



## United States Department of the Interior

OFFICE OF THE SECRETARY  
Washington, D.C. 20240

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### Memorandum

To: Deputy Commissioner, Bureau of Indian Affairs  
Director, Bureau of Land Management  
Commissioner, Bureau of Reclamation  
Director, Fish and Wildlife Service  
Director, National Park Service  
Director, Office of Environmental Policy and Compliance  
Deputy Solicitor

From: *for* Mat Millenbach, Program Manager *Frank DeLuise*  
Natural Resource Damage Assessment and Restoration Program

Subject: Revised Policy on Recovered Assessment Costs

The purpose of this memorandum is to alert your bureaus and offices to a change in Restoration Fund policy regarding how recoveries of past damage assessment expenses are to be treated. Both the Restoration Program Work Group, and Executive Board have approved this change in policy.

Please note that this revised policy applies only to those recoveries originally funded by bureau or office appropriations, and not from the Restoration Fund. Recoveries of past assessment costs funded by the Restoration Program shall continue to be available to the Restoration Program Manager for subsequent allocation.

**Current Policy:** Under the Restoration Program policy adopted in Fiscal Year 1997, bureaus and offices were permitted to claim and use past assessment recoveries that were originally funded with bureau or office funds. Such recovered funds could only be requested and used for site-specific damage assessment activities, and bureaus and office were required to request any such funds by the end of the fiscal year in which they were received. Any funds not requested by September 30<sup>th</sup> would be made available to the Program Manager for inclusion into the pool of funds available for Departmental allocation.

Any subsequent recovery of past assessment costs (second generation recovery) funded with these recycled funds would not be made available to the bureau or office that generated them, but would be made available to the Restoration Program for allocation to the Department's highest priority sites.

**Revised Policy:** Effective immediately, the existing policy is amended to allow bureaus and offices to claim and use these “second generation” recoveries at the bureau’s discretion. Such recoveries would be subject to the following:

- ▶ Such recoveries must also be requested and used for site-specific damage assessment activities.
- ▶ Bureaus and Offices would be able to carry available balances across fiscal year lines. The September 30<sup>th</sup> deadline has been abolished.
- ▶ If the recovery is generated from a site where both revolved bureau or office recovered funds AND damage assessment funds from the Restoration Fund’s allocation process, the Departmental allocations get repaid first. Any funds remaining after the Restoration Fund has been repaid are to be available to the respective bureau or office.

A brief example of the revised policy follows:

A DOI bureau uses its own base funds to fund damage assessment activities at site A. Later, Site A settles and past damage assessment expenses are recovered. The bureau then requests those recovered funds for damage assessment activities at Site B. When Site B settles, the bureau can again request the Site B recovered funds for damage assessment purposes at Site C, and so on.

If the bureau conducted the Site B assessment with a combination of Departmentally allocated damage assessment project funds and revolved Site A funds, then the Site B recoveries must first be applied towards repayment of the Departmental allocation. Any funds remaining after the Departmental allocation has been repaid are available to the bureau or office for assessment work at Site C.

We believe these revisions will ultimately provide a greater degree of flexibility to bureaus and offices in pursuing damage assessment cases, and removes disincentives to use bureau or office funds when necessary.

Please feel free to contact me at 208-6528 or Bruce Nesslage at 208-4093 if you have any questions or comments regarding this change in Restoration Fund policy.

cc: Deputy Assistant Secretary – Policy & Int’l Affairs  
Anya Schoolman  
Restoration Program Work Group  
Restoration Program Executive Board