Appropriation (adjusted)		27,205	+10,000	37,205

Program and Financing (in thousands of dollars)

Identification code	1977 actual	1977	1977 estimate	1977 estimate
		Request Pending	Proposed Amendment	Revised Request
Relation of obligations to outlays:				
Obligations incurred, net		68,544	-	68,544
Obligated balance, start of year:				
Appropriation		1,194	-	1,194
Contract Authority		28,368	-	28,368
Obligated balance, end of year:				
Appropriation		- 7,194	-	- 7,194
Contract Authority		-22,912	-	-22,912
Outlays		68,000	-	68,000

OBJECT CLASSIFICATION (in thousands of dollars)

Identification code		1977	1977 estimate	1977 estimate
BUREAU OF INDIAN AFFAIRS		Pending Request	Proposed Amendment	Revised Request
Personnel compensation:				
All Objects		68,544	-	68,544
44.0 Refunds				
99.0 Total obligations		68,544	-	68,544

Personnel Summary

Identification code	19 actual	1977	1977 estimate	1977 estimate
BUREAU OF INDIAN AFFAIRS		Pending Request	Proposed Amendment	Revised Request
Total number of permanent positions		410	-	410
Full-time equivalent of other positions		600	-	600
Average paid employent		985	-	985
Average GS grades		7.84	-	7.84
Average GS salary		$14,357	-	$14,357
Average GS of ungraded positions		$15,307	-	$15,307

JUSTIFICATION

	25 U.S.C. Sec. 318a	23 U.S.C., Sec 203, as amended by Federal-Aid Highway amendments of 1974	Total
Pending request	$27,205,000	$46,795,000	$74,000,000
Proposed amendment	+10,000,000	-10,000,000	
Revised request	37,205,000	36,795,000	74,000,000

It is proposed to amend the pending request for appropriations for Road Construction for the fiscal year 1977. The proposed amendment is of a technical nature only. Its purpose is to change the authority under which appropriations are requested. The proposed amendment does not increase or decrease the level of the proposed program or the total amount of the appropriation request for fiscal year 1977. The amendment would increase the pending appropriation request under Title 25 U.S.C., Sec. 318a by $10 million, and decrease by the same amount the pending request under Title 23 U.S.C., Sec.203, as amended.

The amendment is needed to accommodate an increase of $10 million in the program level in fiscal year 1976. An additional $10 million of contract authority under 23 U.S.C. is being made available from budgetary reserve in fiscal year 1976 for urgently needed road projects in New Mexico provided for by the enlarged definition of "Indian Roads and Bridges" included in the Federal-Aid Highway Amendment of 1974 (P.L. 93-643, Jan 4, 1975). A supplemental appropriation of $10 million has been requested to liquidate obligations incurred under this contract authority. These actions leave $10 million less contract authority available for fiscal year 1977; a need for $10 million less in appropriations under 23 U.S.C.; and a need for $10 million more in budget authority and appropriations under 25 U.S.C. The proposed amendment accomplishes these actions.

AMENDED JUSTIFICATION

DEPARTMENT OF THE INTERIOR
Territorial Affairs

FY 1977 Budget Amendment

Budget Appendix Page	Heading	Request Pending	Proposed Amendment	Revised Request
485	Administration of Territories	$21,862,000	$2,184,000	$24,046,000

Program and Financing (In Thousands of dollars)

Identification code 10-82-0412-0-1-806	1977	19 77	19 77
Program by Activities:	Request Pending	Proposed Amendment	Revised Request
Direct Program:			
2. American Samoa:			
(c) Grants	$20,073	2,184	22,257
All Other Activities	5,089	---	5,089
Total Direct Program	25,162	2,184	27,346
Total Reimburseable Program	1,905	---	1,905
Total Program Costs Funded	27,067	2,184	29,251
Change in selected resources	-3,300	---	-3,300
10. Total obligations	23,767	2,184	25,951
Financing:			
11. Receipts and Reimbursements from: Federal funds	-1,905	---	-1,905
40. Budget Authority	21,862	2,184	24,046
Relation of Obligations to Outlays:			
71. Obligations incurred, net	21,862	2,184	24,046
72. Obligated balance, start of year	7,000	---	7,000
74. Obligated balance, end of year	-1,240	-384	-1,624
90. Outlays	27,621	1,800	29,421
91.20 Outlays from civilian pay raise supplemental	1	---	1

OBJECT CLASSIFICATION (in thousands of dollars)

Administration of Territories

Identification code 10-82-0412-0-1-806	1977	1977	1977	
Direct obligations	Request Pending	Proposed Amendment	Revised Request	
Personnel compensation:				
11.1 Permanent positions	498	--	498	
11.8 Special personal services payments	304	--	304	
Total personnel compensation	802	--	802	
Personnel benefits:				
12.1 Civilian	44	--	44	
21.0 Travel and transportation of persons	50	--	50	
22.0 Transportation of things	23	--	23	
23.0 Rent, communications, and utilities	27	--	27	
24.0 Printing and reproduction	3	--	3	
25.0 Other services	50	--	50	
26.0 Supplies and materials	26	--	26	
31.0 Equipment	17	--	17	
41.0 Grants, subsidies, and contributions	20,820	2,184	23,004	
Total direct obligations	21,862	2,184	24,046	
Total reimbursable obliga.	1,905	---	1,905	
99.0 Total obligations	23,767	2,184	25,951	

Administration of Territories

Identification code 10-82-0412-0-1-806	1977	1977	1977
Personnel Summary	Request Pending	Proposed Amendment	Revised Request
Direct:			
Total Number of Permanent Positions	15	--	15
Average Paid Employment	15	--	15
Reimbursable:			
Total Number of Permanent Positions	62	--	62
Full-time equivalent of other Positions	0	--	0
Average Paid Employment	60	--	60
Average Grade and Salary			
Average GS Grade	11.17	--	11.17
Average GS Salary	$19,456	--	$19,456
Average Salary of ungraded positions	$6,520	--	$6,520

DETAIL OF PERMANENT POSITIONS

	1977 Request Pending	1977 Proposed Amendment	1977 Revised Request
GS-18	2	--	2
GS-16	2	--	2
GS-15	14	--	14
GS-14	18	--	18
GS-13	25	--	25
GS-12	45	--	45
GS-11	40	--	40
GS-10	8	--	8
GS-9	16	--	16
GS-8	3	--	3
GS-7	12	--	12
GS-6	6	--	6
GS-5	11	--	11
GS-4	1	--	1
GS-3	3	--	3
Ungraded	11	--	11
Total Permanent Positions	217	--	217
Unfilled Positions, June 30	-14	--	-14
Total Permanent Employment, end of year	203	--	203

Department of the Interior
Territorial Affairs

American Samoa
FY 1977 Budget Amendment

Situation

The serious problems encountered in American Samoa because of the severe drought in 1974, generator breakdowns, and the economic downturn, resulted in substantial local revenue losses in FY 1975 and FY 1976. Construction projects normally funded by local revenue, and construction projects funded by other Federal agencies which are matched by local revenue were completely stopped as a result.

For fiscal year 1975 and 1976 the only construction being carried out was for essential water and power projects. Road construction planned for 1975 and 1976 had to be shelved. The road construction program for FY 1977 was also deleted at the time due to budget constraints.

Need for Program

As a result of the above, no road construction or improvements will take place over a three year period or longer. This resultant moratorium will peril the previous investment in existing roads which badly need repaving and realignment in order to prevent further deterioration. Otherwise Federal funds previously spent will have been wasted.

In addition, American Samoa stands to lose $2,793,000 in grant funds for road construction from the Federal Highway Administration since they cannot provide the needed local match of $1,197,000 for FY 1977. These road construction projects have already been approved by FHA and funds were specifically earmarked for American Samoa. Most of these projects were to have been started in FY 75 and FY 76, but because American Samoa could not provide their local matching share construction was postponed. If these projects do not get underway in FY 1977 the FHA will rescind the funds earmarked for American Samoa.

It should be noted that representatives of FHA have indicated that the projects they will participate in are urgently needed in American Samoa to provide the necessary access to villages and to improve the overall transportation problems so necessary for commerce, education, and medical services.

Funding Request

1. Fiscal year 1977 Road Programs for which additional Grant-in-Aid funds are requested - $987,000

In American Samoa, Federal Highway Administration funds are used primarily to construct roads to villages which do not already have road service, and to upgrade existing secondary and pioneer roads to meet FHA standards. However, further road programs are needed beyond that work 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, the original roads constructed in American Samoa were built to "horse and buggy" standards. In many cases, curves are too sharp and bridges too narrow. Corrections must be made to improve safety.

Program of Work

During fiscal year 1977, approximately 8 miles of the 30 mile main paved highway will be resurfaced. Curve realignment will be performed on the section of main highway at Malaeimi in the western district to eliminate a hazardous situation which has caused several accidents. Village roads will be paved in Fagatogo, Aua, Gataivai, Faga'alu, Happy Valley, Satala, and Pago Pago.

Estimated costs by work feature are as follows:

Work feature	Estimated Cost
Resurface main highway	$550,000
Realign Malaeimi curve	50,000
Pave Fagatogo roads and provide drainage	80,000
Construct sidewalk from hotel to main dock	25,000
Pave Pago water tank access road	60,000
Pave Aua loop road	50,000
Pave Gataivai 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	$987,000

2. Federal Highway Administration Programs for which local Match Funding is required - $1,197,000

In order to provide the necessary local revenue for matching it is proposed to reduce local revenues supporting the operations activities and increase Interior Budget Authority by that amount. This will then free up the necessary local revenue needed for the match. Exhibit I displays those areas where local revenues are reduced and Interior BA increased. There are no increases in operating activities total. Justifications for total funding for these activities are as submitted in the FY 1977 Budget Justifications.

a. Road Construction (FHA, $1,314,000; local match, $561,000)

Total funding of $1,875,000 would finance the construction of approximately 13 miles of secondary road connecting the villages of Masefau, Fagaitua,

Masausi, and Sailele. These villages are presently served only by a rough, pioneer road which does not meet Federal safety standards. Federal Highway Administration financing of $1,314,000 is available for this project.

b. Road Construction (FHA, $1,479,000; local match, $636,000.)

Federal Highway Administration funds of $1,479,000, requiring a local match share of $636,000, will be available to American Samoa in FY 1977. 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.

FISCAL YEAR 1977 FEDERAL HIGHWAY ADMINISTRATION PROGRAMS FOR WHICH LOCAL MATCH FUNDING IS NOT AVAILABLE

Program	FHA Share	Local match	Total cost
Masefau-Fagaitua-Masausi-Sailene (approx. 13 miles)	$ 1,314,000	$ 561,000 1/	$ 1,875,000
Fagali'i to Fagamalo (approx. four miles)	101,000	44,000 2/	145,000
Rehabilitation of Vaipito Stream Bridge at Pago Pago	40,000	18,000 2/	58,000
Tau to Fitiuta (approx. eight Miles) -	82,000	35,000 2/	117,000
Amouli to Aoa (approx. five miles) -	152,000	65,000 2/	217,000
Ofu - Olosega Causeway (approx. 1-1/2 miles)	537,000	231,000 2/	768,000
Highway Safety Programs	546,000	234,000 2/	780,000
Highway Planning Program	21,000	9,000 2/	30,000
Total Estimated Costs	$ 2,793,000	$ 1,197,000	$ 3,990,000

1/ Additional DOI grant-in-aid funding of $561,000 is requested for operating programs in FY'77 to free a like amount of local revenues for use as matching funds.

2/ Additional DOI grant-in-aid funding of $636,000 is requested for operating programs in FY'77 to free a like amount of local revenues for use as matching funds.

EXHIBIT I

Government of American Samoa

FY 1977 Budget Amendment - Program Distribution Summary

	Fiscal Year 1977 Program Request Pending			Proposed Amendment			Fiscal Year 1977 Revised Request		
	Interior BA	Local Revenue	Total FY 1977	Interior BA	Local Revenue	Total	Interior BA	Local Revenue	Total
Direct Appropriation									
Governor's Office	$ 409,000	$ ---	$ 409,000	---	---	---	$ 409,000	$ ---	$ 409,000
Judiciary	380,000	---	380,000	---	---	---	380,000	---	380,000
Total Direct	789,000	---	789,000	---	---	---	789,000	---	789,000
Grants:									
Operations									
1. Education and Culture									
Dept. of Education	4,692,000	836,000	5,528,000	+ 300,000	- 300,000	---	4,992,000	536,000	5,528,000
Bd. of Higher Educa.	660,000	73,000	733,000	---	---	---	660,000	73,000	733,000
	5,352,000	909,000	6,261,000	+300,000	- 300,000	---	5,652,000	609,000	6,261,000
2. Health Services									
Dept. Medical Services	3,400,000	340,000	3,740,000	---	---	---	3,400,000	340,000	3,740,000
3. Economic Development									
Dept. of Agriculture	300,000	42,000	342,000	---	---	---	300,000	42,000	342,000
Office of Tourism	55,000	10,000	65,000	---	---	---	55,000	10,000	65,000
	355,000	52,000	407,000	---	---	---	355,000	52,000	407,000
4. Trans., Comm., & Power									
Dept. of Port Admin.	210,000	18,000	228,000	---	---	---	210,000	18,000	228,000
5. General Government									
Local Judiciary	---	67,000	67,000	---	---	---	---	67,000	67,000
Legislature	---	663,000	663,000	+ 628,000	- 628,000	---	628,000	35,000	663,000
Dept. of Admin. Serv.	1,315,000	128,000	1,443,000	+ 128,000	- 128,000	---	1,443,000	---	1,443,000
Off. of Material Mgmt.	370,000	43,000	413,000	+ 30,000	- 30,000	---	400,000	13,000	413,000
Off. of Manpower Res.	290,000	72,000	362,000	---	---	---	290,000	72,000	362,000
Public Defender's Off.	---	53,000	53,000	---	---	---	---	53,000	53,000
Dept. of Public Works	3,300,000	91,000	3,391,000	+ 91,000	- 91,000	---	3,391,000	---	3,391,000
Dept. of Legal Affairs	313,000	33,000	346,000	+ 10,000	- 10,000	---	323,000	23,000	346,000
Local Government	360,000	38,000	398,000	+ 10,000	- 10,000	---	370,000	28,000	398,000
Audit Office	60,000	18,000	78,000	---	---	---	60,000	18,000	78,000
Off. of Samoan Infor.	90,000	15,000	105,000	---	---	---	90,000	15,000	105,000
	6,098,000	1,221,000	7,319,000	+ 897,000	- 897,000		6,995,000	324,000	7,319,000

66-307 O - 76 - pt. 5 -- 77

	Fiscal Year 1977 Program Request Pending			Proposed Amendment			Fiscal Year 1977 Revised Request		
	Interior BA	Local Revenue	Total FY 1977	Interior BA	Local Revenue		Interior BA	Local Revenue	Total
6. Public Safety	800,000	263,000	1,063,000	---	---	---	800,000	263,000	1,063,000
7. Special Projects	---	198,000	198,000	---	---	---	---	198,000	198,000
8. Grant Match Fund	---	2,413,000	2,413,000	---	+ 1,197,000	1,197,000	---	3,610,000	3,610,000
9. Capital Improvements	3,858,000	826,000	4,684,000	+ 987,000	---	987,000	4,845,000	826,000	5,671,000
Total Grants	20,073,000	6,240,000	26,313,000	+ 2,184,000	---	2,184,000	22,257,000	6,240,000	28,497,000
Total Direct & Grants	20,862,000	6,240,000	27,102,000	+ 2,184,000	---	2,184,000	23,046,000	6,240,000	29,286,000

AMENDED JUSTIFICATION

DEPARTMENT OF THE INTERIOR
Territorial Affairs

FY 1977 Budget Amendment

Budget Appendix Page	Heading	Request Pending	Proposed Amendment	Revised Request
484	Administration of Territories	$24,046,000	$20,000,000	$44,046,000

Provided further, that in addition to the amounts provided above, there is appropriated for emergency grants to the Government of Guam, $20,000,000, which amount shall be available immediately upon enactment of this Act and shall remain available until expended, to assist in providing the necessary governmental services jeopardized, and repairing public facilities damaged, as a result of typhoon Pamela; Provided further, that such emergency grants shall be made in accordance with such stipulations as the Secretary of the Interior may deem appropriate.

Program and Financing (In Thousands of dollars)

Identification code 10-82-0412-0-1-806	1977	1977	1977
Program by Activities:	Request Pending	Proposed Amendment	Revised Request
Direct Program:			
1. Guam			
(d) Grants	---	20,000	20,000
All Other Activities	27,346	---	27,346
Total Direct Program	27,346	20,000	47,346
Total Reimburseable Program	1,905	---	1,905
Total Program Costs Funded	29,251	20,000	49,251
Change in selected resources	-3,300	---	-3,300
10. Total obligations	25,951	20,000	45,951
Financing:			
11. Receipts and Reimbursements from: Federal funds	-1,905	---	-1,905
40. Budget Authority	24,046	20,000	44,046
Relation of Obligations to Outlays:			
71. Obligations incurred, net	24,046	20,000	44,046
72. Obligated balance, start of year	7,000	---	7,000
74. Obligated balance, end of year	-1,624	---	-1,624
90. Outlays	29,421	20,000	49,421
91.20 Outlays from civilian pay raise supplemental	1	---	1

OBJECT CLASSIFICATION (in thousands of dollars)
Administration of Territories

Identification code 10-82-0412-0-1-806	19 77	19 77	19 77	19
Direct obligations	Request Pending	Proposed Amendment	Revised Request	
Personnel compensation:				
11.1 Permanent positions	498	--	498	
11.8 Special personal services payments	304	--	304	
Total personnel compensation	802	--	802	
Personnel benefits:				
12.1 Civilian	44	--	44	
21.0 Travel and transportation of persons	50	--	50	
22.0 Transportation of things	23	--	23	
23.0 Rent, communications, and utilities	27	--	27	
24.0 Printing and reproduction	3	--	3	
25.0 Other services	50	--	50	
26.0 Supplies and materials	26	--	26	
31.0 Equipment	17	--	17	
41.0 Grants, subsidies, and contributions	23,004	20,000	43,004	
Total direct obligations	24,046	20,000	44,046	
Total reimbursable obliga.	1,905	--	1,905	
99.0 Total obligations	25,951	20,000	45,951	

Identification code 10-82-0412-0-1-806	19 77	19 77	1977
Personnel Summary	Request Pending	Proposed Amendment	Revised Request
Direct:			
Total Number of Permanent Positions	15	--	15
Average Paid Employment	15	--	15
Reimbursable:			
Total Number of Permanent Positions	62	--	62
Full-time equivalent of other Positions	0	--	0
Average Paid Employment	60	--	60
Average Grade and Salary			
Average GS Grade	11.17	--	11.17
Average GS Salary	$19,456	--	$19,456
Average Salary of ungraded positions	$6,520	--	$6,520

FY 1977 Budget Amendment

Situation

On Thursday, May 20, 1976, Typhoon Pamela (classified as a supertyphoon) began its assault on the island territory of Guam. For thirty six hours the typhoon battered the island with maximum sustained winds of 135 miles an hour with gusts to 165. The eye of Pamela passed directly over Guam from 4-7 p.m. on Friday, May 21, 1976, leaving a trail of devastation, "a disaster of the first magnitude". On Saturday, May 22, 1976 the President declared Guam a major disaster area.

Need for Program and Funding Request

$20,000,000 in emergency grant funds is urgently needed to assist the Government of Guam in funding essential governmental operations and related facilities upgrading resulting from the present shortfall of local revenue as a result of the typhoon.

The Government of Guam general fund was in a tight financial pinch prior to the typhoon due to the worldwide economic recession and the Federal Tax Reduction Act. The current situation is now critical. Federal taxes which normally revert to the Government of Guam under the Guam Organic Act will be severly reduced as tax refunds for adjusted tax returns are filed in taking advantage of business and personnel losses provided under the Federal Disaster Act. Without this emergency assistance it is doubtful if the Government of Guam will be able to meet its obligations and cash flow problems beyond the month of July, 1976.

AMENDED JUSTIFICATION

DEPARTMENT OF THE INTERIOR
OFFICE OF THE SECRETARY

Budget Appendix Page	Heading	Request Pending	Proposed Amendment	Revised Request
490	Departmental Operations	$12,695,000	$1,730,000	$14,425,000

Program & Financing (in thousands of dollars)

Identification code		19 77 Request Pending	19 77 Proposed Amendment	19 77 Revised Request
Program by Activities:				
Direct program				
6, 7 Office of Minerals Policy Research and Development		1,602	1,730	3,332
All other Activities-no change		11,093	---	11,093
Total, direct program		12,695	1,730	14,425
Total, reimbursable program		135	---	135
10 Total Obligations		12,830	1,730	14,560
Financing:				
11 Receipts and reimbursements from:				
Federal funds		-135	---	-135
40 Budget Authority				
Appropriation		12,695	1,730	14,425
Relation of obligations to outlays:				
71 Obligations incurred, net		12,695	1,730	14,425
72 Obligated balance, start of period		2,609	---	2,609
74 Obligated balance, end of period		-3,783	-375	-4,158
90 Outlays, excluding pay raise supplemental		11,500	1,355	12,855
91.20 Outlays from civilian pay raise supplemental		21	---	21

Program & Financing (in thousands of dollars)

OBJECT CLASSIFICATION (in thousands of dollars)

Identification code		1977 Request Pending	1977 Proposed Amendment	1977 Revised Request
Personnel compensation:				
11.1 Permanent positions		6,937	---	6,937
11.3 Positions other than permanent		175	15	190
11.5 Other personnel compensation		6	---	6
11.8 Special personal services payments		---	---	---
Total personnel compensation		7,118	15	7,133
Personnel benefits:				
12.1 Civilian		673	---	673
13.0 Benefits for former personnel		---	---	---
21.0 Travel and transportation of persons		554	30	584
22.0 Transportation of things		51	---	51
23.0 Rent, communications, and utilities		1,285	---	1,285
24.0 Printing and reproduction		286	35	321
25.0 Other services		1,541	1,640	3,181
26.0 Supplies and materials		345	10	355
31.0 Equipment		842	---	842
32.0 Lands and structures				
33.0 Investments and loans				
41.0 Grants, subsidies, and contributions				
42.0 Insurance claims and indemnities				
43.0 Interest and dividends				
44.0 Refunds				
99.0 Total obligations		12,695	1,730	14,425

6. Office of Minerals Policy, Research and Development

Fiscal year 1977 request pending, $1,602,000; proposed amendment, $1,730,000, revised request, $3,332,000. The increase consists of:

Increase (+) or Decrease (-) Amount	Positions	Total Program	Total Positions	Explanation
+ $1,730,000	---	$1,730,000	---	National Petroleum Reserve Study
---		1,602,000	30	Other Activities
+ 1,730,000		3,332,000	30	

The National Petroleum Reserves Act of 1976 (P.L. 94-258) requires that, in addition to other efforts, the President direct a study specifically "... to determine the best overall procedures to be used in the development, production, transportation, and distribution of petroleum resources..." that may be discovered in the National Petroleum Reserve in Alaska (NPRA).

The Office of Minerals Policy, Research and Development is the focal point for the development of the Federal Government's Minerals Policy Program and the principal Secretarial Office dealing with minerals research and development in the Department of the Interior. This study will be monitored by the staff of OMPR&D and the conclusion and recommendation will be completed as soon as possible. These recommendations will maximize both the quality and the usefulness of the study. Because of the uncertainties related to exploration and development of the resources and the need to update the analyses for the next few years, the study effort must be designed to be of continuing use in making management as well as policy decisions about the resource. Since the Department of the Interior will be charged with managing the resource, it is imperative that the Department be assigned the lead responsibility in conducting the study. The Department has demonstrated its capability to lead and direct exactly this type of study recently in satisfying the Congressional requirement in Public Law 93-153 (Alaskan Natural Gas Transportation System: Economic and Risk Analysis) and has assisted the Federal Energy Administration in their short term study, "The Exploration, Development and Production of Naval Petroleum Reserve Number 4." Because certain policy and management options will be lost if they are not presented for consideration as soon as possible, the study must be initiated and completed in as short a time as is possible.

A suggested outline, including budget requirements, that will ensure the expeditious and successful completion of such a study follows.

I. Study Perspective and Organization

The National Petroleum Reserves Act of 1976 clearly calls for a rigorous, detailed analysis to determine "best overall procedures" for managing the NPRA. Further, major emphasis is to be given the economic and environmental consequences of each alternative considered.

This analysis must explicitly show the range of possibilities that are possible at each stage of the project and it must allow this information to be changed or updated quickly and easily as new developments occur. Interior Department analysts currently involved in the short-term FEA study of the Reserve (directed by the Energy Policy and Conservation Act of 1975) indicate that extreme uncertainties exist regarding the determination and evaluation of "best overall procedures"-- particularly with respect to key economic and technological parameters. It appears now that the primary contribution of the FEA study will be to surface the key issues and uncertainities rather than to resolve them. The proposed interior study would build upon

the FEA study--in particular, improving the uncertainity analysis and explicitly evaluating the major risk elements associated with each alternative program and their implications. A major product of the Interior study would be a thoroughly documented economic and policy evaluation procedure integrating exploration, development, production, transportation, and distribution alternatives that could be used to quickly and periodically reevaluate NPRA management alternatives as new information becomes available. The significant uncertainties that currently exist for many of the important aspects of this study makes this updating capability critical to responsible long-term, Departmental management of the Reserve. The obvious utility of an early availability of such a "decision tool" and its results is a major motivation behind the recommendation that the study be completed as soon as possible.

The requirements for "detailed" analysis, determination of "best" alternatives, usefulness or early results, and previous Departmental experience suggest the following organizational structure for the study. The Department will form a small study team, independent of the task forces required for other responsibilities under the Act, consisting of four or five individuals with expertise and experience in economic, geological, petroleum, pipeline, market, environmental and public policy analysis. This study team will be responsible for study definition and methodology, coordination with other NPRA task forces, and, in addition, the moritoring of outside, contracted or consulting studies and the utilization and updating of their results. A significant amount of very specialized skills required to perform the study and embed it in an updated, flexible system in the time required is not readily available internally.

II. Study Topics

Satisfaction of the Congressional stipulations for the NPRA study requires analysis for the following topics:

(1) Exploration - While the Act does not explicitly require analysis of alternative time phased exploration strategies and their expected outcomes, such an effort must be undertaken to allow the required development analysis and to provide a foundation and baseline for the rest of the study; for example, what constitutes a "best alternative" transportation system is quite sensitive to assumptions about the exploration strategy and its outcome. Probabilities of different cumulative oil and gas discoveries will be explicitly treated. The estimated budget requirement is $350,000.

(2) Development - Based, in part, on the results of the exploration analysis, alternate field development programs must be developed and evaluated. Consideration must be given to location, type (oil or gas or both) and depth of discoveries, minimum commercial pool size, and potential development bottlenecks. The estimated budget requirement is $200,000.

(3) Production - Based in part, on the results of the exploration and development analysis, alternate time phased production profiles must be developed and evaluated A major study element will be the estimation of yearly and cumulative supplies of oil and gas production at various prices. The estimated budget requirement is $100,000.

(4) Transportation - Alternative transportation systems for both oil and gas must be developed and evaluated. The feasible alternatives will depend heavily on the results of the exploration analysis and its implications for development and production. Departmental experience in studying other North Slope petroleum transportation systems indicates that transportation costs can amount to over one-half the total cost of finding and developing the resource. The overall economic feasibility of the NPRA may

well hinge on the required transportation system. The estimated budget requirement is $175,000.

(5) Distribution - Based on the results of the exploration, development, production, and transportation analysis alternative distribution/marketing procedures for both oil and gas must be developed and evaluated. Particular attention must be given to the potential "oversupply" problem in West Coast markets. Further, the value of any oil and gas discovered in NPRA must be determined for both the consumer and the "energy independence" goal. The estimated budget requirement is $150,000.

(6) Environment and Soci-Economic Analyses - The environmental and socio-economic consequences for alternative procedures in exploration, development, production, transportation, and distribution must be determined and evaluated, particularly for the State of Alaska. This effort will not be an all-inclusive environmental impact statement because at this point only "alternatives" are being developed and considered. The thrust will be to surface key environmental issues for each alternative and then make relative comparisons. While not being a definitive work, this effort should provide an excellent starting point for a more complete EIS once a particular NPRA management plan has been selected. The estimated budget requirement is $250,000.

(7) Policy Analysis - The exploration, development, production, transportation, and distribution of NPRA oil and gas may be accomplished under a variety of alternative institutional frameworks. Options include immediate transfer to the private sector, transfer to the private sector after completion of a government exploration program, or even full exploration, development, production, transportation, and distribution by a government-owned corporation. The benefits, costs and risks and their distribution by major sectors of our ation that are associated with major institutional alternatives must be developed for presentation to decisionmakers. Further, as new information becomes available, decisionmakers and managers will find necessary the capability to rapidly update and improve the original analysis. A thoroughly documented, integrated, economic and policy evaluation that will allow decisionmakers to both "experiment" with alternative NPRA management policies and update the original study will be developed.

Included in this effort will be an integration of the environmental and socio-economic analyses done for each of the other study topics. The estimated budget requirement is $400,000.

(8) Management The Departmental study team will have final responsibility for all major methodological and policy decisions. Further responsibilities will include contractor direction and monitoring, final report generation, and most importantly, final NPRA policy recommendations. Other administrative functions will entail monitoring contractors, NPRA information gathering and consultation with State of Alaska representatives, and maintenance/operation of the quick response policy evaluation system. Estimated budget requirements are $105,000.

Total funding requested is $1.73 million $1.625 for outside contracting and $105 thousand incremental support for the Interior Study Team.

III. Personnel Requirements

It is anticipated that the study will be accomplished with existing personnel resources augmented by two (2) temporary positions.

AMENDED JUSTIFICATION

TEMPORARY STUDY COMMISSIONS

JOINT FEDERAL-STATE LAND USE PLANNING COMMISSION FOR ALASKA

Budget Appendix Page	Heading	1977 Request Pending	1977 Proposed Amendment	1977 Revised Request
787	Salaries and Expenses	$60,000	$480,000	$540,000

"Salaries and Expenses"
FY 1977 Amendment

FY 1977	Request Pending	$ 60,000
FY 1977	Proposed Amendment	480,000
FY 1977	Revised Request	540,000

Increase (+) or Decrease (-) Amount	Positions	Total Program Amount	Positions	Explanation
+$480,000	+14	$540,000	14	To restore funding and positions to the Commission to continue full operations making recommendations to: improve coordination and consultation between State and Federal Governments; avoid conflict between the State and native people.

Need for Amendment:

The Joint Federal-State Land Use Planning Commission for Alaska was established in accordance with Section 17 of the Alaska Native Claims Settlement Act (Public Law 92-203) and by Act of the State of Alaska (A.S. 41.40.010). The Commission commenced its activities in June 1972 and, by amendment to the Act (Public Law 94-204) is scheduled to expire in June 1979. The purpose of this memorandum is to request a revised program and budget for FY 1977, in consideration of the amendment extending the Commission's lifetime.

The Commission is a temporary agency created to advise Federal and State government on land use issues in Alaska. Its primary goals are to: (1) plan for the wisest and best use, management and administration of Alaska's Federal and State public lands, consistent with State and national interests; (2) seek ways to avoid conflicts among the State, the Federal government, and Alaska Natives over the selection, use, and management of lands; (3) improve coordination between the State and Federal governments; and (4) recommend changes in laws, policies, and programs affecting land use and management in Alaska.

The Commission itself is composed of ten members, four appointed by the Secretary of the Interior and four by the Governor. Serving as executive heads of the Commission, a Federal Co-Chairman is appointed by the President, and a State Co-Chairman is appointed by the Governor. The Commission is supported by a small staff, including resource specialists, land use planners, economists, and a counsel. The staff is divided into two major program sections: Policy Development and Research, and Technical Assistance Services. The Policy Development and Research staff is responsible for analysis of major public land policy issues, including research on land planning and management systems, and environmental and socio-economic issues. From this base, alternative policy recommendations are developed for the Commission's deliberation and action. The Technical Assistance Services staff provides land use planning assistance to Native village and regional corporations in land-related matters, maintains and updates a statewide natural resources inventory to provide a data foundation for land use decisions, and participates in intergovernmental regional planning projects.

Because of ongoing changes in the status of Alaska lands, the public policy decisions addressed by the Commission are of particular importance at this time.

Many of the public policy issues addressed by the Commission remain under deliberation by Federal and State policymakers. Important provisions of the Alaska Native Claims Settlement Act have not yet been fully implemented. In summary, there remains a continuing role for the Commission in fulfilling its mandated functions.

Specifically, Congress has until December 1978 to act on proposals to include over 80 million acres in the National Forest, Parks, Fish and Wildlife Service, and Wild and Scenic Rivers Systems as provided by Section 17(d) (2) of the Alaska Native Claims Settlement Act. The Secretary of the Interior will receive from the Commission comments on the various proposals for the lands he has withdrawn for consideration and the Commission's own recommendations. Congress has indicated it expects the Commission to play an integral role in its deliberations on these lands. Congressional activity on this issue should intensify after the 95th Congress convenes in January, 1977.

When all Federally owned lands in Alaska have been transferred to new management jurisdictions or ownership as directed by the Act, the Federal government will still retain over 60% of Alaska lands. Those lands not reserved for particular purposes such as parks or refuges will still be withdrawn for classification system for these (d)(1) lands has yet been proposed. The Bureau of Land Management is now in the process of formulating procedures and regulations for classification. The Bureau's previous classification under the Classification and Multiple Use Act of 1964, expired in 1970. By assessing the demands for these lands and the environmental and socio-economic consequences of resource development and other human use within the framework of statewide land use and management patterns, the Commission will be in an excellent position to make useful recommendations to the Bureau regarding the classification of these lands. By so doing, the Commission can help insure that the classification of (d)(1) lands complements the classification and use of other lands.

When the State's entitlement under the Alaska Statehood Act is completed, 104 million acres will be under the State's jurisdiction. Some 35 million acres remain to be selected by 1984 when the State's entitlement must be complete and the State public domain will be

half again as large as it is today. The State has not yet reached a decision on which lands to select nor what selection criteria will be used. Much of the land already under State jurisdiction has not been classified for use nor actively managed in the past. With increasing demands for the use of these lands, the need for a revised and expanded classification and management system which can be coordinated with planning for Federal and private lands has become acute. State government has only recently begun to expand its land planning and management capability.

The Governor of Alaska has asked the Commission to develop a comprehensive set of recommended policies on State land selection, classification and management. State enabling legislation creating the Commission had directed that the Commission specifically address the use of State lands. To date, the Commission has made general recommendations on land disposal and classification, but has not yet spoken to a land selection policy, State regulation of private land use, appropriate institutional structures for the planning and management of State lands, and other components of a comprehensive policy.

Although Native village and regional corporations have made their preliminary land selections, the Alaska Native Claims Settlement Act has not been fully implemented, and the shape of future land ownership and management patterns is not yet clear. As a specific example where the Commission has mandated responsibilities for the implementation of the Act, easements assuring continued public access to public lands and waters must be reserved across lands selected by Natives before title can be transferred. The Act directs that the Commission identify easements across all Native selections and make recommendations to the Secretary of the Interior on their reservation. With the involvement of State and Federal agencies, Native corporations, and the general public in the identification process and with the time required for the review of an estimated 900 land parcels, the Commission anticipates that this task will take until calendar year 1978 to complete.

With little prior experience or preparation, Alaska's new major private landowners, Alaska Natives, must assume responsibilities as corporate decisionmakers and managers of land tracts as large or larger than those under the jurisdiction of many government agencies.

The Alaska Native Claims Settlement Act directs the Commission to "advise upon and assist in the development and review of land use plans for lands selected by the Native Village and Regional Corporations under this Act". Only now, after preliminary selections have been made, are needs for land use and management plans and assistance in developing them assuming high priority. Numerous requests, which were earlier primarily related to selection, continue to be made for Commission assistance, now on matters of use, resource development, and relationships with Federal and State land management. The Commission is the only government agency specifically mandated to provide such assistance, and the only one having staff with assistance to Native corporations as a primary function.

When these ongoing changes in the status of Alaska lands, for which there is no precedent in magnitude, are considered, the possibilities for major land use conflicts are apparent. The status of lands in most regions of Alaska, once these changes have occurred, will be one of mixed ownership of Federal and State governments and private, principally Native, landowners. If the various owners do not coordinate plans for the use of their lands, numerous conflicts may arise, and

one landowner's use of land may adversely affect owners of adjoining lands. By terms of the Act, the Commission is to "make recommendations to improve coordination and consultation between the State and Federal governments in making resource allocation and land use decisions" and to "make recommendations on ways to avoid conflict between the State and the Native people in the selection of public lands". Beyond the Commission, there currently exist few other forums for conflict resolution and coordination among Federal and State governments and Alaska Natives. It is pre-eminently in this role that a need for the Commission continues to exist, until permanent coordinating mechanisms can be developed and established.

Section 17(a)(9)(A) of the Alaska Native Claims Settlement Act, limits the Federal share of the expenses of the Joint Federal-State Land Use Planning Commission for Alaska to 50%. The State of Alaska provides for the remaining 50% of Commission expenses. In prior years, a portion of the State's has been provided in-kind through assignment of State employees to the Commission and State lease of office space for Commission use. The requested revised budget FY 1977 reflects a continuation of State in-kind support through the assignment of one employee and an extension of the office space lease.

For continued full operations during FY 1977, the Commission requests revised budget of $540,000. A comparable request has been made to the State, approved by the Governor, and submitted to the Legislature.

Program and Financing (in thousands of dollars)

Identification code 33-11-0058-0-1-452	1977 Request Pending	1977 Proposed Amendment	1977 Revised Request
Program by Activities:			
Direct Program:			
Salaries and Expenses	60	480	540
Total Program Costs, Funded	60	480	540
10. Total Obligations	60	480	540
Financing:			
Budget Authority	60	480	540
Budget Authority:			
40. Appropriation	60	480	540
Relation of Obligations to Outlays:			
71. Obligations Incurred, Net	60	480	540
72. Obligated Balance, Start of Year	50	+10	60
74. Obligated Balance, End of Year	--	-100	-100
90. Outlays	110	390	500

OBJECT CLASSIFICATION (in thousands of dollars)

Identification code 33-11-0058-0-1-452		1977 Request Pending	1977 Proposed Amendment	1977 Revised Request
	Personnel compensation:			
11.1	Permanent positions	28	200	228
11.3	Positions other than permanent	2	50	52
11.5	Other personnel compensation	-	1	1
11.8	Special personal services payments	-	-	-
	Total personnel compensation	30	251	281
	Personnel benefits:			
12.1	Civilian	10	58	68
13.0	Benefits for former personnel	-	-	-
21.0	Travel and transportation of persons	2	22	24
22.0	Transportation of things	5	-(2)	3
23.0	Rent, communications, and utilities	8	51	59
24.0	Printing and reproduction	-	19	19
25.0	Other services	4	71	75
26.0	Supplies and materials	1	8	9
31.0	Equipment	-	2	2
99.0	Total obligations	60	480	540

Personnel Summary

Identification code 33-11-0058-0-1-452	1977 Request Pending	1977 Proposed Amendment	1977 Revised Request
Total number of permanent positions	-	7	7
Full-time equivalent of other positions	-	2	2
Average paid employment	1	9	9
Average GS Grade	-	-	10.69
Average GS Salary	-	-	$20,054

Consolidated Schedule of Permanent Positions
Paid from Funds Available to the Commission

DETAIL OF PERMANENT POSITIONS

	1977 Request Pending	1977 Proposed Amendment	1977 Revised Request
Executive Level V	-	1	1
Subtotal	-	1	1
GS-15	-	3	3
GS-14	-	3	3
GS-13	-	1	1
GS-8	-	2	2
GS-7	-	1	1
GS-6	-	1	1
GS-5	-	2	2
Subtotal	-	14	14
Total permanent positions	-	14	14
Total permanent employment, end of year	-	14	14

CONCLUSION OF HEARINGS

Senator STEVENS. This will then conclude the hearings on the 1977 appropriations bill. We will recess subject to the call of the Chair.

[Whereupon, at 11:10 a.m., Wednesday, June 16, the hearings were concluded, and the subcommittee was recessed, to reconvene at the call of the Chair.]

66-307 O - 76 - pt. 5 -- 78

WITNESSES, COMMUNICATIONS, AND PREPARED STATEMENTS

A

Page

Allen, Henry, vice chairman, MPH Program for Native Americans 1953
Prepared statement 1955
Allen, James H., Seneca-Cayuga Tribe of Oklahoma 1781
Prepared statement 1782
American Association of Nurserymen, prepared statement 2389
American Dental Association, prepared statement 2372
Aragon, Don, chairman, Seattle Indian Health Board 1979
Prepared statement 1985

B

Bajema, Dale D., Assistant Director, Program Analysis, Geological Survey 2851
Baker, Richard L., Chief, Division of Budget and Finance, MESA 2907
Bakke, Dennis, Deputy Assistant Administrator, Conservation and Environment, Federal Energy Administration 2445, 2688, 2691
Balcourt, Gordon, director, Indian Health Department, Blackfeet Indian Reservation, Mont 1877
Barnes, Jay W., president, BLGY, Inc., Phoenix, Ariz 2066
Beall, Hon. J. Glenn, Jr., (R), U.S. Senator from Maryland; letter from 2826
Bearskin, Mona, program coordinator, American Indian Health Service of Chicago, Inc 1979
Prepared statement 1996
Benitez, Joseph R., California Rural Indian Health Board, Inc 1823
Prepared statement 1826
Bennett, Robert, Bank Street College of Education, New York 1818
Benroth, Lt. Barron R., CEC, USN, Program Manager, NOSR, Naval Petroleum Reserves 2757
Bergay, Jimmy, principal, Rough Rock Demonstration School, Arizona 1899
Berger, Monroe; prepared statement 2402
Berry, E. Lowell, M.D., M.P.H., director of public health, Dallas, Tex., letter from 1995
Bettenberg, William, Deputy Director of Budget, Office of the Secretary, Department of the Interior 2851
Big Day, Heywood, Plenty Coups High School, Crow Indian Reservation 2057
Billy, Charlie C., the Navajo Nation, Window Rock, Ariz 1809
Blankenship, Robert, tribal planner, Eastern Band of Cherokee Indians, North Carolina 1963
Statement 1965
Bordeaux, Leland M., superintendent, Sicangu Oyate Ho, Inc., St. Francis Indian School, Rosebud Sioux Indian Reservation, S. Dak 1945
Prepared statement 1947
Bouschor, Beverly A., health chairman, Sault Ste. Marie Tribe of Chippewa Indians 1966
Bradley, Fredrick, service unit director, IHS, Eastearn Band of Cherokee Indians, North Carolina 1963
Bread, Donald J., Small Tribes Organization of Western Washington 1834
Prepared statement 1838
Brody, Donald, executive secretary, Actors' Equity Association, prepared statement 2415
Brown, Philip J., president, Businessman Affected Severely by the Yearly Action Plans, Inc 2165
Joint letter from 2957

Page

Brown, Ms. Virginia, chairperson, board of directors, Chemawa School Board, Salem, Oreg. 1853
Prepared statement 1858
Brownotter, Clayton, vice chairman, Standing Rock Sioux Tribe 1820
Burdick, John M., Citizens Committee on Natural Resources, prepared statement 2280
Butler, Michael F, General Counsel, Federal Energy Administration 2445, 2681

C

Charles, Gerald, Sr., chairman, Lower Elwha Tribal Community 2035
Prepared statement 2039
Cheshewalla, Phillip Q., member of Osage Tribal Council and Council Health Committee 1958
Prepared statement 1960
Chiles, Hon. Lawton M., U.S. Senator from Florida, letter from 2340
Chittick, Mrs. Elizabeth, president, National Women's Party 2298
Prepared statement 2300
Christie, John D., Assistant Administrator, Policy and Analysis, Federal Energy Administration 2445
Claplanhoo, Edward, vice chairman, Makah Indian Nation, Washington, prepared statement 2389
Cloquet, Joseph, Small Tribes Organization of Western Washington 1834
Letter from 1850
Clown, Blaine, Sr., vice-chairman, Cheyenne River Sioux Tribe 1793
Prepared statement 1794
Coho, Chavez, member, Ramah Navajo School Board 2050
Colegrove, Willie, member, Hoopa Tribe and a legislative consultant to the National Tribal Chairman's Association 2031
Prepared statement 2033
Collier, John M., Southern Forest Products Association, prepared statement 2328
Colville Confederate Tribes, resolution 2382
Connors, Juanita, director, Indian Free Clinic, Inc., Huntington Park, Calif. 1979
Cooper, Toby, wildlife programs coordinator for Defenders of Wildlife, prepared statement 2363
Cotter, Ms. Belva, executive director, Native American Health Center 2095
Prepared statement 2097
Cotter, Leonard, chief, Wyandot Tribe of Oklahoma, and president, Seneca Indian School Board 1776
Prepared statement 1778
Coulter, Henry W., Assistant Director, Environmental Conservation, Geological Survey 2851
Covington, Lucy, Colville Tribe 1853
Cross, Frank Moore, Jr., prepared statement 2369
Crow, Joe Medicine, executive director, Crow Central Education Commission, joint letter 2059

D

Danielson, James, project manager, Public Law 93-638, implementation, Office of the Director, Indian Health Service, HEW 2915
Danzansky, Joseph B., president, Metropolitan Washington Board of Trade, District of Columbia, letter from 2952
Dart, Roland C., III, chairman, Navajo Criminal Justice Commission 2042
Prepared statement 2045
Deegan, Charles A., Jr., director, Indian Health Board of Minneapolis, Inc. 1979
Prepared statement 1983
DeLa Cruz, Joe, president, Quinault Tribal Council, Washington, Taholah School District, Washington 1882
Letter from 1889
Prepared statement 2110
Dividian, Mae, Fresno, Calif., area delegate to the California Urban Indian Health Council 2108

Page

Doss, Michael P., Plenty Coups High School, Crow Indian Reservation, Mont. ---- 2057
Prepared statement ---- 2060
Dowd, Capt. George G., JAGC, USN, Director, Naval Petroleum Reserves ---- 2757
Prepared Statement ---- 2759
Drapeaux, George, chairman, Marty School Board, Dakota Plains Institute of Learning, Inc ---- 2001
Prepared statement ---- 2006

E

Edmo, Kesley, tribal council member, Shoshone Bannock Tribe, Fort Hall, Idaho ---- 2071
Edwards, Frank, Assistant Director, Minerals Management, Bureau of Land Management ---- 2851
Elofson, Ms. Pattie, Lower Elwha Tribal Community ---- 2035
Emge, Sister Judith, administrator, Ojibwa Indian School ---- 2124
Erlich, Suzy, Puyallup Tribe, Washington ---- 1939
Prepared statement ---- 1942
Evans, Raymond D., supervisor, Forest Wildlife Branch, Missouri Department of Conservation, prepared statement ---- 2377
Exendine, Dr. Joseph N., Acting Deputy Director, Indian Health Service, HEW ---- 2915

F

Falkie, Dr. Thomas V., Director, Bureau of Mines ---- 2829
Prepared statement ---- 2829
Felix, Toney, Councilman, Papago Tribal Council, Papago Tribe of Arizona ---- 1787
Flattery, Michael, Budget Analyst, Office of Financial Management, Health Services Administration, HEW ---- 2915
Flute, Mr. Jerry, tribal chairman of the Sisseton-Wahpeton Sioux Tribe, Sisseton, S. Dak ---- 1913
Prepared statement ---- 1915
Frain, George, secretary and registered agent, Businessmen Affected Severely by the Yearly Action Plans, Inc ---- 2165
Joint letter from ---- 2957
Prepared statement ---- 2173
Frank, Robert L., chairman, Tribal Council, Washoe Tribe of Nevada and California, prepared statement ---- 2422

G

Gabe, Evelyn, Standing Rock Tribe ---- 1820
Galumalemana Vahnupo Alailima, His Highness Prince, American Samoa ---- 2224
Prepared statement ---- 2228
Gamble, James F., prepared statement ---- 2376
Gatch, Donald, community doctor, Rough Rock Demonstration School, Arizona ---- 1899
Prepared statement ---- 1901
Gehrig, Leo J., senior vice president, American Hospital Association, letter from ---- 2434
George, Father Bill, Georgetown University ---- 2143
Prepared statement ---- 2145
George, Levi, education committee, Yakima Indian Nation, Washington ---- 1936
Gilmore, Comdr. Gordon R., CEC, USN, Deputy Director, Naval Petroleum Reserves ---- 2757, 2798
Gima, Alfred, M.D., Milwaukee Indian Health Board ---- 1979
Gockley, David, general director, Houston Grand Opera ---- 2154
Prepared statement ---- 2157
Goldman, Lorraine, secretary, Confederated Tribes of the Chehalis Reservation, Wash ---- 1977
Gomez, Michael, associated student body president, Chemawn School Board, Salem, Oreg ---- 1853
Prepared statement ---- 1862
Goodbear, Howard, Cheyenne, Arapahoe, Okla ---- 1798

Page

Gorman, Guy, Sr., chairman, Task Force of Federal Relation Committee on BIA Budget for the Navajo Tribe ... 2063
Goslin, Ival V., executive director, Upper Colorado River Commission ... 1771
Prepared statement ... 1772
Gott, Donald, executive director, Fine Hardwoods-American Walnut Association, Chicago, Ill ... 2021
Prepared statement ... 2024
Gould, Harold A., vice president, American Institute of Indian Studies and chairman, South Asia Regional Council of the Association for Asian Studies ... 2206
Prepared statement ... 2211
Gourneau, Duane, Ojibwa Indian School Board ... 2124
Prepared statement ... 2126
Graham, George D., superintendent, Douglas County School District, Nevada, letter from ... 2427
Grandbois, Ray, executive director, Milwaukee Indian Health Board ... 1953, 1979
Grant, Edmund J., Assistant Director for Administration, Geological Survey ... 2851
Gray, Harold, chairman, City Planning and Zoning Committee, Federation of Citizens Associations of the District of Columbia, letter from ... 2953
Gray, Dr. John, director, School of Forest Resources and Conservation, Institute of Food and Agricultural Sciences, University of Florida, prepared statement ... 2261
Gundy, James L., prepared statement ... 2408
Gunter, Dr. Pete A., chairman, Big Thicket Coordinating Committee, letter from ... 2240

H

Hall, John C., Jr., American Federation of Musicians, prepared statement ... 2303
Hall, John F., vice president, National Forest Products Association, prepared statement ... 2331
Hampton, Col. Kenneth R., National Wildlife Federation, prepared statement ... 2309
Hanson, Glen, council member, Cherokee Nation of Oklahoma, Advisory Board Member of Claremore Indian Hospital ... 1808
Harris, F. David, Assistant Director, Finance, Pennsylvania Avenue Development Corporation ... 2937
Hart, Alvin, chairman, board of directors, Institute of the Southern Plains, Inc., prepared statement ... 2118
Hart, Hon. Philip A., (D), U.S. Senator from Michigan, letters from ... 1969, 2116
Hartlove, David G., Jr., chairman, County Council, Prince Georges County, Md., joint letter from ... 2849
Heena, James, Navajo Community College ... 2120
Prepared statement ... 2121
Henrie, Dr. Thomas A., Associate Director, Mineral and Materials Research and Development, Bureau of Mines ... 2829
Henry, James, tribal chairman, Turtle Mountain Indian Reservation, N. Dak ... 1907
Henry, Lawrence C., historic preservation officer, Delaware ... 2339
Prepared statement ... 2348
Henry, Ralph, Director, Office of Native American Programs ... 1963
Herman, Robert, director, Greater Miami Opera Association ... 2243
Prepared statement ... 2245
Hildebrand, W. H., director, Wood and Woodlands for Mead Corp., prepared statement ... 2361
Hill, John A., Deputy Administrator, Federal Energy Administration ... 2445, 2689, 2693
Hoag, Robert C., president, Seneca Nation of Indians ... 2061
Hoffman, Lyman, Yukon Kuskokwin Health Corp ... 1800
Holona, Wilson, the Navajo Nation, Window Rock, Ariz ... 1809
Horton, Gary W., staff assistant, Resource Evaluation, Conservation Division, Geological Survey ... 2851
Houtman, Frank L., Comptroller, USN, Naval Petroleum Reserves ... 2757, 2797

Howell, Martin D., Deputy Assistant Administrator, Management and Administration, Federal Energy Administration: Page
Budget estimate 2445
Congressional Affairs Office 2680
Energy savings from appliance labeling 2692
Office of Private Grievances and Redress 2718
Staff levels 2655
Hudson, S. Christine, superintendent of Marty School, Dakota Plains Institute of Learning, Inc 2001
Prepared statement 2008
Hunt, Kenneth, acting chairman, Albuquerque Service Unit, Pueblo Luguna, N. Mex 1932
Prepared statement 1934

J

Jack, Carl, director, Health Affairs Division, Alaska Federation of Natives, Inc. 1800
Jackson, Henry M., U.S. Senator from Washington, joint letter from 1892, 1893
Jackson, Oliver, treasurer, Quileute Tribal Council 2138
Prepared statement 2139
Jackson, Pater, II, chairman, Committee on Public Lands, Pasture, and Rangelands, National Association of Conservation Districts 2195
Prepared statement 2198
Jarvis, Destry, National Park and Conservation Association, prepared statement 2323
Jerome, Dan, superintendent, Turtle Mountain Community School, Belcourt, N. Dak., prepared statement 1910
Jim, Russell, Yakima Indian Nation, Wash 1936
Johnson, Dr. Emery A., Indian Health Service, HEW 2915
Prepared statement 2916
Johnson, Ron, executive director, National Indian Activities Association 1971
Prepared statement 1974
Johnston, Maxine, legislative committee chairman, Big Thicket Association, Saratoga, Tex 2236
Prepared statement 2238
Jones, Capt. H. R., Office of the Comptroller, USN, Naval Petroleum Reserves 2757

K

Kelly, Winfield M., Jr., county executive, Prince Georges County, Md., joint letter from 2849
Kimball, Thomas L., executive vice president, National Wildlife Federation; letter from 2321
Kinsel, Michael L., executive director, Western Heritage Society, Inc., letter from 2430
Kirby, Ralph C., Acting Assistant Director, Metallurgy, Bureau of Mines 2829
Kitso, Ed, Councilman, Papago Tribal Council, Papago Tribe of Arizona 1787
Knott, Lawson B., Jr., executive vice president, National Trust for Historic Preseration in the United States 2200
Prepared statement 2202
Knows Gun, Sylvester, president, Coalition of Indian Controlled School Boards, Inc 2129
Prepared statement 2132

L

LaClair, Leo, executive director, Small Tribes Organization of Western Washington 1834
Prepared statement 1840
LaFloe, Chuck, school board member, Ojibwa Indian School Board 2124
Lambert, David, executive director, Northwest Portland Area Indian Health Board 2071
Prepared statement 2074

Page

LaPointe, Enoch L., executive director, Dakota Plains Institute of Learning, Inc., Marty Indian School 2001
Prepared statement 2004
Larson, Ralph W., director, Washington Department of Game; letter from 2438
Larson, William H., executive director, Washington Forest Protection Association, letter from 2437
Laverdure, Betty, Coalition of Indian Controlled School, Boards, Inc., prepared statement 2134
Lawrence, Frank A., executive director, United Sioux Tribes of South Dakota, prepared statement 2410
Lebeau, Sandra K., chairperson, Health, Education, and Welfare Committee, Cheyenne River Sioux Tribe, S. Dak 1793
Lefthand, Naida, director, cultural study program of the Confederated Salish and Kootenai Tribes of the Flathead Reservation, Mont 2027
Prepared statement 2029
Lefthand, Patrick, Confederate Salish and Kootanei Tribes of the Flathead Reservation, Mont 2027
Lehman, Hon. William, U.S. Representative from Florida 2243
Letey, Albert E., Acting Assistant Director, Central Region, Geological Survey 2851
Livey, Jay, Yukon-Kuskokwim Health Corp 1800
Lockwood, Gilbert O., Assistant Administrator, Plans, Assessments, and Management, MESA 2907
Prepared statement 2908
Loder, Tod, Coeur d'Alene Tribe, Idaho 1949
Longie, Philip, assistant director, United Tribes Educational Center, Bismarck, N. Dak 2104
Longsworth, Nellie L., executive director, Preservation Action 2267
Prepared statement 2268
Lovato, Delfin J., chairman, All Indian Pueblo Council, Inc., Albuquerque, N. Mex 1867
Letter from 1847
Prepared statement 1871
Lumsden, Joseph K., chairman, the Sault Ste. Marie Tribe of Chippewa Indians 1966
Prepared statement 1970
Lupe, Ronnie, White Mountain Apache Tribe 2100
Prepared statement 2102
Lutzin, Sidney G., acting executive director, National Recreation and Park Association 2183
Prepared statement 2187

Mc

McCloskey, Ruben, coordinator, Rosebud Sioux Tribe Health and Welfare Committee 2085
Prepared statement 2087
McKelvey, Vincent E., Director, Geological Survey 2851
Prepared statement 2865
McLanathan, Richard, executive director, American Association of Museums, prepared statement 2351
McLaughlin, Robert, Standing Rock Sioux Tribe 1820
McMinds, Guy, Quinault Tribal Council, Washington 1882, 1923

M

Magnuson, Hon. Warren G., U.S. Senator from Washington, joint letter from 1892, 1883
Mahsetky, Michael D., Dallas Inter-Tribal Center Health Project/Clinic 1979
Prepared statement 1990
Malin, Clement B., Acting Assistant Administrator, International Energy Affairs, Federal Energy Administration 2445
Manuelito, Laurence, executive director, Ramah Navajo School Board, Inc. 2050
Prepared statement 2054

Page

Martin, Richard L., superintendent, Alpine County, (Calif.) Unified School District, letter from 2428
Martine, Juan, member, Ramah Navajo School Board 2050
Martinez, Sam, member, Ramah Navajo School Board 2050
Mathias, Hon. Charles McC., Jr., U.S. Senator from Maryland 2823
Statement 2824
Mauro, Robert, technical associate, American Public Power Association 2218
Prepared statement 2221
Mayer, Mrs. Walter M., Opera Association of New Mexico 2249
Meeds, Hon. Lloyd, U.S. Representative from Washigton, letter from 1887
Mestes, Orville, alcoholism program development specialist, United Southeastern Tribes, Inc 2079
Prepared statement 2082
Meszoly, Peter T., General Counsel, Pennsylvania Avenue Department Corporation 2937
Minthorn, Leslie, Confederated Tribes of the Umatilla Indian Reservation, Oreg 1792
Morehouse, Ward, director, Center for International Programs and Comparative Studies, New York State Education Department, prepared statement 2215
Morishima, Gary, forest manager, Quinalt Indian Tribe, Wash 1882
Moses, Thomas, board member, Central Oklahoma Indian Health Council 1979
Prepared statement 1998
Murphy, Richard V., project manager, NPR–4, USN, naval petroleum reserves 2757, 2796, 2800
Murray, Mary E., Sault Sainte Marine Tribe of Chippewa Indians 1966
Myer, Donald B., chairman, American Institute of Architects Committee on Historic Resources, prepared statement 2359
Myers, J. Walter, Jr., Forest Farmers Association 2256
Prepared statement 2257

N

Nahmabin, Victor, assistant director, North American Indian Association of Detroit, Inc 1979
Navajo Tribal Council 2063
Neff, George, executive director, North Central Inter-Tribal Health Council, Oklahoma 1921
Newton, Michael, president, Associated Council of the Arts 2336
Nisqually Indian Community, prepared statement 2381
Nowlin, Lois, Indian Action Team, Northeastern Oklahoma Five Tribes Council, Inc 1895

O

O'Connor, Leo, acting chairman, Yankton Sioux Tribe 2001
Prepared statement 2010
Old Person, Earl, chairman, Blackfeet Tribal Business Council, Blackfeet Indian Reservation, Browning, Mont 1877
Prepared statement 1880
Olivas, Edward, board chairman, California Urban Indian Health Council 1829
Orden, Sol, Chief, Financial Management Branch, Indian Health Service, HEW 2915
O'Reilly, Michael, director, St. Paul's Indian Mission 2001
Prepared statement 2012
Osann, Edward R., Washington representative, Save the Dunes Council 2231
Prepared statement 2233
Oyler, William D., Chief, Division of Budget, Bureau of Mines 2829

P

Pace, Jim, executive director, Port Gamble Klallam Tribe, Washington 1927
Peters, Calvin, president, Affiliated Tribes of the Northwest Indians, prepared statement 1860, 1923
Petty, Arnold, Assistant Director, Administration, Bureau of Land Management 2851

Page

Prange, Gerald F., National Forest Products Association, prepared statement ---- 2292

Q

Quesada, Elwood R., Chairman, Pennsylvania Avenue Development Corporation ---- 2937
Prepared statement ---- 2938

R

Radlinski, William A., Associate Director, Geological Survey ---- 2851
Radonski, Gilbert C., executive secretary, Sport Fishing Institute, letter from ---- 2435
Rasmussen, Boyd L., National Association of State Foresters, Virginia ---- 2189
Reuling, Lt. Comdr. Todd J., JAGC, USN, Deputy Counsel, Naval Petroleum Reserves ---- 2757
Reynolds, Lloyd, ambulance director, Rosebud Sioux Tribe Health and Welfare Committee ---- 2085
Rogers, R. Anthony, Confederated Salish and Kootenai Tribes of the Flathead Reservation, Mont ---- 2027
Rosenberg, William G., Assistant Administrator, Energy Resource Development, Federal Energy Administration ---- 2445, 2691
Rothstein, Joseph, psychologist and consultant, Montana United Indian Association ---- 1766
Prepared statement ---- 1768
Rowley, Vernon C., director, research and development, Carson City (Nev.) City School District, letter from ---- 2429
Ruark, H. E., Georgia Forest Research Association ---- 2256
Prepared statement ---- 2259
Rutherford, Roy, director, Indian Action Team, Northestern Oklahoma Five Tribes Council, Inc ---- 1895
Prepared statement ---- 1897

S

Saganey, Elwood J., the Navajo Nation, Window Rock, Ariz ---- 1809
Sample, Winona, Bank Street College of Education, New York ---- 1818
Sanderson, Millford, director, community education program, Hopi Tribal Council ---- 2066
Sarracino, Emmett, American Indian Free Clinic, prepared statement ---- 2407
Schwartz, Nancy, president, DTID Inc. (Don't Tear It Down), letter from ---- 2961
Scott, Marlin, chairman, Budget and Finance Committee of Navajo Tribal Council ---- 2063
Sekaquaptewa, Abbott, chairman, Hopi Tribal Council ---- 2066
Prepared statement ---- 2069
Shapiro, Dr. Edna, Bank Street College of Education, New York ---- 1818
Sherman, David, Georgia Department of Natural Resources ---- 2339
Prepared statement ---- 2344
Shibley, Ronald, Historic Fredericksburg Foundation ---- 2267
Prepared statement ---- 2271
Shirk, Ms. Nancy Carson, National Recreation and Park Association ---- 2183
Simmons, Robert Hilton, free lance writer of Washington, D.C ---- 2293
Skanen, Hillary, Coeur d'Alene Tribe Idaho ---- 1949
Prepared statement ---- 1951
Slater, Gerald, principal of the Tribal Alternative School, Confederated Salish and Kootenai Tribes of the Flathead Reservation, Mont ---- 2027
Prepared statement ---- 2029
Smith, Edwin J., vice president, Research and Development, National Steel Corp. and Formcoke Associates, prepared statement ---- 2383
Smith, Gorman C., Assistant Administrator, Regulatory Programs, Federal Energy Administration ---- 2445, 2654, 2680
Smith, Leonard, executive director, California Urban Indian Health Committee ---- 1829, 1953
Prepared statement ---- 1831
Smith, Hon. Virginia, U.S. Representative from Nebraska, statement in Congressional Record ---- 2167

Page

Smith, William, executive director, Northwest Indian Fish Commission, letter from 1848
Smithson, Thomas, Hannahville Indian Reservation 2112
Prepared statement 2114
Starr, Donna, Muckleshoot Indian Tribe, Washington 1864
Prepared statement 1865
Stassi, Jack J., Budget Officer, Geological Survey 2851
Stevens, Christine, Society for Animal Protective Legislation, and others, prepared statement 2355
Stewart, David J., chairman, board of directors, Crow Central Education Commission, joint letter from 2059
Stone, Hon. Richard B., U.S. Senator from Florida 2255
Strickland, William, general counsel, Papago Tribal Council, Papago Tribe of Arizona 1787
Sturman, Michael, Director, Division of Budget Review, Indian Health Service, HEW 2915
Swimmer, Ross O., principal chief, Cherokee Nation, Okla., letter from 2431
Symonds, Mrs. Mary Pringle, Historic Annapolis 2267
Prepared statement 2270

T

Tall Chief, George, superintendent of schools, Hays/Lodge Pole, Mont 2089
Prepared statement 2091
Taylor, John A., National Committee for Symphony Orchestra Support, Oklahoma, prepared statement 2284
Taylor, Jonathan, health coordinator, Eastern Band of Cherokee Indians, North Carolina 1963
Thompson, Gary W., Gila River Indian Community, prepared statement 2412
Thompson, Morris, Small Tribes Organization of Western Washington, letter from 1849
Tinker, Sylvester, Osage Tribe 1958
Tonemah, Stuart A., Assistant Executive Director, National Advisory Council on Indian Education 2015
Towell, William E., executive vice president, American Forestry Association, prepared statement 2418
Tucker, Sterling, Chairman, Council of the District of Columbia, letter from 2951
Turcott, George, Associate Director, Bureau of Land Management 2851
Prepared statement 2853
Turner, Harold E., prepared statement 2386

U

Uhr, Selmer, Florida Forestry Association 2256
Prepared statement 2262
Urban Indian Council, Inc., prepared statement 2379

V

Vance, Robert, director, Owens Valley Indian Housing Authority and chairman, Association of California Indian Housing Authorities, prepared statement 2386
Vetterick, Paul, Chief, Division of Budget and Program Development, Bureau of Land Management 2851

W

Walbroek, Elaine, Director, MPH Program for Native Americans 1953
Wallace, Doris, Bank Street College of Education, New York 1818
Washington, Hon. Walter E., Mayor, District of Columbia, letter from 2950
Watershed Fire Council of Southern California, prepared statement 2394
Wauneka, Anne D., the Navajo Nation, Window Rock, Ariz 1809
Prepared statement 1814
Weinberg, Barbara, American Association of University Women, prepared statement 2393
West, Rick, Institute of the Southern Plains 2117

	Page
White, Lincoln C., executice director, National Advisory Council on Indian Education	2015
Prepared statement	2017
Whitecrow, Sidney, Miami-Wyandotte Oklahoma Area, prepared statement	1785
Whitish, Rachel, chairperson, Shoalwater Bay Tribe, Washington, prepared statement	2367
Wiles, Francis M., Director of Budget, Office of the Secretary, Department of the Interior	2907
Wilkinson, James E., Vermont Department of Forests and Parks	2189
Prepared statement	2192
Williams, Cecil, chairman, Papago Tribal Council, Papago Tribe of Arizona	1787
Prepared statement	1791
Williams, W. Robert, State historic officer for Florida	2339
Prepared statement	2341
Williamson, Lonnie L., secretary, Wildlife Management Institute, prepared statement	2420
Wilson, Cynthia, National Audubon Society, prepared statement	2306
Wortis, Ethel E., Association on American Indian Affairs, prepared statement	2374

Y–Z

Yazzie, Ethelou, director, Rough Rock Demonstration School, Arizona, prepared statement	1905
Youckton, Arnie, tribal member, Confederated Tribes of the Chehalis Reservation, Wash	1977
Youckton, Melvin L., chairman, Confederated Tribes of the Chehalis Reservation, Wash	1977
Statement	1978
Zarb, Frank G., Administrator, Federal Energy Administration	2445
Prepared statement	2649
Zausner, Eric R., Deputy Administrator, Federal Energy Administration	2445, 2657, 2682
Zharoff, Yvonne, Kodiak Area Native Association	1800
Prepared statement	1804
Zimiles, Herbert, Bank Street College of Education, New York	1818

SUBJECT INDEX

Page

Alaska Federation of Natives Health Care ... 1800

BIA education study ... 1818
Blackfeet health care and facilities ... 1877

California rural Indian health needs ... 1823
California Urban Indian Health Council ... 2108
California urban Indian health programs ... 1829
Chehalis Indian Tribe, Washington ... 1977
Chemawa Indian school ... 1853, 1936
Cherokee Hospital ... 1963
Cheyenne River Sioux health and education ... 1793
Claremore Hospital, Oklahoma ... 1808
Coal mining policy, status of ... 2890
Coalition of Indian Controlled School Boards, Inc ... 2129
Coeur d'Alene Tribe, Idaho ... 1949
College Park Research Center (Bureau of Mines) ... 2839
Concho Health Center ... 1798
Confederated Salish and Kootenai Tribes of the Flathead Reservation, Montana ... 2027
Congressional Affairs Office ... 2680
Cooperative forest programs ... 2189
Crow Indian Reservation, Mont ... 2057
Cushman Hospital ... 1940

Dakota Plains Institute of Learning, Inc ... 2001
De La Salle College ... 2839

ERDA energy conversion efficiency program ... 2218
Eastern Band of Cherokee Indians, North Carolina ... 1963
Executive direction and administration ... 2718

Federal Energy Administration (FEA):
- Administration funding ... 2719
- Alaska pipeline ... 2685
- Alaskan oil ... 2696
- Appliance labeling ... 2691
- Budget breakdown, functional ... 2659
- Budget estimate ... 2446
- Budget requests, increased ... 2665
- Caribbean oil refineries ... 2698
- Coal burning, conversion to ... 2692
- Coal mine loan ... 2692, 2694
- Compliance emphasis ... 2663
- Congressional Affairs Office ... 2680
- Conservation and environment ... 2728
- Conservation funding, fluctuation ... 2688
- Duplication of Interior Department activities ... 2693
- EPCA demands ... 2663
- Energy conservation ... 2663
- Energy policy and analysis ... 2725
- Energy resource development ... 2664, 2691, 2730
- Energy savings from appliance labeling ... 2692
- Executive level positions ... 2654
- Federal energy efforts ... 2664
- Justification ... 2446

	Page
Manpower justification	2665
National energy objectives	2669
Need for clear answers	2722
Oil for storage, cost	2701
Petroleum reserve, strategic program	2699
Policy and analysis	2682
Program for decontrol	2658
Program priorities	2659
Public affairs staff	2715
Regulatory programs	2657, 2669
Reporting requirements	2683
Role in fuels and energy	2690
Royalty oil	2700
Savings in computer and personnel time	2684
Staff levels, changing	2655
Staff statistics	2715
State programs	2690, 2724
Supergrade positions	2654
Travel budgets	2671
Travel requirements	2681
Understanding with ERDA	2689, 2722
Use of reserves	2702
Workload data in support of personnel requests	2655, 2700
Fine Hardwoods-American Walnut Association	2021
Fishing rights of nontreaty Indians	1977
Flood control Elwha River	2035
Forest inventory	2021, 2330
Forest management	2336
Forest resources survey	2293
Forest Service timber sales	2282
Function 300 funding	2282
Funds appropriated to the President	2757
Grants for opera companies	2248
HEW. (*See* Health, Education, and Welfare.)	
Hannahville Indian Reservation	2112
Hays/Lodge Pole, Montana	2089
Health, Education, and Welfare, Department of	2915
Historic preservation	2200, 2274, 2350
Hopi Tribal Council	2066
Inadequate park service personnel	2282
Indian Action Team funding	1895
Indian:	
Alcoholism	2924
Fishing rights	1834, 1923
Health boards	1979
Public school construction	1885, 2089
Indian Self-Determination Act (88 Stat. 2206)	1940
Indiana Dunes National Lakeshore	2231
Institute of the Southern Plains, Inc	2117
Interior, Department of the, Budget amendments:	
Geological Survey	2851
Land Management, Bureau of	2851
Mines, Bureau of	2823, 2829
Mining Enforcement and Safety Administration	2907
Laguna health service	1932
Land and water conservation fund	2183, 2326
Lower Elwha Tribal Community	2035
Marty Indian School	2001
Miami clinic, Oklahoma	1781
Mines, Bureau of, relocation of facility	2823
Minneapolis Native American Council on Chemical Dependency, Minnesota	1953

	Page
National Advisory Council on Indian Education	2015
National Endowment for the Arts funding	2305, 2338
National exemplar fluidized coal bed heating-cooling system	2144
National Indian Activities Association	1971
National Tribal Chairmen's Association	2031
Native American Health Center	2095
Navajo Community College	2120
Navajo Criminal Justice Commission	2042
Navajo health needs	1809
Navajo irrigation project	1771
Naval Petroleum Reserves:	
Anticipated production	2793
Barrow gas well	2796, 2800
Billet transfer	2819
Budget request	2757
Cost comparison	2818
Drilling, additional	2818
Drilling site location	2802
East-west pipeline	2807
Environmental considerations	2814
Equipment procurement	2811
Exploration in Pet–1	2812
Five-year Teapot production	2797
Lifting costs	2816
Long lead pipeline items	2815
NPR–3 funding	2815
NPR–4 exploratory wells	2796
NPR–4 transfer	2798
National strategic petroleum storage	2805
Navy 7-year exploratory plan	2799
Nongovernment operators	2817
Oil shale	2820
Operating costs	2798
Pet–4:	
Contractor supplies	2816
Costs	2801
Personnel	2799
Transition problems	2818
Pipeline alternatives	2813
Pipeline constraint	2804
Point paper on personnel transfers	2819
Production:	
Anticipated	2793
Authority to reduce Pet–1	2813
Cost and anticipated receipts from Pet–1	2794
Disposition	2793
Estimates for petroleum reserves 1, 2, 3	2805
Pet–1	2812
Reduction of costs under surplus conditions	2812
Program expansion	2804
Staff requirements for open-up production headquarters	2808
Teapot Dome	2796
Total development cost	2797
Transfer during exploration	2803
West coast oil surplus	2806
Northwest Portland Area Indian Health Board	2071
Ojibwa Indian School	2124
Opera programs, funding	2154, 2251
Orchestra support	2290
Osage Tribal Council and Council Health Committee	1958
Pacific northwest health care	1864
Papago Tribal Council	1787
Pawhuska Health Clinic	1958
Pawnee Hospital	1921

Page

Pennsylvania Avenue Development Corp---------- 2165, 2937
Pitch canker research---------- 2255, 2264
Plenty Coups High School---------- 2057
Polynesian world panorama---------- 2224
Private Grievances and Redress, Office of---------- 2718
Pueblo Indian Services---------- 1867
Puyallup Tribe, Washington---------- 1939

Quileute Tribe Council---------- 2138
Quinault Tribal Services---------- 1882

Ramah Navajo School Board, Inc---------- 2050
Resource development and protection---------- 2195
Rosebud Sioux Indian Reservation, S. Dak---------- 1945
Rosebud Sioux Tribe Health and Welfare Committee---------- 2085
Rough Rock Health Clinic---------- 1899

St. Francis Indian School---------- 1945
Sault Ste. Marie Tribe of Chippewa Indians---------- 1966
Seneca Indian School---------- 1776
Seneca Nation of Indians---------- 2061
Sewall-Belmont House---------- 2298
Sisseton Hospital and road needs---------- 1913
Small tribes health care---------- 1836
Smithsonian foreign currency program---------- 2206, 2402
Smithsonian Institution, financial irregularities---------- 2296
Standing Rock Sioux School facilities---------- 1820

Teapot Dome---------- 2796
Tribal enterprise support---------- 1927
Turtle Mountain High School---------- 1907

United Southeastern Tribes, Inc---------- 2079
United Tribes Educational Technical Center, Bismarck, N. Dak---------- 2104
Urban Indian health:
  Fresno Indian health---------- 2108
  Indian health boards---------- 1979
  Montana United Indian Association---------- 1766
  Native American Health Center---------- 2095

Wetlands acquisition---------- 2322
White Mountain Apache Tribe---------- 2100
Whiteriver Hospital---------- 2100
Wildlife resource funding---------- 2308

Yellowhawk clinic, Oregon---------- 1792

○