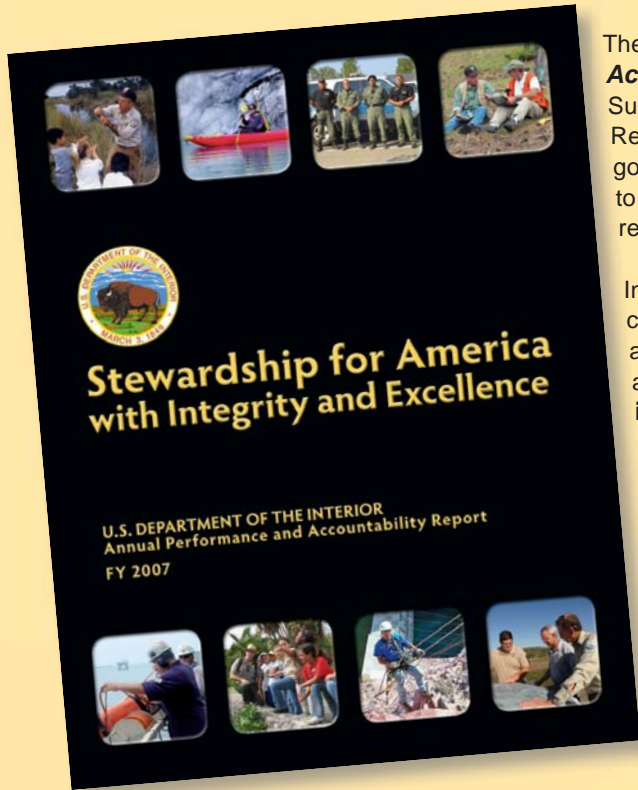




Stewardship for America with Integrity and Excellence

**U.S. DEPARTMENT OF THE INTERIOR
Annual Performance and Accountability Report
FY 2007 HIGHLIGHTS**





The U.S. Department of the Interior **FY 2007 Performance and Accountability Report Highlights** offers a high-level Executive Summary, along with a synopsis of the Department's performance. Readers will be able to assess our progress toward achieving the goals that make up Interior's Strategic Plan, and will also be able to see how well we are fulfilling our stewardship responsibilities by reviewing the performance and cost trends.

Included in the **Highlights** is a CD-ROM containing the complete FY 2007 PAR with more than 320 pages of financial and organizational performance data. The full PAR can also be accessed online at <http://www.doi.gov/pfm/par/par2007/index.html>.

For additional copies of this report, please write a request to:

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CD-ROM containing the full FY 2007 PAR Report C3

Mission

The U.S. Department of the Interior protects and manages the Nation's natural resources and cultural heritage; provides scientific and other information about those resources; and honors its trust responsibilities or special commitments to American Indians, Alaska Natives, and affiliated Island Communities.

Core Value Statement

Stewardship for America with Integrity and Excellence

Overview of the Department

Established in 1849, the Department of the Interior is the Nation's principal Federal conservation agency. Our 70,000 employees work across the Department's offices and nine bureaus in twelve time zones. They are the stewards of one in every five acres in the United States. The lands and waters they manage generate one-third of the nation's domestic energy production. They conserve and provide opportunities to enjoy America's natural and cultural resources and, by doing so, benefit the communities we serve.

Key Responsibilities

The Department's 2007-2012 Strategic Plan defines our four primary Mission Areas and provides a consistent framework for Interior to undertake its multi-faceted mission.

How We Performed

We typically report our performance by rating the success of each of the 209 performance measures found in our Strategic Plan. This year we offer an integrated perspective of key performance and cost

trends with analyses in the next section. We have selected 26 representative performance measures from Interior's Strategic Plan to highlight the collective performance of our bureaus. Our focus is on the measurable results of activities that contribute toward achieving the Goals under each Mission Area. Funding is paired with each key pursuit in a series of graphs and tables to illustrate the cost of what is being achieved.

Accomplishments

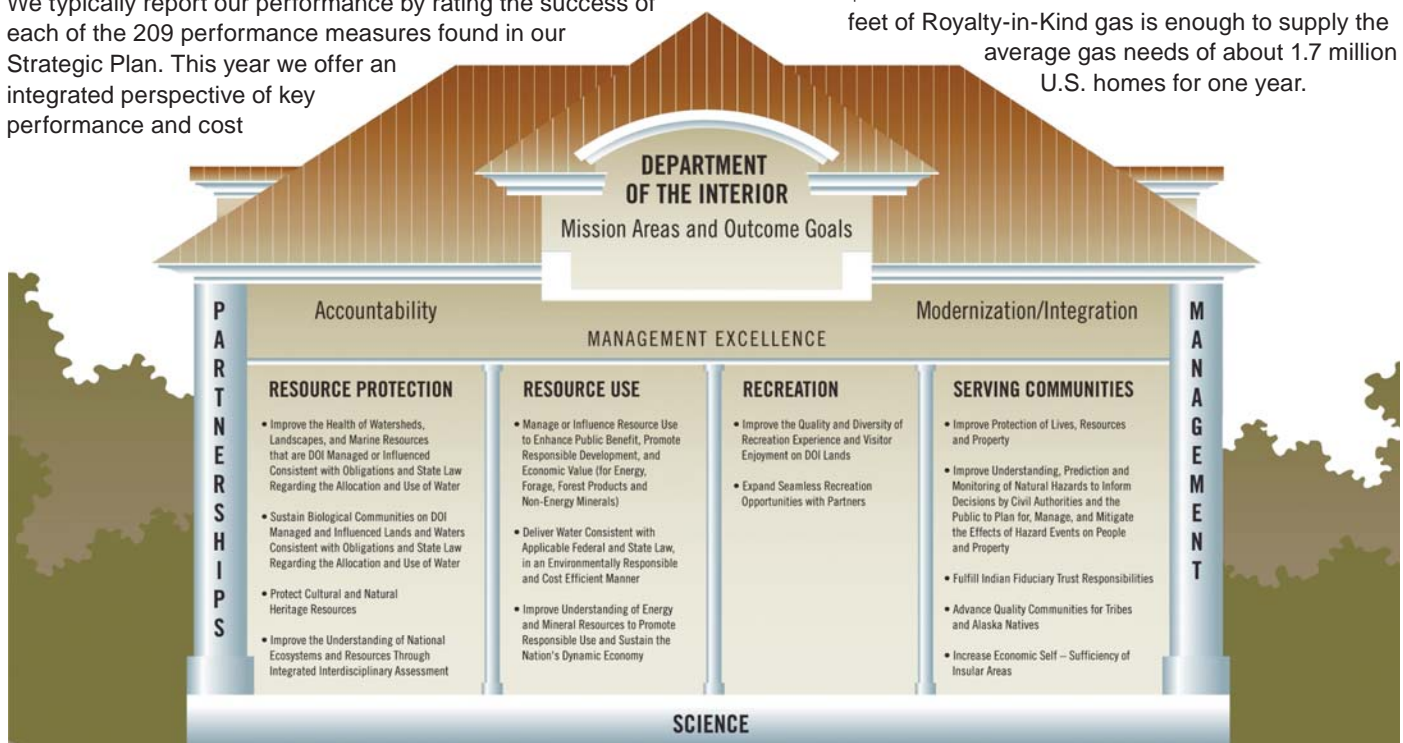
Resource Protection

- ◆ Over eighteen million more acres of land were restored to desired condition on Interior lands over the prior year.
- ◆ Approximately 58,000 more stream/shoreline miles achieved desired conditions over our 2006 performance, bringing the total miles to 195,306 for FY 2007.
- ◆ The bald eagle soared off the Endangered Species List. In 1967, when the eagle was on the verge of disappearing, there were only 417 pairs. Now, nearly 10,000 nesting pairs have been documented.

Resource Use

Interior contributed to America's energy security through providing access to energy and minerals, and collected the second largest source of Federal revenues.

- ◆ Our Minerals Management Service held a successful natural gas sale that grossed over \$1 billion in total revenues. The 137.5 billion cubic feet of Royalty-in-Kind gas is enough to supply the average gas needs of about 1.7 million U.S. homes for one year.



EXECUTIVE SUMMARY

- ◆ Onshore, the Bureau of Land Management approved an additional 8,964 Applications for Permits to Drill on already existing oil and gas leases.
- ◆ Two successful competitive sales of geothermal leases held by BLM demonstrate the rising interest in developing this renewable, low-emission source of energy.
- ◆ Reclamation's hydropower plants generated 40 billion kilowatt hours of hydroelectricity to serve 6 million homes. Reclamation continues to be a reliable and low-cost hydropower producer.

Recreation

- ◆ Close to 500 million visitors took part in recreational opportunities provided through Bureau of Land Management, Bureau of Reclamation, U.S. Fish & Wildlife Service, and National Park Service, with over 90 percent reporting satisfaction with their experience on Interior-managed lands and waters.
- ◆ Our public lands access pass, available for the first time in 2007, allows visitors to take advantage of recreational opportunities provided by four Department bureaus and the Department of Agriculture Forest Service for one inclusive fee.
- ◆ A new and improved one-stop portal was launched, <Recreation.gov>, for making reservations and exploring recreation on Federal lands. The new portal simplifies reservations and features different opportunities and activities depending on a person's interests. <Recreation.gov> is the result of an interagency partnership between Interior, Department of Agriculture Forest Service, and the Department of Defense Army Corps of Engineers.

Serving Communities

- ◆ Interior distributed \$21.8 million to individual Indian trust account holders who were previously on the "Whereabouts Unknown" list.
- ◆ The Office of Wildland Fire Coordination and the Bureau of Indian Affairs, Bureau of Land Management, Fish and Wildlife Service, and National Park Service treated, at a cost of about \$222 an acre, 586,000 acres to directly reduce wildfire threats in wildland-urban interface areas that face risks to property and life from catastrophic wildland fire. Fuel hazards on almost 262,000 other acres were reduced through other Interior programs.
- ◆ Construction was completed on the San Andreas Fault Observatory at Depth, the only earthquake observatory with instruments installed directly

within an active fault so the process of stress buildup and release in faults can be studied. USGS constructed and now operates SAFOD, with contributing funding from partnering agencies, which builds on three decades of USGS-led research. Results from SAFOD will improve models that predict earthquake occurrence and shaking.

- ◆ The Indian Affairs' Office of Justice Services worked with 124 Bureau of Indian Education schools and nine Education Line Offices to complete "Meth Awareness" training to advance our Safe Indian Communities Initiative. Also, approximately 5,000 Indian Affairs employees received Methamphetamine Community Awareness Training.

Financial Overview

The Annual Financial Statements are prepared in accordance with Interior's goal to improve financial management and to provide accurate and reliable information that is useful for assessing financial performance and allocating resources.

Interior received, for the eleventh consecutive year, an unqualified audit opinion on its financial statements. The statements were audited by the independent accounting firm of KPMG LLP.

Interior's assets (shown in the summary balance sheet below) are primarily composed of the Fund Balance with Treasury and General Property, Plant, and Equipment. In 2007, Interior's assets increased significantly due to

What We Own

In millions	2007	2006	Difference
Assets	\$ 66,984	\$ 65,433	\$ 1,551

What We Owe

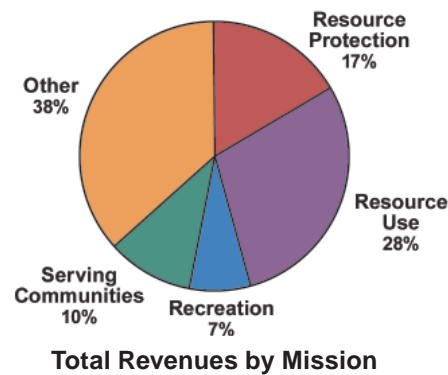
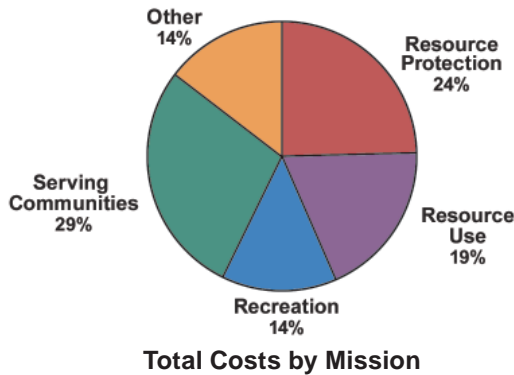
In millions	2007	2006	Difference
Employee and Veteran Benefits	\$ 1,364	\$ 1,387	\$ (23)
Debt	858	\$ 1,057	\$ (199)
Environmental and Disposal	\$ 148	\$ 153	\$ (5)
Other Liabilities	\$ 8,609	\$ 9,341	\$ (732)
Total Liabilities	\$ 10,979	\$ 11,938	\$ (959)

Where We Stand

In millions	2007	2006	Difference
Net Resources Available	\$ 56,005	\$ 53,495	\$ 2,510

The complete Financial Report for the Department of the Interior can be found online at

<http://www.doi.gov/pfm/par/par2007/index.html>



implementation of OMB Guidance, which changed the reporting responsibilities for Treasury Managed Trust Funds with multiple component entities. Under the new procedures, the Interior reports all trust fund activity, thereby increasing Accounts Receivable.

Interior's Net Costs (shown in the summary table) also changed significantly in FY 2007, largely due to a decrease in earned revenue relating to lower Nevada land sales volume in the Bureau of Land Management.

Summary Cost Information				
In millions	2007	2006	Difference	
Costs	\$ 18,210	\$ 19,484	\$	(1,274)
Revenues	\$ 4,571	\$ 6,080	\$	(1,509)
Gross Costs	\$ 13,639	\$ 13,404	\$	235

Financial statement variations were also caused when Interior changed the method of accounting for delegatee funds per Federal accounting guidance. In FY 2007, delegatee funds were reported with the fund and agency to which Congress appropriated the money instead of with the fund and agency where the program funds are expended.

Management Challenges

One of our biggest challenges is time – the time it takes to reverse decades of damaging impacts on public lands. It can also take decades of collaborative efforts to restore the health of a species so that it can be removed from the list of threatened and endangered species.

We know that climate change has implications for the vast land and water resources managed across the Department. Federal land and water resources are vulnerable to a wide range of impacts, some of which are already occurring. A DOI task force is identifying strategies for managing land and waters and protecting wildlife, as well as devising new management responses for adapting to changing landscapes. For example, what steps should be taken as freshwater coastal habitats turn more saline if ocean levels rise? Will we need to change how we define the concept of invasive species if plant and animal species shift on the landscape in response to climate change? How will wildland fire behavior be altered by changing vegetation and precipitation patterns? These

concerns and more will require long-term adaptations that must be integrated with our day-to-day management of lands, habitats, and wildlife resources.

As we seek greater energy security, we must also conserve wildlife—a balance that requires new ways of planning and resource management, continued inspections of oil and gas extraction facilities on land and in our coastal oceans, and reclamation of surface mines. We are implementing our **Healthy Lands Initiative**, focusing on the wildlife/energy interface to maintain wildlife corridors, protect significant habitat areas, and reduce the environmental footprint of energy and other activities on public lands.

The Adequate Yearly Progress (AYP) score for rating schools under the No Child Left Behind Act is low for our Bureau of Indian Education (BIE) schools. Our **Improving Indian Education Initiative** will increase Indian student academic achievement by supporting quality education environments and effective learning strategies. Intensive educational assistance will go to schools that have yet to achieve their AYP goals.

The sheer magnitude of the lands we manage presents challenges as we strive to provide security and protection for public lands visitors and employees. We manage the third-largest Federal law enforcement force to provide security for more than 500 million acres of public lands, and ensure the health and safety of our 70,000 employees, over 230,000 volunteers, 1.3 million daily visitors, and 1.6 million tribal members in Indian Country.

Interior also has homeland security responsibilities for our priority dams, icons and monuments—and manages 40 percent of the lands along the southwest border. We must maintain law enforcement, security and emergency management capability over vast areas while ensuring that security precautions don't create an excessive barrier to legitimate access or use of Interior lands or resources.

The Department of the Interior employees and a cadre of partners work with dedication to conserve and safeguard our nation's inheritance. This group includes State and local governments, nonprofit organizations, members of Congress, and dedicated volunteers throughout the country, all of whom share in our core values: **Stewardship for America with Integrity and Excellence.**

DOI Bureaus

Each Interior Bureau has discrete responsibilities.

Fish and Wildlife Service



- ◆ Manages the 96 million-acre national wildlife refuge system primarily for the benefit of fish and wildlife
- ◆ Protects and conserves:
 - Migratory birds
 - Threatened and endangered species
 - Certain marine mammals
 - Fish
- ◆ Hosts about 38 million visitors annually at 548 refuges and 37 wetland management districts

- Fish and wildlife conservation
- Resource protection at sites of natural scenic, scientific, and historical value

U.S. Geological Survey



- ◆ Provides reliable scientific information in geography, geology, hydrology, and biology to inform effective decision-making and planning
- ◆ Brings a range of earth and life science disciplines to bear on problems
- ◆ Produces information to increase understanding of natural hazards such as earthquakes, volcanoes, and landslides
- ◆ Conducts research on oil, gas and alternative energy potential, production, consumption, and environmental effects

Minerals Management Service



- ◆ Manages access to the mineral resources of the Outer Continental Shelf to help meet our country's energy needs
- ◆ Administers over 8,200 active mineral leases on almost 40 million OCS acres
- ◆ Oversees 15 percent of the natural gas and 25 percent of oil produced domestically
- ◆ Collects, accounts for, substantiates, and disburses revenues, including approximately \$13 billion in FY 2006 and \$12 billion in FY 2007, associated with mineral production from leased Federal and Indian lands
- ◆ Oversees offshore renewable energy permitting

National Park Service



- ◆ Maintains a network of 391 natural, cultural, and recreational sites for the benefit and enjoyment of the American people
- ◆ Provides technical assistance to State and local natural and cultural resource sites
- ◆ Provides respite and outdoor recreation to over 270 million annual park visitors

Indian Affairs



- ◆ Fulfills Indian trust responsibilities
- ◆ Promotes self-determination on behalf of more than 562 Federally recognized Indian tribes
- ◆ Bureau of Indian Education provides quality education opportunities in Indian country

Bureau of Reclamation



- ◆ Largest supplier and manager of water in the seventeen Western States
- ◆ Maintains 479 dams and 348 reservoirs
- ◆ Delivers water to one in every five western farmers and over 31 million people
- ◆ America's second largest producer of hydroelectric power

Bureau of Land Management



- ◆ Manages and conserves resources for multiple use and sustained yield on approximately 258 million acres of public land, including the following:
 - Mineral exploration and production
 - Timber production
 - Domestic livestock grazing
 - Outdoor recreation
 - Rights-of-way

Office of Surface Mining



- ◆ Protects the environment during coal mining
- ◆ Ensures the land is reclaimed afterwards
- ◆ Mitigates the effects of past mining by pursuing reclamation of abandoned coal mine lands

Defining Interior's Goals

The Department of the Interior's Strategic Plan 2007–2012 provides the framework for everything we do. The Strategic Plan is the guide by which we gauge our success in achieving performance results.

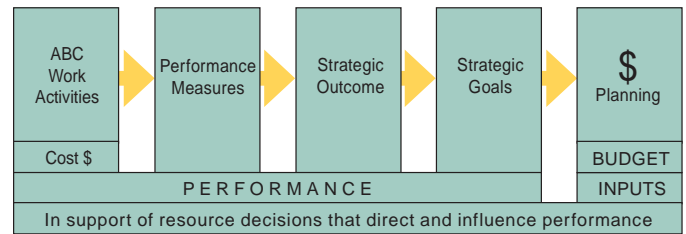
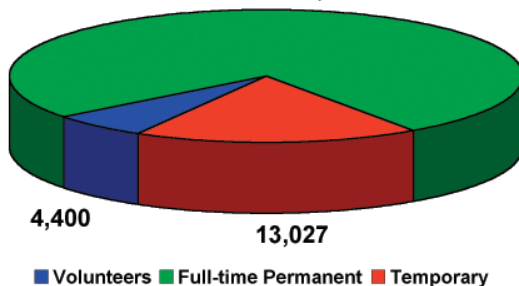
Four Mission Areas provide the framework for Interior's overarching mission of stewardship and define our long-term focal points.

- ◆ Protect the Nation's natural, cultural and heritage resources
- ◆ Manage natural resources to promote responsible use and sustain a dynamic economy
- ◆ Improve recreational opportunities for America
- ◆ Safeguard lives, property and assets, advance scientific knowledge and improve the quality of life for communities we serve

Achieving Our Goals

About 70,000 people across the country are employed by the Department of the Interior. Along with our full-time employees, we are fortunate to have over 230,000 volunteers who contribute their time in a variety of ways to help DOI fulfill its missions. For example, our volunteers bring unique, local knowledge to park, refuge and public land visitors, assist in hurricane recovery, plant trees, clear overgrowth, help maintain park trails, and participate in environmental education programs. We also have a third group of workers who staff seasonal positions that occur regularly throughout the year. Peak demand periods, such as the start of the wildland fire season or the summer rise in visitors to our national parks, are met by our temporary workforce. Together, our employees contribute their expertise and experience toward accomplishing the Outcome Goals in the Strategic Plan.

Interior's 2007 Workforce
(in Full-time Equivalents)
54,403



Assessing Our Performance

A New Approach

This year we are incorporating a more structured approach for our performance assessment overview. Under each Mission Area, we will summarize the following.

- ◆ How pursuing the Mission Area *benefits* the American public
- ◆ The Department's *performance* progress toward achieving the Outcome Goals in each Mission Area outlined in the Strategic Plan
- ◆ *Next steps* being considered to help bring us closer to realizing our goals

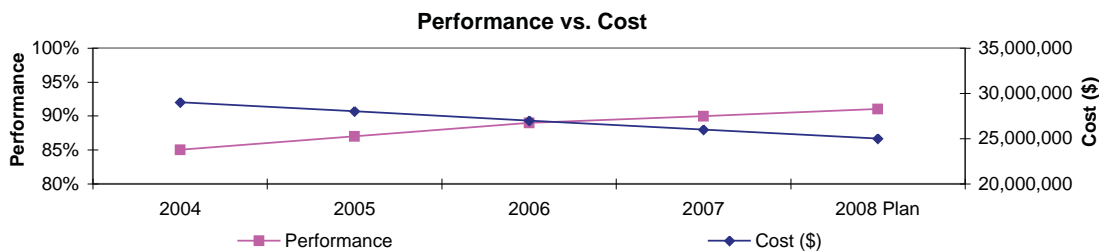
To convey our performance and future plans under each Outcome Goal, we use **Representative Strategic Plan Performance Measures** to highlight our collective performance. These select performance measures were chosen based on their relatively broad scope, compared to other more specifically defined performance measures, and their potential to represent the Department's overall performance.

Our intent is to routinely use these representative measures so that our yearly progress can be tracked more readily with each subsequent PAR performance assessment overview. We will also use them to identify strategies for performance improvement and identify possible agencywide initiatives.

Performance and Funding Trends

Each representative Strategic Plan performance measure is plotted for 2007 with a projection into the present fiscal year along with the trend from the past several years. Each measure is also accompanied by the corresponding trend in funding that contributes toward performance. In this manner, the reader can see the performance and funding realized thus far, along with estimated costs for 2008.

With the updated Strategic Plan FY 2007–2012, some revised measures are not yet supported by historical data. However, their selection as a representative Strategic Plan performance measure signals our intention to continue routine tracking and reporting of these measures in subsequent PARs, to provide a long-term trend analysis of how we have performed over time.



	2004	2005	2006	2007	2008 Plan
Representative Strategic Plan Measure	Performance target or result (%)				
	Amount achieved				
	Scope				
Cost (\$)					

Performance Tables

To give a more complete picture of Interior’s performance, tables are included that lay out the performance specifics for each measure following the same annual trend pattern as the graphs.

$$\frac{\text{Amount achieved}}{\text{Scope}} = \text{Performance Results (\%)}$$

Every measure has a performance factor—a *metric*. The annual performance results are usually expressed as a percentage based on the performance factor designated for every measure. For such measures, the percentage is calculated by dividing the numerator—the actual amount achieved, be it acres in desired condition or percent of visitors who are satisfied with a visit to land managed by DOI—by the denominator, or the entire scope of possible achievement. The annual cost devoted to the program or activity is calculated based on the ABC/M methodology and is also listed in the table.

Activity-Based Costing

Activity-Based Costing and Management is a tool that links financial and performance data by capturing the cost of performing work activities. ABC/M provides an accurate picture of what is being achieved in relation to what is being spent. Cost drivers for each work activity become more visible.

The costs and performance measures are aligned to the Strategic Plan hierarchy and incorporated in the Statement of Net Cost.

Take Pride in America Achieving Our Goals

From October 2006 through September 2007, approximately 350,000 volunteers contributed 15 million hours of service on public land for NPS, FWS, BLM BOR, USGS, along with Natural Resource Conservation Service, the U.S. Forest Service, and the U.S. Army Corps of Engineers.

The Thomson Causeway Recreation Area Cleanup held on Earth Day 2007 in Thomson, Illinois is an excellent example of dedicated volunteerism on our Nation’s public land. Forty-five volunteers, including Boy Scout Troops and local high school students, planted trees, picked up one truck load full of trash, cleared debris, and landscaped. In total, 92 hours of service were contributed by the community to this U.S. Army Corps of Engineers recreation area. Their service represents the spirit of citizen stewardship of the Nation’s valuable resources. These volunteers exercise the purest form of civic action by taking pride in their country.



Interior protects America's natural, cultural and heritage resources. Four Outcome Goals reflect our major objectives in pursuing the Resource Protection Mission Area:

- ◆ Improve health of watersheds, landscapes, and marine resources
- ◆ Sustain biological communities
- ◆ Protect cultural and natural heritage resources
- ◆ Improve the understanding of national ecosystems and resources

Benefits

This Mission Area embodies a portion of Interior's stewardship pact with the American people: to protect our natural resources, as well as our inheritance of cultural and heritage assets. The benefits to achieving our Outcome Goals are multifaceted yet interconnected.

Interior is the Nation's principal conservation agency. We manage over 500 million acres of public lands and 56 million surface acres of Indian trust lands. These assets are valued for their environmental resources, recreational and scenic merits, and vast open spaces. Our responsibilities also extend to monitoring and repairing damage done by past mining. The well-being of our land and water is critical to the ecology of our Nation.

Successful conservation works best in partnership with the American people. Our strategy is to empower Americans to become citizen-conservationists. Thousands of different cooperative projects are ongoing today across our Bureaus based on collaborations with other Federal, State and local agencies, public and private organizations, Tribes, and private landowners. Interior can offer landowners, land-user groups, environmental organizations, communities, tribes, and companies resources and technical support to undertake conservation projects that advance the health of the land, benefiting all of us.

The Department is charged with protecting thousands of native plant and animal species, including more than 1,300 with special status under the Endangered Species Act and nearly 300 candidate species. The forests, mountains, and deserts house biological diversity that is critical to overall ecosystem health, and potentially impacts our own survival.

Interior also conserves the Nation's cultural and heritage sites that reflect a past as rich and diverse as our country. The expanse of these assets includes over 100,000 archeological sites, over 30,000 historical structures, and 140 million cultural and museum objects and documents.

The U.S. Geological Survey, the Department's principal science agency, supports our Resource Protection mission. USGS data contributes to sound land and resource decisionmaking through data collection and integration, as well as understanding, modeling, and predicting how multiple forces affect natural systems. Science lies at the foundation of our programs, including ongoing evaluation of their quality and relevance.

Stream/Shoreline Miles Restored Arapaho National Wildlife Refuge, CO



FWS is partnering with USGS to restore riparian habitat along the Illinois River within Arapaho NWR in Colorado. Efforts have focused on replanting native willow species along the river banks and fencing exclusion areas to protect sites from excessive grazing from large animals like elk and cattle. These exclosures will help determine if grazing is a factor in why willow regeneration is not occurring naturally in the riparian area.

Innovative Water Management

Bill Williams River National Wildlife Refuge, AZ



The Bill Williams River Corridor Steering Committee, headed by FWS in collaboration with BLM, BOR, U.S. Army Corps of Engineers, The Nature Conservancy, and Arizona State and city agencies, has successfully achieved a more natural flow of the Bill Williams River. By rewriting the Alamo Dam Management Plan, native cottonwood and willow growth along the river has been encouraged, while tamarisk, or salt cedar, an invasive

plant species, has been dramatically reduced. By adjusting the water release and desirable flooding from the dam, seeding from the desirable trees can be actively managed. Once established, cottonwood and willow will out-compete tamarisk for the moisture, nutrients, sunlight, and space necessary for growth.

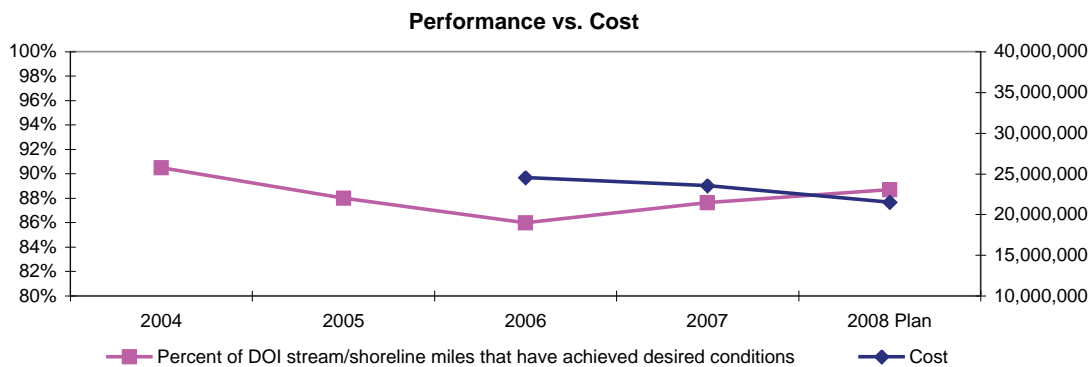


These photos show young cottonwood seedlings in 2005 and two years later—the same trees established without salt cedar developing.

Discussion

GOAL: Improve health of watersheds, landscapes, and marine resources that are DOI managed or influenced consistent with obligations and State law regarding the allocation and use of water

Representative Strategic Plan Measure: Percent of stream/shoreline miles that have achieved desired conditions where condition is known and as specified in management plans



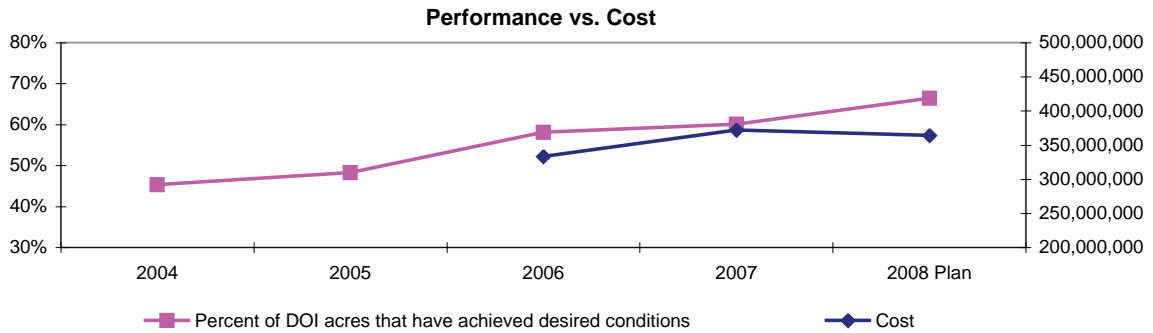
	2004	2005	2006	2007	2008 Plan
Performance	90.5%	88.0%	86.0%	87.6%	88.7%
Miles in desired condition	126,821	131,200	137,173	195,306	242,232
Miles whose condition is known	140,096	149,167	159,411	222,830	273,093
Cost (\$)	Not Available	Not Available	24,523,638	23,550,163	21,495,885

Three Bureaus look after our streams and shorelines: Bureau of Land Management, National Park Service, and Fish and Wildlife Service. Overall performance has been reasonably steady in the 85–90 percent range.

These Bureaus assess, record, and treat more and more streams and shoreline, as seen in the increasing number of miles included in the table. The largest portion belongs to BLM with a little more than 140,000 miles. FWS tracks almost 67,000 miles and NPS, which began reporting in 2007, almost 13,000 miles.

Bureau management plans detail what constitutes desired condition. Performance improvement is hard to assess on a year-to-year basis. However, the Bureaus concur that achieving desired condition is a lengthy process and is affected by a number of management actions and treatments, including planting, seeding, wildfire, actions to control invasive plant and noxious weeds, and environmental conditions.

Representative Strategic Plan Measure: Percent of DOI acres that have achieved desired condition where condition is known and as specified in management plans



	2004	2005	2006	2007	2008 Plan
Performance	45%	48%	58%	60%	66%
Acres in desired condition	118,862,916	127,055,258	200,715,412	218,864,783	257,283,576
Acres with known condition	262,659,257	263,115,511	345,580,083	364,460,411	387,005,230
Cost (\$)	Not Available	Not Available	333,382,810	372,177,563	364,308,687



Cooperative Conservation
Fighting Weeds Together in the Florida Keys

Invasive weeds and exotic plants know no boundaries and are a nemesis to public land managers and private landowners alike. That’s why a landscape-scale, collaborative approach to eradicating invasive exotic plants in the Florida Keys has proven effective and exemplifies the principles of cooperative conservation.

The Florida Keys Invasive Exotics Task Force began eliminating weeds on public lands, but quickly realized that long-term success depended on private landowners and nurseries joining the effort. A volunteer corps was created and due to the size and relative isolation of the islands, efforts are proving to be highly successful. Invasive species have been purged on over 150 private properties in the Keys.

Contributions to achieving desired condition are provided by the Bureau of Land Management, the Fish and Wildlife Service, and the National Park Service. The chart reflects a steady gradual increase in the percentage of acres achieving desired condition. This year the percentage increased by two percent over 2006.

BLM faces a challenge of concurrently meeting land health goals while encouraging energy development and continued traditional land uses, including recreation, in the West. Under the *Healthy Lands Initiative*, \$15 million will be allocated to six priority geographic areas, five of which contain the largest onshore reserves of natural gas in the country. The initiative is characterized by the broad scale of the acreage it seeks to rehabilitate and conserve, and the accelerated pace—one to three years—at which results are expected.

NPS established a baseline for this measure in 2007 and will begin tracking results in 2008.

Achievement is based on the condition of lands assessed that are meeting land health standards. Along with the continuing effort to assess land condition, improvement in land health is a gradual process that often takes long periods of time to see change, sometimes decades, especially in the arid West. Although the overall change appears to be positive, there are several notable indications that the condition of public lands has declined in certain areas. Improving the condition of our land is a challenging, but essential, part of the Department’s mission.



Seeding in the Snow
Big Stone National Wildlife Refuge, MN



At the Big Stone NWR, FWS uses a novel method for native prairie restoration: snow seeding. Using a seed spreader, native grass and wildflower seed is sown directly atop the snow over a former row-crop agricultural field. Snow seedings are very effective because the seed warms up in the sun and melts into the snow layer. The seed becomes locked into the snow and is “cold treated” during that time. As the snow melts the thin layer of soil near the soil surface becomes friable. The seed is planted naturally and the soil firms up as it dries. Native plants include species like little bluestem, big bluestem, Indian grass, cone flowers and blazing stars.

Healthy Lands Initiative

The Department of the Interior launched the *Healthy Lands Initiative* in 2007 to restore and improve the health and productivity of public lands in the Western United States while providing for managed development and traditional land uses. The goal is to get out in front of, as well as respond to, a multitude of pressures on public lands, such as increased urban-suburban development, increased outdoor recreational activity, rising demands for energy, and impacts from large-scale wildfires and invasive plants, such as cheatgrass.

The BLM, FWS and USGS are working together with State and local partners to achieve results.



After treatment

The greater sage-grouse presents a particularly significant challenge, with habitat spanning the western United States. The greater sage-grouse occupies only about 55 percent of habitat originally available to them and the species has been petitioned several times for listing under the Endangered Species Act. The Initiative seeks to help prevent the need to list the sage-grouse by restoring and conserving key habitat areas throughout its range.

The BLM started funding this initiative with a \$3 million down payment in 2007 matched by approximately \$2 million in partner contributions. More than 72,000 acres of shrub and grassland vegetation were improved on BLM land in 2007 through vegetation treatments, such as prescribed burns, mechanical removal of trees, and herbicide treatments of invasive species, such as cheatgrass.



Before treatment

Return of the American Chestnut



The photos here show an American chestnut tree that was not destroyed by the fungus and a seedling that was planted on mine spoil.

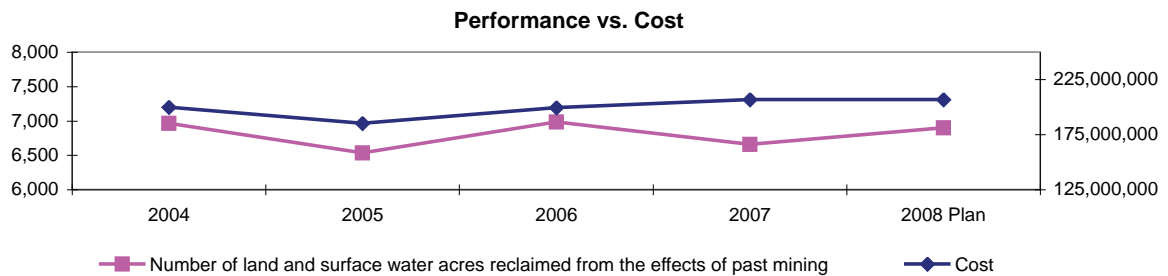
The American chestnut at one time dominated eastern forests, representing a quarter of the trees from Maine to Florida and west of the Ohio Valley. In the first half of the twentieth century, however, the American chestnut tree was decimated by a fungus from Asia. Today, a fully grown American chestnut tree is a rare sight—though these trees are sprouting from roots in the forest, they soon become affected by the chestnut blight and die before maturing.

OSM is working in partnership with The American Chestnut Foundation and the Appalachian Regional Reforestation Initiative to combine reclamation of mine sites with restoration of the American chestnut.

For more than 25 years, TACF has worked to develop a blight resistant American chestnut that will restore the tree to the eastern woodlands.



Representative Strategic Plan Measure: Number of land and surface water acres reclaimed or mitigated from effects of past coal mining



	2004	2005	2006	2007	2008 Plan
Number of acres reclaimed	6,965	6,533	6,983	6,658	6,900
Cost (\$)	199,722,508	185,335,814	199,514,683	206,985,032	206,985,032

A moderate increase is expected in FY 2008 compared to last year in the number of acres reclaimed from the effects of past coal mining. Projects typically take two to three years to implement, and results are usually not realized for several years after funding is applied to a site.

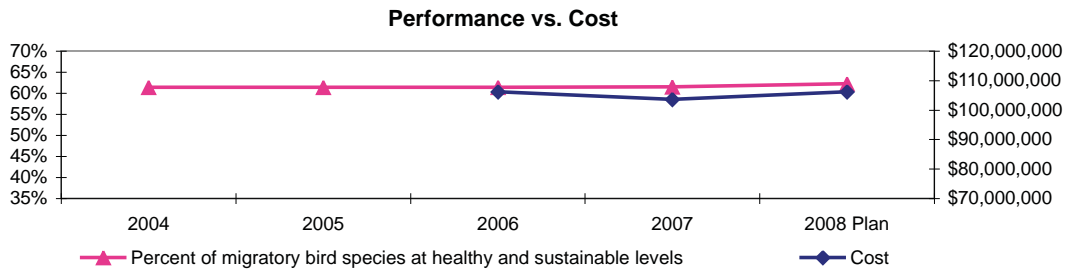
Most all of the land surface mined for coal within the eastern United States and Pacific Northwest was forested until mined. The coal fields of the eastern United States lie within the largest and oldest deciduous forests on Earth. Forests are major sequesters of carbon and producers of oxygen—they are critical to the ecological health of the Earth. Increases in surface coal mining have led to substantial forest

fragmentation, loss of habitat for critical species such as the Indiana Bat and Cerulean Warbler, and increased flooding due to higher peak runoff from reclaimed areas. OSM, in cooperation with several States and other partners, initiated the Appalachian Regional Reforestation Initiative to address effective reforestation of abandoned mine land.

We expect a dramatic increase in the number of reclaimed abandoned mine land acres, as the amount of money available to uncertified States, which have yet to conduct coal mine reclamation work, will almost double by FY 2009 as a result of the Surface Mining Control and Reclamation Act Amendments of 2006.

GOAL: Sustain biological communities on DOI managed or influenced lands and waters consistent with obligations and state law regarding the allocation and use of water

Representative Strategic Plan Measure: Percent of all migratory bird species that are at healthy and sustainable levels



	2004	2005	2006	2007	2008 Plan
Performance	61%	61%	61%	62%	62%
Number at healthy and sustainable levels	561	561	561	561	568
Number of species	913	913	913	912	912
Cost (\$)	Not Available	Not Available	106,199,619	103,520,674	106,129,395

Curlew Conservation

The range of the Long-billed Curlew, a large shorebird endemic to the grasslands of North America, has contracted by more than one-third over the last century. Because of continuing conservation concerns, the FWS Migratory Bird Program designated the Long-billed Curlew as a Focal Species for conservation action.

One of the initial conservation steps for Long-billed Curlews involved the design and implementation of a rangewide breeding survey to accurately assess their status. FWS staff are also conducting a comprehensive conservation assessment, developing a Focal Species Action Plan, and facilitating communication among Long-billed Curlew researchers. Recent North American Wetlands Conservation Act grants and projects through the FWS Partners for Fish and Wildlife program have helped preserve and restore Long-billed Curlew habitat in Montana. The Long-billed Curlew is an icon for grassland protection in developing conservation provisions of the 2007 Farm Bill.

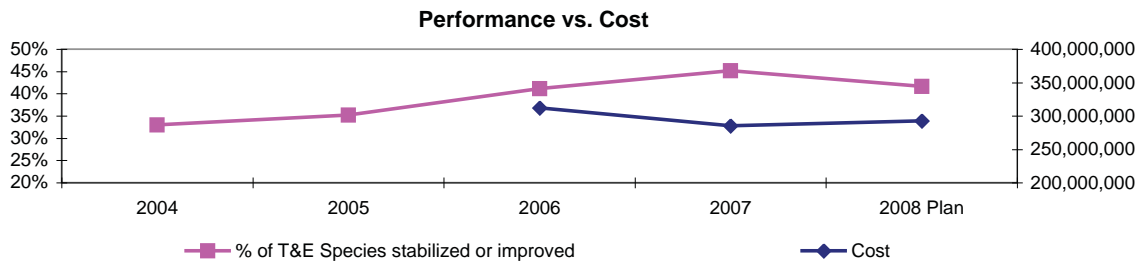


Migratory birds are one of North America’s most highly valued natural resources. The Fish and Wildlife Service is the lead Federal agency for migratory bird conservation. About 62 percent of the 912 migratory bird species are at healthy and sustainable levels.

The Migratory Bird Management Program removes or reduces harmful threats to birds and identifies and develops focused management actions that will result in healthy and sustainable population levels. The program’s greatest challenge is to continuously increase knowledge of bird population status and trends.

Since 2004, the status of five migratory bird focal species has improved. The program will continue to work toward achieving the long-term performance goal of an increase of five additional species at healthy and sustainable population levels. However, achievement of this goal is not expected to occur until after several more years of work, as it takes considerable effort over time to improve the population of an entire species.

Representative Strategic Plan Measure: Percent of threatened or endangered species that are stabilized or improved



	2004	2005	2006	2007	2008 Plan
Performance	33%	35%	41%	45%	42%
Species stabilized/improved	413	442	522	573	527
Species	1,252	1,256	1,269	1,269	1,267
Cost (\$)	Not Available	Not Available	312,030,262	285,255,306	292,443,740

One of the most noble efforts under the Sustaining Biological Communities goal is improving and ultimately recovering threatened and endangered species. The overall pursuit is led by FWS with contributing efforts by BLM and NPS.

Our Department performance has reached the 45 percent range. Restoring a species to the point where it is a secure, self-sustaining component of its ecosystem requires a sizeable investment of effort over time and often involves trying to compensate for threats that have been impacting species for many years. Program performance is showing an overall improving trend, reflecting the successes of the efforts expended over the past years.

In FY 2007, the most notable delistings of endangered or threatened species include the bald eagle, Yellowstone grizzly bear, and Western Great Lakes gray wolf.

FWS is developing a strategic plan for the Endangered Species Program that identifies new long-term outcomes. The new goals will capture candidate conservation efforts to prevent species from becoming listed in the first place.

BLM typically works in conjunction with FWS to directly support the Endangered Species Act by restoring or enhancing acres of habitat that sustain species listed as threatened or endangered. In 2007, BLM began to track the population status of high priority listed species across its managed lands.

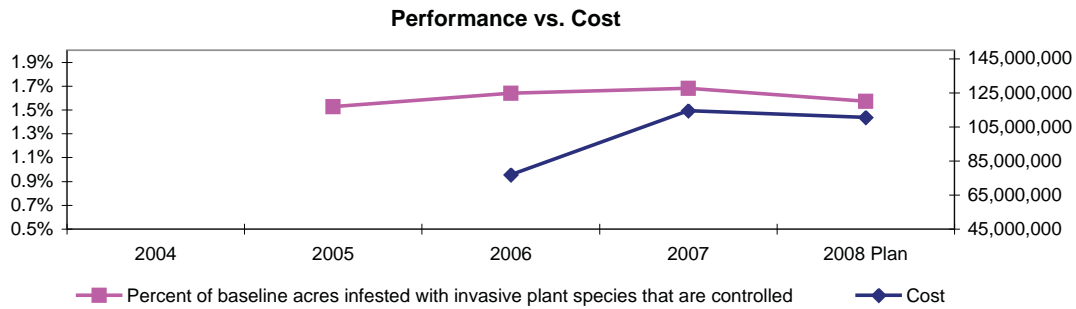


The Eagle Has Landed

On June 28, 2007, Secretary of the Interior Dirk Kempthorne announced the removal of the bald eagle from the list of threatened and endangered species at a ceremony at the Jefferson Memorial in Washington, DC. After nearly disappearing from most of the United States decades ago, the bald eagle is now flourishing across the Nation and no longer needs the protection of the Endangered Species Act.

Secretary Kempthorne said, "In 1963, the lower 48 states were home to barely 400 nesting pairs of bald eagles. Today, after decades of conservation effort, they are home to some 10,000 nesting pairs, a 25-fold increase in the last 40 years."

Representative Strategic Plan Measure: Percent of baseline acres with invasive plant species that are controlled



	2004	2005	2006	2007	2008 Plan
Performance		1.5%	1.6%	1.7%	1.6%
Acres controlled		615,991	667,640	634,296	612,171
Baseline acres infested		40,364,819	40,725,678	37,717,610	38,943,435
Cost (\$)	Not Available	Not Available	76,723,551	114,379,123	110,443,969

Invasive plants include both noxious weeds and other plants that are not native to the environment. Invasive plants can spread into and dominate native or managed plant systems and disrupt the ability of the system to function normally through the aggressive competition for moisture, nutrients, sunlight, and space.

Four Bureaus, the Bureau of Land Management, National Park Service, Fish and Wildlife Service, and Bureau of Reclamation, support the effort to control acreage infested with invasive plant species. Baseline acres with invasive species that are controlled is at 1.7 percent—a result that might seem insignificant until one considers the magnitude of

a problem that affects 38 million acres. The good news is that 90 percent of Federal lands are not significantly infested.

The people power needed to combat exotic invaders is enormous, and the time to gain control of an invasive species is considerable.

According to 2006 Annual Performance Planning data for the National Wildlife Refuge System managed by FWS, two million acres of refuge lands are infested with invasive plants. While we are spending significant resources to control these populations, only about 14 percent of infested refuge acres have been treated to date, and only about 5 percent of these have been controlled.



Before treatment



After treatment

Tamarisks Begone!

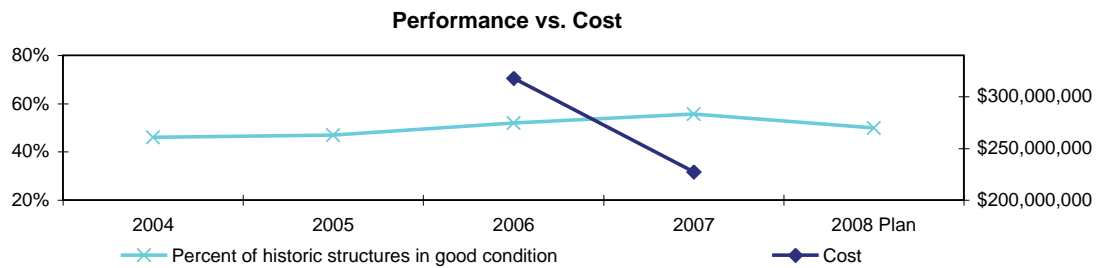
Tamarisk (also known as salt cedar) is a hearty shrub-tree from Eurasia brought into the United States early in the last century. Tamarisk was purposely introduced for its superior ability to stabilize river banks for flood control, and to provide tree windbreaks to control wind erosion. Its ability to survive harsh habitats, its prolific reproductive traits, and broad ecological tolerances enabled tamarisk to excel in these roles. Unfortunately, these very same qualities allowed tamarisk to become a major invasive species in the United States. Tamarisk now infests nearly 2 million acres of land in the Western States.

This invasive woody plant can grow into uncontrolled dense stands along waterways and replace native vegetation with single species tamarisk stands.

Specialists at the Bureau of Reclamation employed methods tailored to the special needs of each tract of tamarisk-infested land. These included the release of tamarisk leaf beetles, as shown below. Reclamation had originally planned to carry out tamarisk control efforts on a total of 550 acres. Additional funds enabled 1,361 acres on 1,911 treated acres to be successfully controlled.

GOAL: Protect cultural and natural heritage resources

Representative Strategic Plan Measure: Percent of historic structures on DOI inventory in good condition



	2004	2005	2006	2007	2008 Plan
Performance	46%	47%	52%	56%	50%
Structures in good condition	12,102	12,660	13,788	14,825	15,254
Total number of structures	26,585	26,879	26,630	26,616	30,446
Cost (\$)	Not Available	Not Available	318,018,235	227,393,649	Not Available

Interior maintains over 30,000 historic structures among four Bureaus—National Park Service, Bureau of Land Management, Indian Affairs and Fish and Wildlife Service. Overall performance in bringing the aggregate of structures to good condition has continued to improve. Deterioration over time lowers the status of these sites. Good condition means that a site is intact, structurally sound, stable, and maintains its character and material.

The largest portion of sites is found in our national parks. The increased 2008 funding from the National Park Service Centennial Challenge Initiative will help increase the number of historic structures in good condition to approximately 15,000 of the 26,000 structures located in national parks. The additional funding will enable NPS to conduct significant work on almost 3,000 sites.

BLM has implemented the Preserve America principles, particularly as they relate to promoting economic development through heritage tourism. BLM focuses on those structures

that visually and emotionally engage visitors, transporting them to another time and place in our Nation's past. About 77 percent of the historic structures on BLM-managed land are in good condition.

Roughly 1,000 buildings on refuges managed by FWS are considered *historic*: 50 years is the mark for consideration as an historic structure according to the National Historic Preservation Act. In March 2007, FWS launched a small grant program focused on projects that connect history with habitat management. Several of the recipients are now rehabilitating historic structures and simultaneously restoring or interpreting the habitat around them.

Indian Affairs remains unable to report the condition of its historic structures, as the funding for this activity is minimal. The drop in costs is due to NPS allocating approximately \$90 million less in FY 2007 commensurate with what is needed for the type of projects planned in the coming years.

Collaborative Action and Dispute Resolution
Resolving the St. Croix River Crossing Controversy

The Stillwater Lift Bridge, built in 1931, spans the St. Croix National Scenic River and connects Stillwater, Minnesota, to northwestern Wisconsin. Its deteriorating condition caused concern about its safety.

Federal and State transportation agencies decided to remove the bridge and build a new one. However, a permit was not granted as NPS had determined that the project would have a direct and adverse effect on outstanding scenic and recreational values.

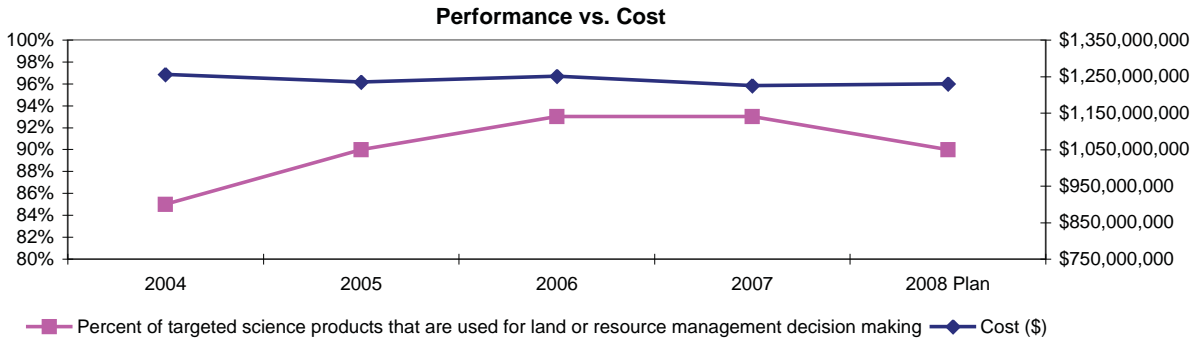
In 2001, a group was formed to craft a solution that would satisfy transportation and environmental interests, as well as local concerns. The solution preserved a historic site and also mitigated



impact on wildlife. The parties reached agreement in 2007 to keep the original lift bridge as a pedestrian and bicycle crossing, and to construct a new bridge for vehicular traffic.

GOAL: Improve the understanding of National ecosystems and resources through integrated interdisciplinary assessment

Representative Strategic Plan Measure: Percent of targeted science products that are used by partners for land or resource management decisionmaking



	2004	2005	2006	2007	2008 Plan
Percent of science products used for management decisionmaking	85%	90%	93%	93%	90%
Cost (\$)	1,255,351,787	1,235,042,130	1,251,015,129	1,224,776,955	1,230,116,607

Salt in the River of Grass

Understanding Everglades Salinity for Ecosystem Recovery

The interplay of freshwater and saltwater in Florida’s Everglades is key to the habitats of creatures from American alligators to spiny lobsters to oysters. USGS scientists in the Ecosystem History of South Florida’s Estuaries Project are involved in an effort to understand the dynamics of salinity in the South Florida Everglades, with an eye toward ecosystem recovery.



Working closely with colleagues from Federal, State, and local agencies on the Southern Estuaries subteam of RECOVER (REstoration COordination and VERification), the team has established performance measures and targets for restoration—critical factors used in making and validating management decisions regarding the region. RECOVER is part of the Comprehensive Everglades Restoration Plan.

This photo shows core collection in the southwest coastal area of Everglades National Park.

The U.S. Geological Survey supports both increased understanding and informed decisionmaking through science. USGS products include water resources monitoring and research, geologic landscapes and coastal assessments; geographic research; land remote sensing; geospatial data; biological research and monitoring programs; and information management and delivery programs. USGS expertise is used in interagency ecosystem initiatives across the United States. Actual performance continues to meet expectations. Costs are indicative of the number and relative size of studies undertaken by USGS in the related disciplines.

In 2007, USGS redirected funding to support the *Healthy Lands Initiative* with a focus on the Green River Basin in Wyoming, one of the areas with the largest onshore natural gas reserves in the country. USGS, BLM, and FWS, along with the U.S. Forest Service, Wyoming Game and Fish Department, and the Wyoming Department of Agriculture, joined forces to tackle the issues at this complex wildlife-energy interface. Our goal is to ensure the long-term viability and sustainability of wildlife and habitats in energy development areas. USGS brings its portfolio of science expertise to help decisionmakers build and implement adaptive management solutions.

How we manage our natural resources now directly affects the availability of those resources in the future. Four Outcome Goals for the Resource Use Mission Area provide a framework for Interior's stewardship work.

- ◆ (Energy) Manage or influence resource use to enhance public benefit, responsible development, and economic value
- ◆ Deliver water in an environmentally responsible and cost-efficient manner
- ◆ (Land-Related Resources) Manage or influence resource use to enhance public benefit, responsible development, and economic value
- ◆ Improve the understanding of energy and mineral resources to promote responsible use and sustain the Nation's dynamic economy

Benefits

Striking a balance between meeting our country's energy needs while ensuring responsible use of the land that contains these valuable resources is a worthy goal, especially in this time of heightened environmental consciousness. Our mission to manage America's natural resources includes promoting responsible development and use of energy, grazing land, forest products, and non-energy mineral deposits.

The quality of life that Americans enjoy today depends largely upon a stable and abundant supply of affordable energy. Energy heats and cools our homes. It fuels our ambulances, fire trucks, ships, and airplanes. It powers the companies that create jobs and the agricultural economy that feed our Nation and the world.

The Minerals Management Service issues offshore leases to oil and gas companies for prospective development. The Bureau of Land Management leases land that potentially holds coal, oil or gas onshore. Interior manages land and water that produce about 30 percent of America's energy supply. Typically, Interior's role is to provide responsible access to energy producers, not to perform the actual production. However, in the case of Interior's Bureau of Reclamation, energy production via hydropower is a Bureau function. Reclamation is the second largest producer of hydroelectric power in the Western United States, with 58 power plants annually providing more than 40 billion kilowatt hours of hydroelectricity to serve 6 million homes. Reclamation is also the largest wholesaler of water in the country. BOR brings water to more than 31 million people and provides one out of five western farmers with irrigation water for 10 million acres of farmland that produce 60 percent of the Nation's vegetables and 25 percent of its fruits and nuts. USGS research on, and assessments of, undiscovered non-fuel mineral and energy resources assist these Bureaus in their goal of providing responsible management of resources on Federal lands.

Reducing the Environmental Footprint of Development

Like all BLM Field Offices that process Applications for Permits to Drill, new Pilot Offices are finding ways to ensure that oil and gas operations on public land are environmentally responsible. The configuration and staffing in the Pilot Offices are being tested to see whether, in addition to processing APDs more efficiently, they can better integrate environmental Best Management Practices into permitting and improve inspection and enforcement during the operations phase.

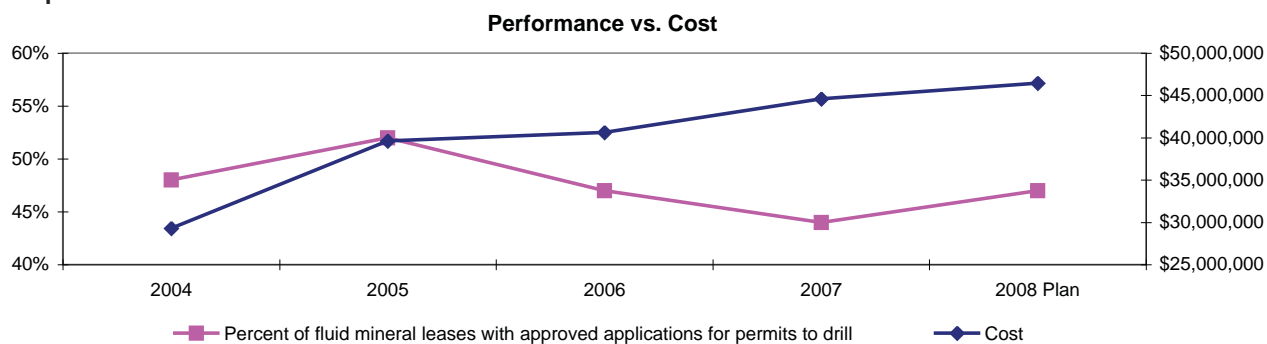
The Grand Junction/Glenwood Springs Pilot Office exemplifies integration of BMPs to reduce the environmental footprint of development. On leases in the Piceance Basin, operator Williams Exploration and Production is using a new drilling rig that can simultaneously drill and complete up to 22 wells spaced seven feet apart on a single well pad. Combined with other BMPs, the drilling technology shortens the production cycle, minimizes impacts to wildlife and noise disturbances, and reduces truck traffic. Williams is using these same techniques on non-federal leases, and other operators are following the company's example on their leases in the Piceance Basin. The company received a 2007 BLM Oil, Gas and Geothermal Development Environmental Best Management Practices Award for this project.



Discussion

GOAL: Manage or influence resource use to enhance public benefit, responsible development and economic value

Representative Strategic Plan Measure: Percent of fluid mineral leases with approved applications for permits to drill



	2004	2005	2006	2007	2008 Plan
Performance	48%	52%	47%	44%	47%
Leases in producing status	21,889	23,511	22,859	21,612	23,393
Leases in effect	45,836	45,479	48,423	49,152	49,731
Cost (\$)	29,295,306	39,601,102	40,612,263	44,611,378	46,447,919

Performance on this measure was at 44 percent for 2007. BLM expects the increased demand for Applications for Permits to Drill to continue in 2008, although the number of leases is expected to remain at a comparable level each year. The number of APDs approved does not necessarily have a direct effect on the number of producing leases. APDs can be approved and drilled on leases that are already producing and, therefore, would not increase the number of leases in production. In most cases, a producing oil and gas lease will contain several producing wells.

In 2007, BLM issued 3,188 oil and gas leases. At the end of the year, 49,152 oil and gas leases were in effect, and 21,612 of these leases were in a producing status.

An APD is a package that oil and gas operators submit to BLM that provides all the information related to how a well will be drilled, its construction, the tests conducted during drilling, how it will be plugged and abandoned if necessary, and all of the equipment that will be used during the drilling process.

Every lease contains standard stipulations designed to protect air, water, wildlife, historic and cultural resources, as well as require reclamation. Stipulations are part of producing oil and gas in an environmentally responsible way. Before a drilling permit is issued and a well is actually drilled, experts conduct additional environmental analysis.

The 2008 budget proposes that BLM's oil and gas program transition from dependence on mandatory mineral leasing rental receipts to increased reliance on fees for processing APDs. The Administration submitted legislation to repeal provisions in Section 365 of the Energy Policy Act that prohibit BLM from charging fees for processing applications. The proposed legislation will also redirect mineral leasing receipts from BLM's Permit Processing Improvement Fund back to the Treasury. This approach should help BLM improve planning and customer service by strongly linking program funding to actual demand.

Representative Strategic Plan Measure: Number of onshore Federal acres under lease for coal development

	2004	2005	2006	2007	2008 Plan
Acres under lease	456,578	453,442	466,652	466,943	466,298
Cost (\$)	2,982,176	3,921,020	4,019,503	3,522,116	2,901,627

At the end of 2006, BLM administered 293 Federal coal leases, covering over 460,000 onshore acres. The number of acres under lease for coal development is expected to be comparable between 2007 and 2008, and costs are expected to decrease slightly due to an expected reduction in administration costs.

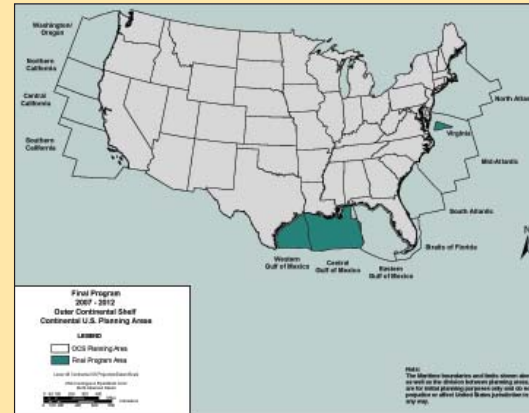
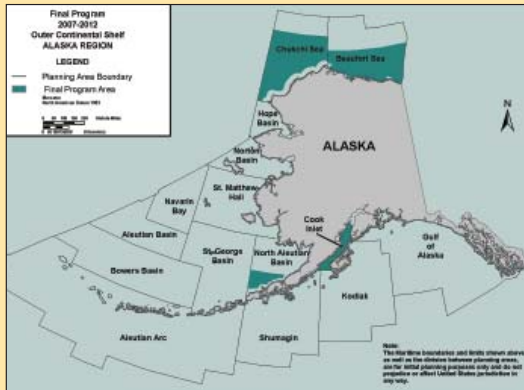
The Nation's reliance on Federal coal leases administered by BLM has increased from providing 29 percent of the Nation's coal in 1994 to 45 percent in 2006. Two years ago, according to the Energy Information Administration, over half of the Nation's electricity generated came from coal. That amount accounts for 92 percent of the total coal extracted.

Annual coal production is slightly more than one billion tons, and demand for coal is expected to increase to nearly two billion tons over the next 25 years. Much of the projected

increases must come from Federal reserves in the western States administered by BLM.

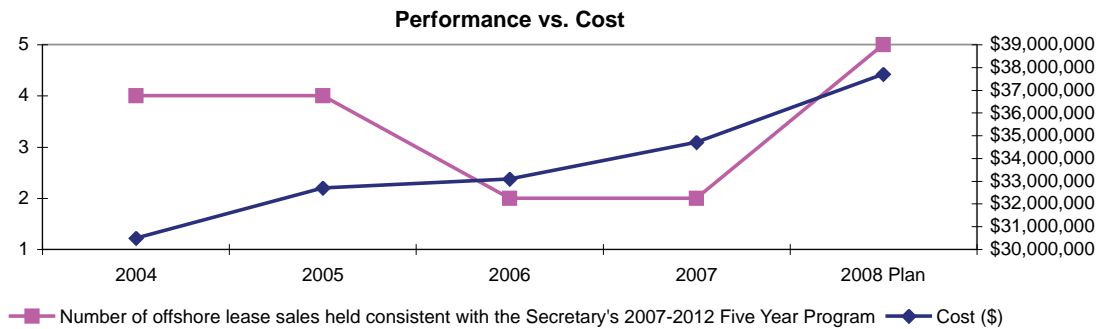
Outer Continental Shelf

The Federal Outer Continental Shelf, a major supplier of oil and natural gas for the domestic market, consists of submerged lands, subsoil and seabed starting from three to nine statute miles out to 200 nautical miles from the U.S. coastline. The two maps show



the program areas where lease sales will be held in Interior's Final 2007-2012 OCS Oil and Gas Leasing Program. This leasing program, effective July 1, 2007, ensures that the OCS remains a solid contributor to the Nation's energy needs through careful regulation and conservation of resources.

Representative Strategic Plan Measure: Number of offshore lease sales held consistent with the Secretary's 2007–2012 Five-Year Program



	2004	2005	2006	2007	2008 Plan
Number of sales held	4	4	2	2	5
Cost (\$)	30,500,000	32,700,000	33,100,000	34,700,000	37,700,000

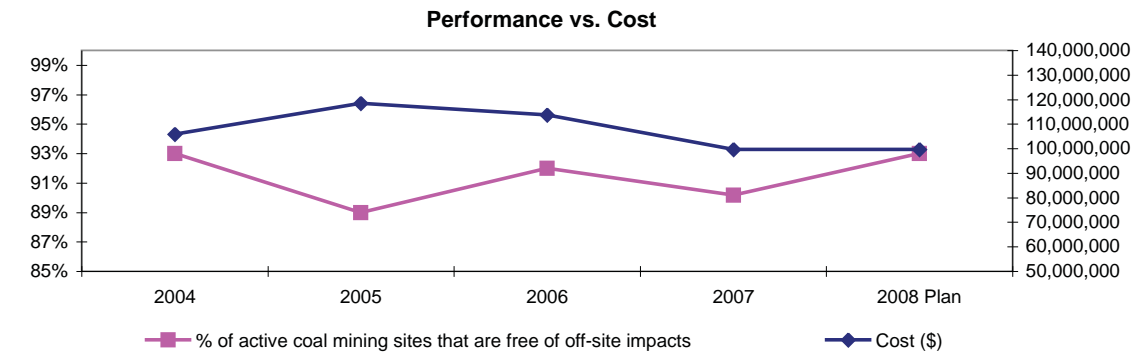
The Outer Continental Shelf Lands Act requires the Secretary of the Interior to prepare and maintain an Offshore Oil and Gas Leasing Program that indicates the size, timing, and location of leasing activity determined to best meet national energy needs for the five-year period following its approval. The Department provides the Nation with about 30 percent of its domestic oil production and 21 percent of its domestic natural gas production.

The two 2007 lease sales met the target set in the Secretary's Five-Year Program. A total of 21 lease sales in eight of the 26 Outer Continental Shelf areas available for leasing were

proposed during the next five-year program starting July 1, 2007. Costs cover the preparation, conduct, and processing of each lease sale. Even though a lease sale occurs in a given year, costs for any lease sale are incurred over several years.

The Minerals Management Service estimates the program could produce 10 billion barrels of oil and 45 trillion cubic feet of natural gas, generating almost \$170 billion in net benefits for the Nation over a 40-year time span. Beneficiaries of offshore revenues are the U.S. Treasury, States adjacent to OCS leases, Land and Water Conservation Fund and the National Historic Preservation Fund.

Representative Strategic Plan Measure: Percent of active coal mining sites that are free of off-site impacts



	2004	2005	2006	2007	2008 Plan
Performance	93%	89%	92%	90%	93%
Sites free of off-site impacts	6,364	7,436	7,454	7,103	7,122
Number of mining sites	6,872	8,335	8,142	7,877	7,658
Cost (\$)	105,813,000	118,487,000	113,684,000	99,688,551	99,688,551

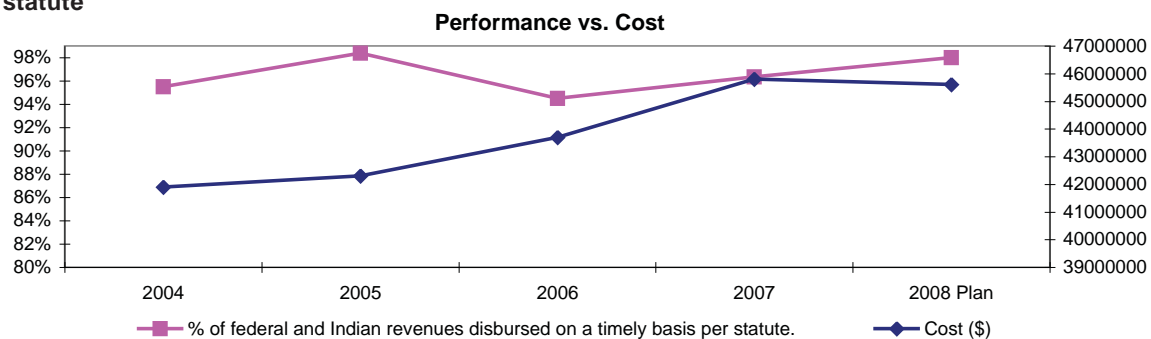
Thirty years ago, in 1977, the Surface Mining Control and Reclamation Act was signed into law to provide national environmental standards for the regulation and reclamation of surface and underground coal mines. Congress created the Office of Surface Mining Reclamation and Enforcement at that time to carry out the regulatory programs.

OSM uses two measures to gauge success in promoting responsible mineral extraction: protection of the environment and public from off-site impacts and successful reclamation of land affected by surface coal mining operations. Off-site

impacts are negative effects resulting from surface coal mining activities, such as blasting or water runoff that affect people, land, water or structures outside the permitted area of mining operations.

The percent of mining sites free of off-site impacts was at 90 percent in 2007 and is expected to increase slightly in 2008 to 93 percent. Costs associated with this work will continue at the same level. Current coal mining operations include over 4.4 million acres in 26 States and on the lands of three Indian tribes.

Representative Strategic Plan Measure: Percent of Federal and Indian revenues disbursed on a timely basis per statute



	2004	2005	2006	2007	2008 Plan
Performance	95.5%	98.4%	94.5%	96.3%	98.0%
Value disbursed on a timely basis	1,344,102,572	1,978,000,000	2,505,305,626	2,250,620,140	2,286,000,000
Total value of revenues disbursed	1,407,075,930	2,011,000,000	2,650,350,794	2,336,377,325	2,333,000,000
Cost (\$)	41,900,000	42,300,000	43,700,000	45,800,000	45,600,000

When the Minerals Management Service was created in 1982, a consolidated system for the collection, accounting, and disbursement of revenues from mineral production on Federal and Indian lands was established. Since 1982, the MMS Minerals Revenue Management program has ensured the distribution of more than \$165 billion to Federal, State, and Indian recipients.

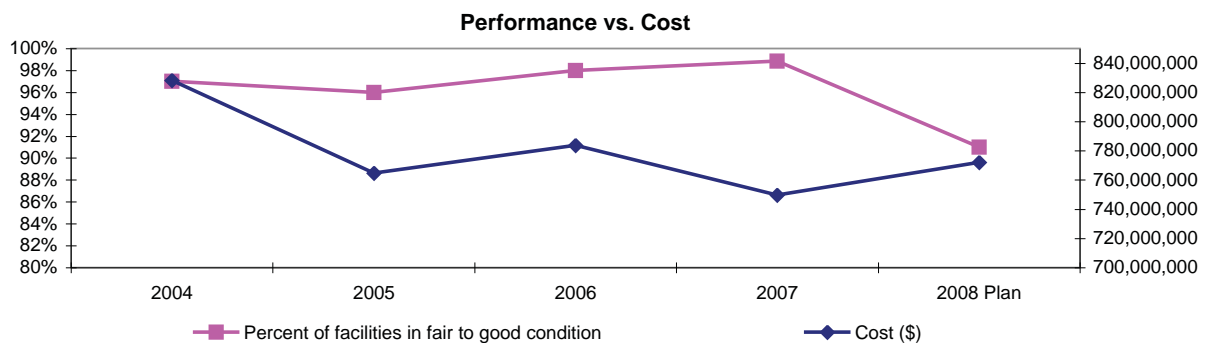
The Federal Oil and Gas Royalty Management Act of 1982 requires monthly distribution and disbursement of payments to States and Indians for their share of mineral leasing revenues. Historically, the distribution and disbursement function of the MMS has ensured that collections from Federal and Indian mineral leases are properly disbursed to the appropriate recipients—the U.S. Treasury, five Federal agencies, 38

States, and 41 Indian tribes. When disbursements are not timely, the MMS must pay late-disbursement interest. This measure includes only the funds that are subject to late disbursement interest.

In FY 2006, the MMS focused on reducing accounts receivable and unapplied payments. This resulted in the processing of several older payments, which lowered performance to 94.5 percent compared to 98 percent in 2005. After this work was completed, timely disbursements increased to 96.3 percent in 2007. In FY 2008, MMS will begin a two-year interactive payment matching and billing initiative that will increase their capability to reduce accounts receivable, increase timeliness of disbursements, and reduce accompanying late-disbursement interest.

GOAL: Deliver water consistent with applicable State and Federal law in an environmentally responsible and cost-efficient manner

Representative Strategic Plan Measure: Water infrastructure is in fair to good condition as measured by the Facilities Reliability Rating



	2004	2005	2006	2007	2008 Plan
Performance	97%	96%	98%	99%	91%
Infrastructure in good condition	331	326	333	341	315
Total number of dams and facilities	340	338	340	345	345
Cost (\$)	828,165,354	764,708,017	783,874,681	749,680,635	772,171,055

Operating and maintaining safe and reliable water infrastructure are key factors in the Bureau of Reclamation’s ability to deliver water. Reclamation delivered 28 million acre-feet of water against water delivery contracts in 2007.

The Facilities Reliability Rating used in this measure is a score derived from a set of weighted criteria to assess dam condition, maintenance, and operations. The score is then correlated to a *condition descriptor*, i.e., good/fair/poor. Of 345 dams classified as high or significant hazard dams, 341 were considered in fair to good condition last year. *Significant hazard* dams are those located upstream that could potentially flood populations living downstream if the dam fails.

A 2008 increase in funds is allocated to this effort. Results will take time to show up beyond 2008. Due to an excellent FY 2007 performance, Reclamation will be reevaluating their 2008 target.

The Dam Safety Program continues to be one of Reclamation’s highest priorities. Approximately 50 percent of Reclamation’s dams were built between 1900 and 1950. Aging dams require more reliance on monitoring, examinations, and reanalyses to assure safe dam performance. Under the program, dams are examined by specialists every three years, with additional internal reviews performed annually.

Increased Dam Safety

The Bureau of Reclamation has awarded the first in a series of construction contracts for a new auxiliary spillway at Folsom Dam and Reservoir.

The auxiliary spillway, or Joint Federal Project, represents an unprecedented partnership among Reclamation, the U.S. Army Corps of Engineers, the California Department of Water Resources/Reclamation Board, and the Sacramento Area Flood Control Agency. When completed, the JFP will address the hydrologic risk of possible overtopping of the dam or dikes during



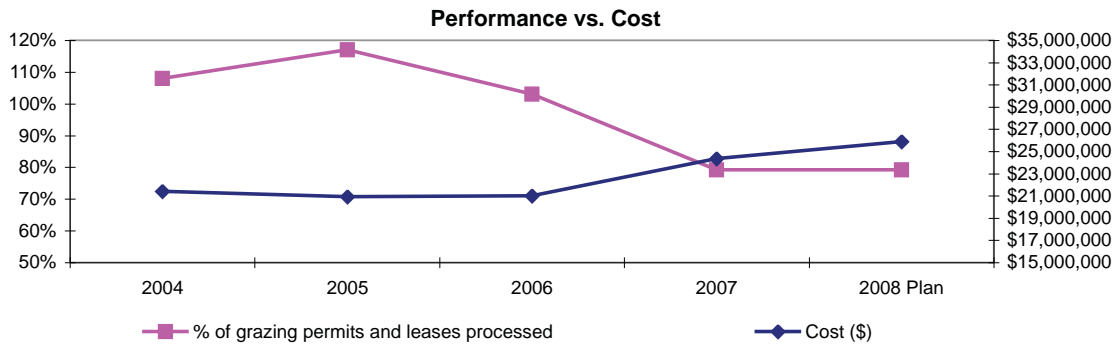
an extreme storm. The JFP also achieves the Corps' objective of increasing flood control at Folsom to protect against an event of such magnitude.

The project will be constructed in three successive phases by Reclamation and the Corps. Work on Phase I will begin in late fall 2007 and will be completed by 2009. Phases II and III will follow, with full completion of the JFP expected by 2021.

The photo above shows the new auxiliary spillway project and to the left is the Folsom Dam as it is today.

GOAL: Manage or influence resource use to enhance public benefit, responsible development, and economic value

Representative Strategic Plan Measure: Percent of grazing permits and leases processed as planned consistent with applicable resource management plans



	2004	2005	2006	2007	2008 Plan
Performance	108%	117%	103%	79%	79%
Grazing permits processed	2,512	2,730	2,565	2,058	2,058
Grazing permits received	2,329	2,342	2,479	2,600	2,600
Cost (\$)	21,405,348	20,917,613	21,019,714	24,352,483	25,894,497

BLM manages approximately 158 million acres authorized for livestock grazing. The Bureau administers more than 18,000 grazing permits and leases on nearly 22,000 allotments. The permits are issued in compliance with local and land use plan objectives and direction, including a requirement

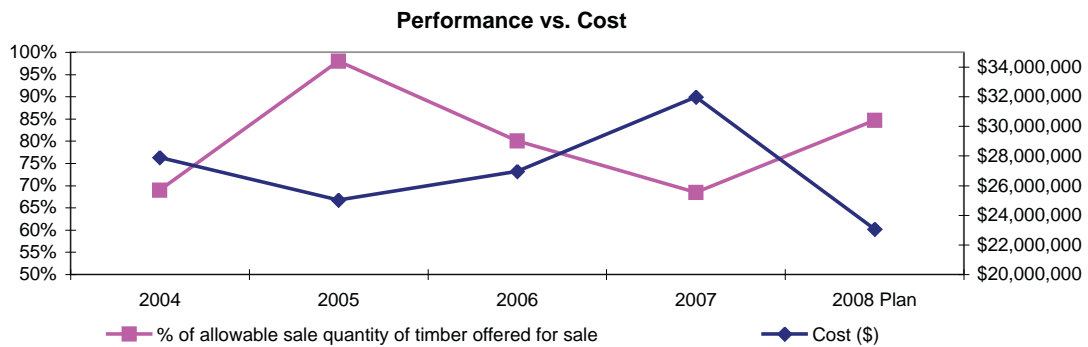
that conditions meet land health standards. If an area is not meeting those standards, changes in grazing management are made to address those conditions by the next grazing season.

Livestock use is measured in animal unit months—the amount of forage needed by an “animal unit” for one month. The grazing use on BLM-managed public land has decreased from about 22 million AUMs in 1941 to 12.7 million AUMs in FY 2007.

Grazing permits are issued typically for 10 years, but can be issued for a shorter period. Although grazing permit targets

have been met, there is still a backlog due to the extensive amount of litigation associated with permits, along with increased complexity in the permit process. Both factors have increased the time and cost required for a permit to be issued. There is no indication this trend will change in the foreseeable future.

Representative Strategic Plan Measure: Percent of allowable sale quantity timber offered for sale consistent with applicable resource management plans



	2004	2005	2006	2007	2008 Plan
Performance	69%	98%	80%	68%	85%
Timber offered (MMBF)	140	198	162	139	172
Allowable sale quantity of timber (MMBF)	203	203	203	203	203
Cost (\$)	27,906,311	25,033,019	26,945,719	31,975,747	23,067,388

The Oregon and California grant lands consist of about 2.4 million acres and are some of the most productive timber lands managed by the Federal government. They are managed under the O&C Act (Public Law 75-405) and the Northwest Forest Plan. The O&C Act requires that the land be managed for permanent forest production in conformance with the principle of sustained yield. That is, management of the land is to provide a permanent source of timber supply, protect watersheds, regulate stream flow, contribute to the economic stability of local communities and industries, and provide recreational opportunities. The NWFP intended to provide a balanced, long-term management plan that maintained a stable supply of timber while also protecting fish and wildlife habitats.

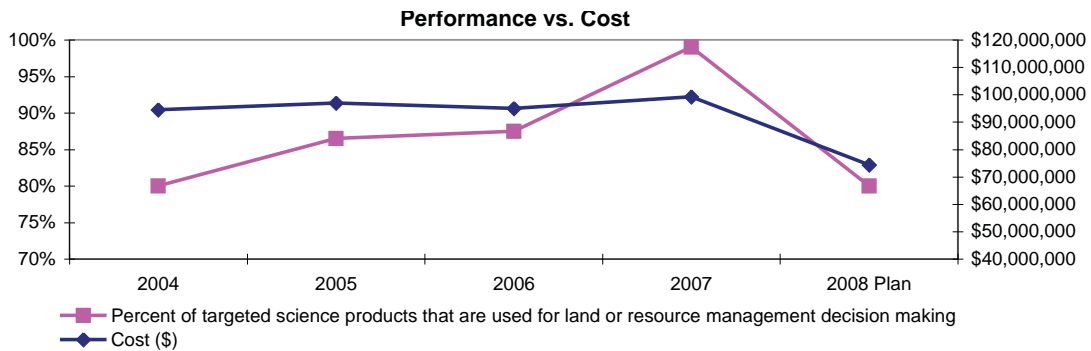
The allowable sale quantity of timber is measured in million board feet. The chart shows performance achieved compared to 203 MMBF, the amount of timber offered annually within western Oregon.

Performance declined in 2007 because BLM was required to remove about one-third of the timber sale plan offerings as a result of litigation and the loss of several court cases invalidating critical biological opinions needed for the timber sales. The BLM and the regulatory agencies are replacing the rescinded biological opinions so the planned sales can proceed in the future. Costs increased in FY 2007 due to increased unit costs for additional survey requirements, sales needing to be reworked, and delays in contract awards. The challenge for FY 2008 will be to achieve the performance target while reducing these costs.

In terms of historical data, the large increase in 2005 occurred because the BLM reported the entire volume offered in that year rather than just the ASQ volume offered. This reporting was in error.

GOAL: Improve the understanding of energy and mineral resources to promote responsible use and sustain the Nation's dynamic economy

Representative Strategic Plan Measure: Percent of targeted science products that are used by partners or customers for land or resource management decisionmaking



	2004	2005	2006	2007	2008 Plan
Percent of targeted science products	80%	87%	88%	99%	80%
Cost (\$)	94,429,073	96,883,040	94,898,465	99,256,515	74,308,201

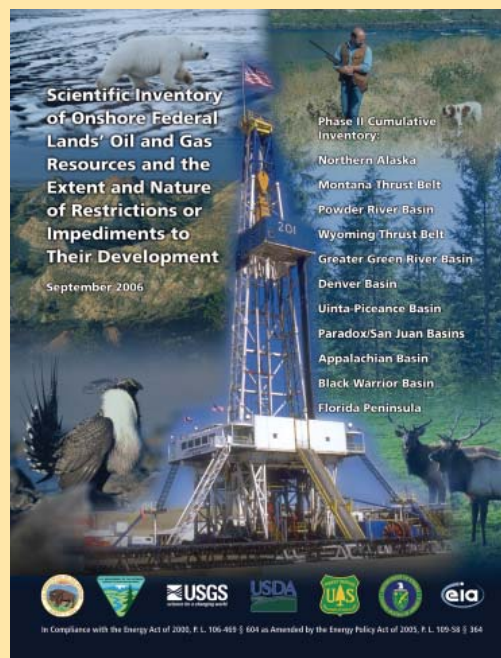
Performance on the science products measure is assessed through two USGS programs: the Mineral Resources Program and the Energy Resources Program. Together they provide reliable and impartial scientific information on geologically- based natural resources.

The Mineral Resources Program is the sole Federal provider of scientific information for objective resource assessments and unbiased research results on mineral potential, production, consumption, and environmental effects. Costs for this program are expected to be curtailed in 2008 as a result of proposed funding reductions to support other priority programs.

The Energy Resources Program researches and assesses oil, natural gas, coalbed methane, gas hydrates, coal, geothermal resources, oil shale, and uranium resources, both globally and nationally. The program also evaluates environmental and human health impacts associated with production, occurrence and use of energy resources. Costs for 2008 are expected to remain essentially the same as in 2007.

USGS performance is expected to be in the 80th percentile despite the reduced investment for the Mineral Resources Program. The 80% target for FY 2008 reflects the performance threshold set by USGS. Performance results typically exceed this established target level.

Improved Understanding to Responsibly Meet America's Energy Resource Needs



The second phase of the Energy Policy and Conservation Act Amendments of 2000 inventory was delivered to Congress and released to the public in November 2006. This inventory is the culmination of a multi-agency collaborative effort that includes the USGS, Bureau of Land Management, the U.S. Forest Service, the Department of Energy, and the Energy Information Administration.

The report presents a comprehensive review of federal oil and gas resources in eleven basins in the United States and constraints on their

development. The basis for the inventory came from USGS assessments for undiscovered, technically recoverable oil and gas.

The Phase II inventory studied approximately 100 million acres of federal lands, including split estate. USGS estimates undiscovered oil and gas resources under these lands total 21.2 billion barrels of oil and 186.9 trillion cubic feet of natural gas.

An Unconventional Energy Resource

Recently, the U.S. Department of Energy, BP Exploration (Alaska), and USGS successfully drilled a research well on the North Slope of Alaska to collect samples and information about gas hydrates, a potential unconventional natural gas energy resource. Gas hydrates, which are accumulations of methane (natural gas) trapped in ice-like structures with water, represent an immense potential energy resource underlying large portions of the world's marine continental shelves and Arctic continental areas.

Drilling crews and research team members collected about 430 feet of core samples from this well. Subsequent data collection and analysis will continue for several months.

This research provides a better understanding of the occurrence of gas hydrates, and improves the understanding of the types of technology and protocols needed to identify, explore, and ultimately produce this resource.

The photos show a drill rig on the North Slope and a hydrate-saturated, fine-grained sand core from the Mt. Elbert #1 well.



RECREATION

Two Outcome Goals state the core intent of the Recreation Mission Area:

- ◆ Improve the quality and diversity of recreation experiences and visitor enjoyment on DOI lands
- ◆ Expand seamless recreation opportunities with partners

Benefits

Recreation is a vitally important part of Interior's mission. More than 22 million people live within 25 miles of Interior lands. Accessible and nearby, public land is quickly becoming America's backyard. The land we manage contains multiple recreational opportunities for individual enrichment through interaction with nature. Recreation activities are diverse—from off-road vehicles to contemplative wilderness experiences; from “edutainment” to work/play volunteerism.

Interior maintains and manages thousands of recreation areas. Close to 500 million people from around the world spend time in recreational activities on land managed by DOI. To the greatest extent possible, Interior works among its own Bureaus and with our partners to provide a seamless and enjoyable experience.

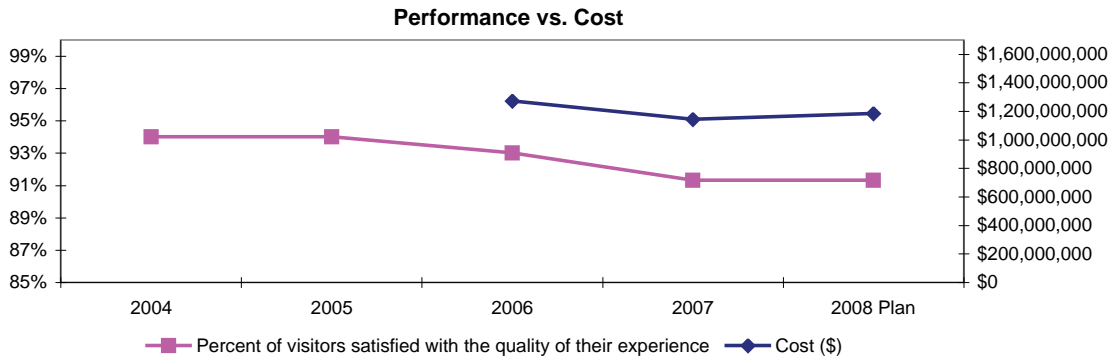
Interior's stewardship activities devoted to recreation are shared by the National Park Service, Bureau of Land Management, Fish and Wildlife Service and Bureau of Reclamation. They oversee our national parks, wildlife refuges, water recreation areas and public land recreation sites. Opportunities to visit and enjoy these natural resources are a benefit enjoyed by the public through the work in this Mission Area.

Discussion

The representative Strategic Plan measure chosen for the Recreation Mission Area is visitor satisfaction, which is measured through surveys. Surveys are typically distributed when visitors enter land or parks managed by NPS, FWS, or BLM. Questions are site-specific, so visitors might be asked about their various experiences, the ease in navigating through different sites or exhibits, if maps or permits were readily available, if park rangers were helpful, whether they gained a greater appreciation or understanding about the park, and the degree of overall satisfaction with their visit. Answers to the survey questions help identify and target areas where the Department can improve.

GOAL: Improve the quality and diversity of recreation experiences and visitor enjoyment on DOI lands

Representative Strategic Plan Measure: Percent of visitors satisfied with the quality of their experience



	2004	2005	2006	2007	2008 Plan
Percent of satisfied visitors	94%	94%	93%	91%	91%
Cost (\$)	Not Available	Not Available	1,273,925,343	1,144,335,910	1,183,143,898

Visitor satisfaction surveys are handed out to visitors by three different Bureaus with slightly different objectives. At the Department level there was a decline of two percent in measured visitor satisfaction this past year, although performance remains in the 90th percentile.

Fish and Wildlife Service has maintained a constant visitor satisfaction rate of 85 percent from 2005 through 2007, which is considered adequate for refuges where the primary purpose is to protect wildlife and habitat.

The National Park Service views the public as their customers. For NPS, visitor satisfaction maintains record levels. From 2004 to 2006, nearly 96 percent of park visitors rated the overall quality of services as good or very good. In 2007, satisfaction decreased only slightly to 95 percent, which is not considered significant. With the upcoming centennial of the establishment of the National Park Service, the President has called for the further enhancement of the national parks through a Centennial Initiative. The FY 2008 budget includes augmented annual funding and a special fund to match contributions up to \$100 million per year over the next ten years. With this influx of Centennial Initiative funding, we expect NPS visitor satisfaction to rise over the next few years. With visitor satisfaction already in the mid-90th percentile, the upward potential for improvement is limited. Our expectations are tempered by this diminishing marginal return on investment.

The Bureau of Land Management manages vast acres of multiple-use land. The BLM reports a decrease from their 2006 performance of 97 percent to 93 percent in FY 2007. The decrease may not be significant. Visitor satisfaction is harder to assess on BLM lands overall, as surveys are given primarily to those visitors who pay an entrance fee.

The success of the BLM's recreation and visitor services program is the direct result of developing and maintaining an extensive array of partnerships covering all aspects of the program. The recreation program has been successful in engaging volunteers, accounting for almost half of the Bureau's volunteer hours and nearly doubling the recreation workforce to serve visitors, maintain facilities, and restore resources. In 2006–2007, the BLM recreation program logged in over 575,000 volunteer hours at a value of \$9.5 million.

The population growth rate of the West affects management of the BLM recreation and visitor services program. The populations of eight out of the twelve Western States have grown over 50 percent, with the largest growth centered in urban areas, and the demand for outdoor recreation in the West has increased by 65 percent in the last 30 years. The extraordinary size of the uniquely American public estate, combined with the vast diversity of the BLM outdoor recreation setting, attracts 56 million visitors annually.

National Park Centennial Initiative

In August 2006, President Bush launched his National Park Centennial Initiative.

The Future of America's National Parks describes five centennial goals:

- ◆ **Stewardship** – Lead America and the world in preserving and restoring treasured resources
- ◆ **Environmental Leadership** – Demonstrate environmental leadership to the nation
- ◆ **Recreational Experience** – National parks are superior recreational destinations where visitors have fun, explore nature and history, find inspiration, and improve health and wellness
- ◆ **Education** – Foster exceptional learning opportunities that connect people to parks
- ◆ **Professional Excellence** – Demonstrate management excellence worthy of the treasures entrusted to our care



In honor of the NPS 91st anniversary, Secretary Kempthorne and Director Bomar announced a highly anticipated list of 201 eligible centennial proposals for 2008.

The eligible proposals were evaluated by teams of NPS professionals and represent a total investment of \$369.9 million – \$215.9 million from partners and \$154 million federal. Moving forward on these proposals depends on centennial legislation and appropriations by Congress.



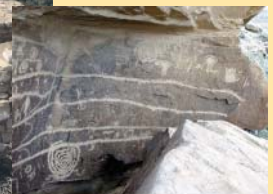
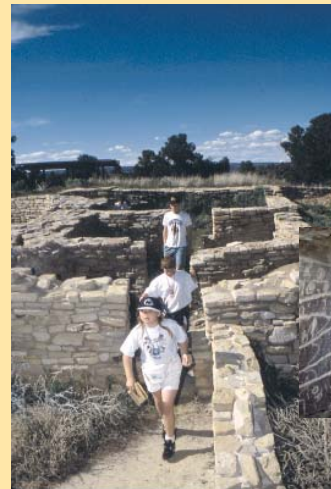
The photos show the Secretary with the National Park Centennial Initiative Report, The Future of America's National Parks, and Director Bomar with students from the Class of 2016 who demonstrated the interactive version of the report.

Archeological Site Bonanza Canyon of the Ancients National Monument

The 165,000-acre National Monument in southwestern Colorado contains some of the richest, best-preserved evidence of Native American culture in the United States. There are 5,000 documented archaeological sites at the Monument, with 20,000 to 30,000 predicted. Currently, about 60 sites are regularly monitored by volunteer site stewards and BLM staff. Some 3.5 million artifacts are curated at the Anasazi Heritage Center museum.

Volunteers assist in literally every program and aspect of operations at the Monument, including management and monitoring of archaeological sites, as well as preparing artifacts for storage and research at the museum.

More than 260 regular volunteers annually contribute an average 10,000–13,000 hours, effectively doubling BLM staff time with an in-kind value of nearly \$200,000 per year. These volunteer opportunities create the potential for everyone to become an advocate for America's cultural heritage.



The photos show visitors and volunteers to the Canyon and one of the many historic sites. At bottom right, is Lynn Scarlett, Deputy Secretary, with John Nau, Chairman of the Advisory Council on Historic Preservation.

Interior's fourth Mission Area has five Outcome Goals that describe Interior's efforts related to the safety and well-being of the American public and commitment to its trust responsibilities to Indians, Alaska Natives and island communities.

- ◆ Improve protection of lives, resources and property
- ◆ Improve understanding, prediction, and monitoring of natural hazards to inform decisions by civil authorities and the public to plan for, manage, and mitigate the effects of hazard events on people and property
- ◆ Fulfill Indian fiduciary trust responsibilities
- ◆ Advance quality communities for tribes and Alaska natives
- ◆ Increase economic self-sufficiency of insular areas

Benefits

The measures contained under the Outcome Goals describe how the DOI works to improve the quality of life in the communities we serve. The Department assesses different types of activities under this Mission Area, from unplanned wildland fires to Interior's Indian fiduciary trust responsibilities to reducing the impacts of natural hazards on people and property through scientific research. A whole range of performance measures track how the Department is advancing the quality of life for tribes and Alaska natives—measures that assess our work in the arenas of education, public safety through crime control, and financial accountability.

The American public is the direct beneficiary of the DOI's focus in serving communities.

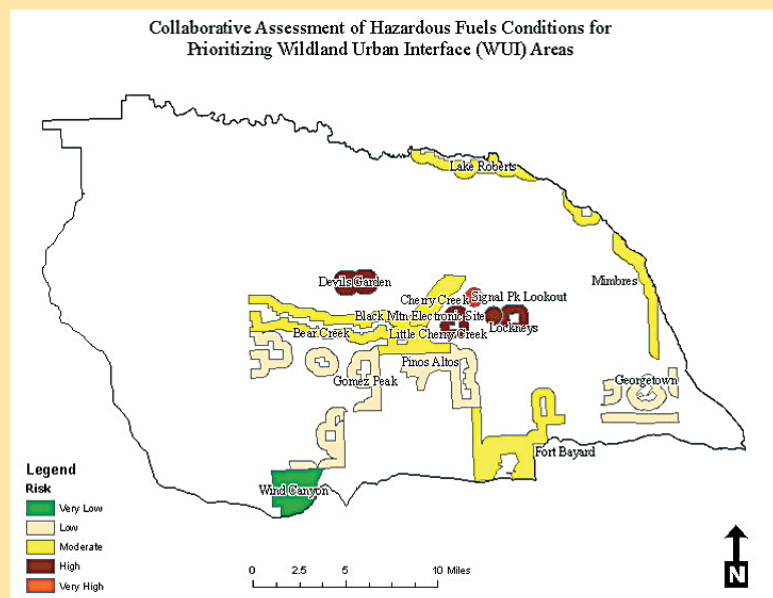
- ◆ Wildland fire measures deal with the effects of fire and fuel treatments on communities located near or adjacent to DOI lands. The Office of Wildland Fire Coordination tracks how many acres of land can be treated through fuel reduction so catastrophic fires are less likely to occur. These efforts directly increase the safety of residents who live in those areas.
- ◆ The Department's science Bureau, USGS, offers technical assistance and advice to State and local communities that could be affected by natural hazards. The information helps these communities develop emergency evacuation procedures, update city emergency plans and look for ways disasters can be mitigated through advance planning.
- ◆ Indian tribes benefit from Interior's funding for Indian schools that often serve children who live in such remote locations that no other school is conveniently accessible.
- ◆ Bureau of Indian Education helps serve the educational needs of Tribal communities through 184 BIE-funded elementary and secondary schools.
- ◆ The Office of the Special Trustee for American Indians is updating century-old trust recordkeeping so that Indian beneficiaries have confidence in the accounting and are promptly and accurately paid.

Strengthening Wildland Fire-Fighting

The LANDFIRE program provides fire and land managers with information required to identify land vegetation and hazardous fuel build-up. Decades of land use, fire exclusion, exotic species invasions, and, to some extent, climate change have altered the landscape. As a result, the number, size, and severity of wildfires have changed significantly.

Hazardous fuel reduction, ecosystem rehabilitation and restoration, and firefighting safety are priorities of land managers. LANDFIRE produces maps of hazardous fuels and vegetation in specific areas that aid land managers in identifying fuel treatment opportunities.

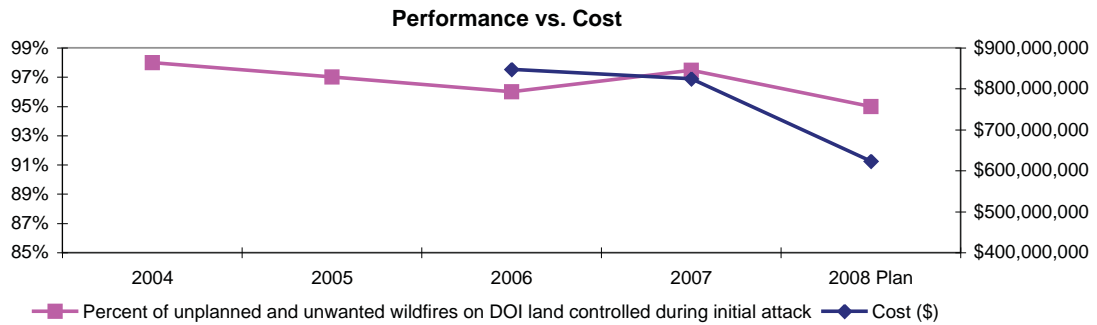
One example is the Signal Peak Assessment Area in Southwest New Mexico. The data were modeled and analyzed to classify lands into low, moderate, and high potential fire behavior hazard. Spatial comparisons were conducted to identify where treatments were most effective and assess options near wildland urban interface, Mexican spotted owl habitat, and other key resource concerns.



Discussion

GOAL: Improve protection of lives, resources and property

Representative Strategic Plan Measure: Percent of unplanned and unwanted wildfires on DOI land controlled during initial attack

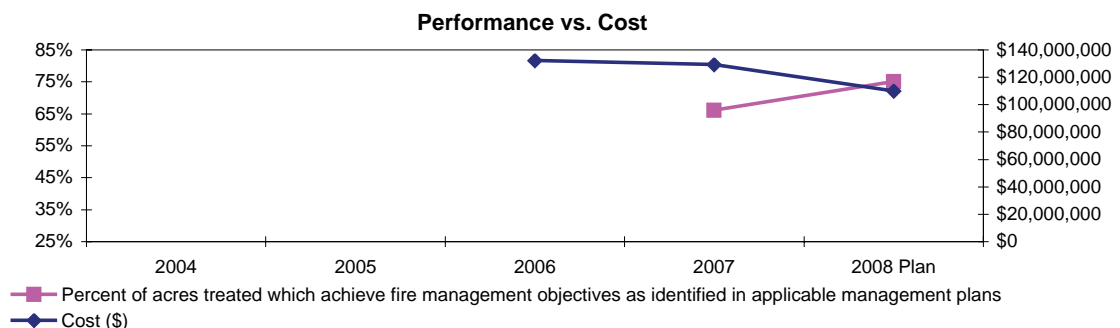


	2004	2005	2006	2007	2008 Plan
Performance	98%	97%	96%	97%	95%
Fires controlled during initial attack	5,852	2,325	9,790	6,270	95
Total fire ignitions	5,947	2,406	10,149	6,432	100
Cost (\$)	Not Available	Not Available	847,893,380	825,011,119	623,479,918

After the unprecedented fire season of 2000, the President requested a report recommending how to respond to severe, ongoing fire activity, reduce impacts of fires on rural communities and the environment, and ensure sufficient firefighting resources in the future. The report became the cornerstone of the National Fire Plan. The Department of Agriculture Forest Service and DOI work collaboratively to provide seamless wildland fire protection. DOI fire management activities are performed by four Bureaus: BLM, FWS, NPS, and Indian Affairs. Interior's Office of Wildland Fire Coordination coordinates their efforts.

The 2008 budget proposes a shift in funds from firefighters whose job is extended attack and large fire support to firefighters available for initial response. The proposal would add 238 firefighters to better guarantee an initial attack strength that is able to maintain performance of at least 95 percent of fires suppressed on initial attack. Maintaining an effective initial attack capability is critical to controlling fires when they are small and less costly to suppress.

Representative Strategic Plan Measure: Percent of acres treated which achieve fire management objective as identified in applicable management plans



	2004	2005	2006	2007	2008 Plan
Percent of acres treated			New for 2007		
Cost (\$)	Not Available	Not Available	132,009,662	129,068,455	109,935,403

Years of natural fuels buildup, coupled with drought, insect, and disease damage, make our forests vulnerable to environmentally destructive fires. Many of our forests are fifteen times denser than they were 100 years ago. Where 25 to 35 trees per acre once grew, now more than 500 trees are crowded together.

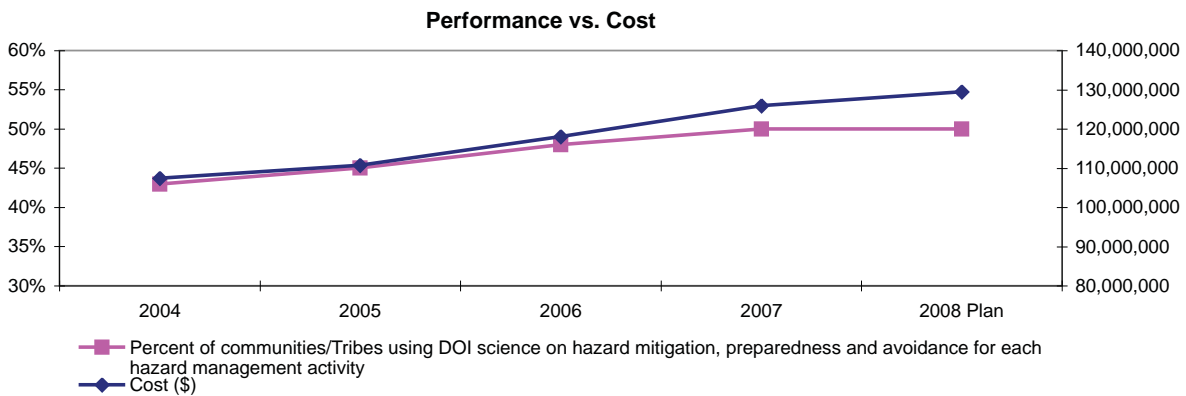
This measure tracks the impact on acres treated through fuel reduction as a percent of targeted goals. The goal of treatments is to change fuel conditions by removing or modifying buildup of flammable underbrush in forests and woodlands and reducing threats from flammable invasive species on rangelands.

The ability to provide summary reports of fire funding and project performance information continues to be a challenge. Attention necessitated by the quantity and severity of fire incidents occurring over the past few years has drawn workforce efforts away from focus on enhancing information sources.

The percent of acres treated that achieve fire management objectives was at 66 percent in 2007. Targets were initially estimated based on a higher success rate for overall treatment objectives than actually occurred. Consequently, the FY 2008 target is being reevaluated in light of 2007 results.

GOAL: Improve understanding, prediction, and monitoring of natural hazards to inform decisions by civil authorities and the public to plan for, manage, and mitigate the effects of hazard events on people and property

Representative Strategic Plan Measure: Percent of communities/tribes using DOI science on hazard mitigation, preparedness and avoidance for each hazard management activity



	2004	2005	2006	2007	2008 Plan
Percent of communities/Tribes using DOI science	43%	45%	48%	50%	50%
Cost (\$)	107,436,102	110,733,990	118,005,777	125,913,313	129,428,617

USGS has primary responsibilities for the hazard mitigation measure, under the Disaster Relief Act of 1974, by issuing alerts about volcano, earthquake, and landslide activity. USGS protects communities by significantly reducing the vulnerability of the millions of people most at risk from having their lives endangered by natural hazards.

Performance is tracked by the average percent of at-risk communities which use USGS science products to mitigate, prepare for, or avoid one of these hazards. The volcanoes program has identified 256 at-risk communities, of which 83 percent have applied the USGS science products; the earthquake program has 885 localities, with 63 percent who have adopted appropriate building codes; and 1,800 communities at risk of landslides, of which 5 percent have taken subsequent action. The information provided by USGS is considered *used* if a community implements a disaster

response plan, updates building codes, or revises city plans utilizing this information—all of which can take years.

Performance is expected to continue at comparable levels. Here, costs are a reflection of the size and level of effort needed by each study, depending upon the scope and complexity of the study subject. The level of application of the study findings is determined more by the usefulness and relevance of the work, along with the willingness of the community to implement, rather than the cost of the necessary effort.

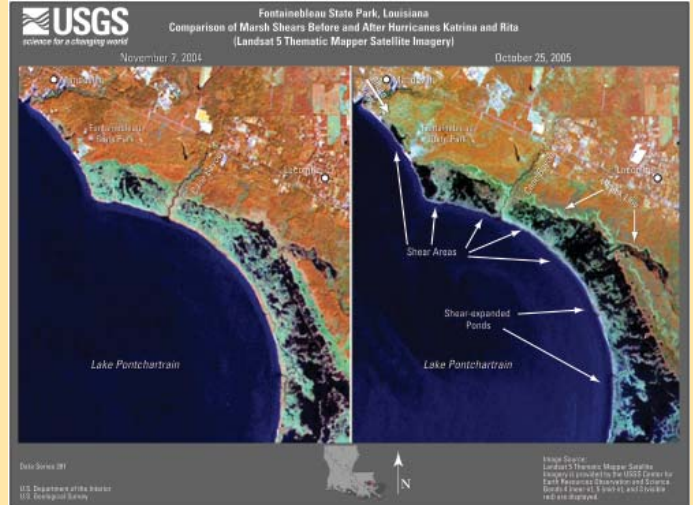
The volcanoes program released the first-ever comprehensive and systematic review of the 169 U.S. volcanoes in 2005.

The Volcano Hazards Program monitors volcanoes to detect earthquakes, ground deformation, temperature change, and

Before/After Hurricanes Katrina & Rita Changes in Coastal Louisiana

In 2007 the U.S. Geological Survey's National Wetlands Research Center published two reports documenting the 217 square mile loss of Louisiana coastal land after Hurricanes Katrina and Rita.

- ◆ The USGS Data Series Report 281, *Satellite Images and Aerial Photographs of the Effects of Hurricanes Katrina and Rita on Coastal Louisiana* <<http://pubs.usgs.gov/ds/2007/281/>>, contains dozens of Landsat Thematic Mapper satellite imagery and aerial photography, acquired before and after the hurricanes, showing new water areas that represent land losses caused by direct removal of wetlands.
- ◆ The article, “**Land Area Changes in Coastal Louisiana After Hurricanes Katrina and Rita**,” describes in detail how land losses occurred in the various basins along the State’s coast. This work serves as a regional baseline for monitoring post-hurricane wetland recovery.



volcanic gas emissions. A major goal of the VHP is to develop a National Volcano Early Warning System, a nationally integrated system that provides 24/7 situational awareness and data for all potentially hazardous U.S. volcanoes.

In FY 2007 the USGS Earthquake Hazards Program completed its five-year update of the National Seismic Hazard Maps. These maps influence the seismic provisions in national and international building codes—affecting billions of dollars of new construction every year. USGS tracks code adoptions by communities nationwide as a key outcome measure for reducing the Nation’s earthquake risk. EHP also provides

custom hazard mapping and analysis tools, to help users tailor a suite of hazard mapping products to their specific needs.

The Landslide Hazards Program focuses on research to better understand the causes of ground failure. Research is conducted on landslides related to steep slopes, heavy rains, and vegetation loss due to wildfires. Such a modestly funded program will never be able to reach every one of the 1,800 at-risk communities, so work is prioritized in areas where the hazard is greatest and where the most help can be leveraged from partners.

GOAL: Fulfill Indian fiduciary trust responsibilities

Representative Strategic Plan Measure: Percent of financial information accurately processed in trust beneficiary accounts

	2004	2005	2006	2007	2008 Plan
Financial information accurately processed	18%	99.7%	99.7%	99.8%	99.8%
Cost (\$)	14,679,497	12,574,349	13,695,762	17,178,852	Not Available

The Office of the Special Trustee for American Indians was established by the American Indian Trust Fund Management Reform Act of 1994 to improve the accountability and management of Indian funds held in trust by the Federal government.

OST, through the Office of Historical Trust Accounting, continues to scan 120 years of financial records that document payments to American Indians for leasing rights to land parcels that were allotted to tribal members in 1887. Four hundred million pages of records are maintained at a

secure, low-cost site in Lenexa, Kansas, and records are still arriving from around the country.

Trust income is generated from the sale or rental of Indian-owned land and natural resources for timber harvests, grazing, and royalties received from oil and natural gas exploration and production. Funds also are derived from interest earned on invested funds, as well as awards or settlements of tribal claims. OST maintains about 1,800 accounts for tribal entities and approximately 371,000 open Individual Indian Monies accounts and manages about \$3.3 billion of investments.

With a staff of 641 employees, OST has overseen efforts to overhaul the trust’s accounting system, collect its records, and consolidate the trust’s software systems. Those efforts have paid off as reflected in the performance results for FY 2007—99.8 percent accuracy.

Historical accounting efforts continue on nearly 270,000 IIM accounts resulting from land-based income receipts. Interior’s Historical Accounting Project document, published on May 31, 2007, projects the reconciliation to be completed by FY 2011.

Representative Strategic Plan Measure: Probate—percent of estates closed

	2004	2005	2006	2007	2008 Plan
Percent of estates closed	New for 2007			89%	100%
Cost (\$)	Not Available	Not Available	80,445,363	89,702,443	Not Available

Indian Affairs is responsible for increasing the efficiency of probate case preparation and distribution and OST for improving the accuracy and timeliness of ownership information. Reliable trust ownership records are crucial to making accurate payments to trust beneficiaries and also essential to economic development of Indian lands. This measure was assessed in a new manner beginning in FY 2007. Performance will likely remain at the high level established in 2007.

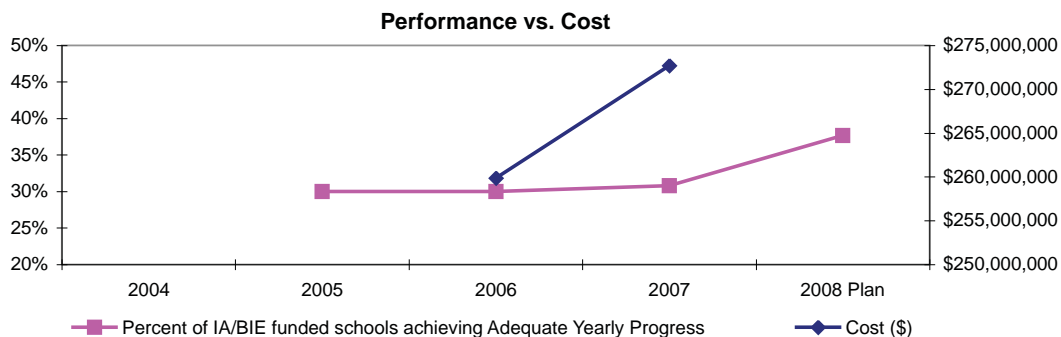
case preparation was completed. The expected outcome from this effort is that the percent of estates considered closed will increase to address virtually all pending cases in FY 2008.

The probate program prepares probate cases for submission so that legal heirs can be determined and estates can be distributed. One of the challenges has been the probate backlog, due to fractionation, which has delayed distribution of assets. Fractionation occurs when ownership of Indian trust land is divided, generation after generation, among all eligible descendants. Typically an estate is not considered closed until the assets have been disbursed to the heirs. This situation has improved to such an extent that, at the end of 2007, all backlog

OST is also reducing the size of the “Whereabouts Unknown” list. OST manages approximately 371,000 Indian trust accounts. Of these, a significant number receive \$10 or less in income each year. Beneficiaries move and often don’t notify OST that their address has changed. If these beneficiaries die, OST and IA must know where they are because the interest has to be probated, no matter how small, to keep the chain of title current. In FY 2007, approximately 37 percent of Whereabouts Unknown accounts were resolved, exceeding the annual target of 25 percent. Additionally, collaborative efforts between OST and IA resulted in approximately \$21.8 million being distributed to individual Indian trust account holders who were previously on the Whereabouts Unknown list.

GOAL: Advance quality communities for tribes and Alaska natives

Representative Strategic Plan Measure: Percent of IA/BIE funded schools achieving Adequate Yearly Progress



	2004	2005	2006	2007	2008 Plan
Performance	New Measure	30%	30%	31%	38%
Schools achieving AYP		51	51	53	64
Total number of schools		170	170	172	170
Cost (\$)	Not Available	Not Available	259,856,744	272,683,614	Not Available

Achieving Indian education goals continues to be a challenge. The No Child Left Behind Act established Adequate Yearly Progress in math and language arts as the determining performance factor for success in schools nationwide, including those in the BIE school system. Currently, 31 percent of BIE schools met AYP. However, the most recent figures show some additional progress: 27 percent of schools not making AYP improved in math and 20 percent improved in reading.

Raising the AYP level is a BIE priority. After receiving the AYP results for School Year 2004–2005, BIE held consultations with the Department of Education, the Office of Inspector General, and principals of BIE schools to identify key risk areas that would likely improve student performance. One of

the major risks was lack of a functional management structure. The implementation of a management structure capable of improving academic outcomes and program administration will be ongoing in FY 2008.

The FY 2008 budget includes an increase of funding for the *Improving Indian Education Initiative*.

AYP goals are also supported by providing quality learning environments. Conditions of the school buildings have improved over the past five years. Funds either provide maintenance to bring facilities up to standard or, if the cost of restoration is more than the cost of replacement, are used to build a replacement school.

DOI Environmental Achievement Award Goes to First Mesa Elementary School
Polacca, AZ

First Mesa Elementary School can serve as many as 400 Indian elementary students. As the first Leadership in Energy and Environmental Design-certified school in Arizona, the school facility responds to a variety of environmental issues important in this remote and arid region.

The colors and materials selected for the exterior of the building were chosen to complement the surrounding natural environment and reflect traditional Hopi culture. The school boasts many environmentally preferable features. No potable water is used for irrigation. Fixtures, including sinks, urinals and toilets, achieve more than 30 percent savings in water usage. All mechanical and electrical systems were commissioned to maximize performance. Despite the remoteness of the site, the school has initiated an aggressive recycling program.



Representative Strategic Plan Measure: Part I violent crime incidents per 100,000 Indian Country inhabitants receiving law enforcement services

	2004	2005	2006	2007	2008 Plan
Part I violent crime incidents	Baseline established in 2006		492	374	492
Cost (\$)	Not Available	Not Available	30,480,251	25,690,548	Not Available

The level of Part I violent crime is the determining measurement for safety in Indian Country. Part I violent crime refers to murder and nonnegligent manslaughter, forcible rape, robbery, and aggravated assault as reported to the FBI for purposes of the Uniform Crime Reports.

Indian reservations suffer high homicide rates, juvenile crime and gang activity, child abuse, and substance abuse. The spread of methamphetamine is compounding the problem.

The spread of methamphetamine is a critical culture-threatening issue. Drugs flow across the border, and reservations are prime locations for delivering methamphetamine. A recent Indian law enforcement

agency survey indicated a relationship between meth proliferation and increases in violent crime.

In the FY 2008 Interior Budget, the Safe Indian Communities Initiative will apply additional funds to combat the methamphetamine and related problems. IA will put an additional 50 law enforcement agents in targeted communities based on the crime rate, population, and current staffing levels, and also invest in specialized training for the current force. The certified drug officer total will go from eleven in 2007 to 111 in 2008. More officers on patrol will have the knowledge and tools to break up drug trafficking, disrupt the activities and organization of crime groups, and seize illegal substances.



Methamphetamine Dealers Routed

In the last three years, the Wind River reservation has been targeted by the Sinaloa Cowboys, a group of highly organized, violent Mexican drug dealers, as a prime area to sell methamphetamine. IA law enforcement officers sought permission from the Tribal counsel to take action. Tribal officials gave permission and strong support.

IA officials formed a task force with the State of Wyoming, federal agencies, and the cities of Lander and Riverton, Wyoming. Wire taps were obtained and in May, 2006, approximately 53 suspects were charged and 43 arrested for drug crimes. This was one of the largest operations conducted on Indian land.

In January 2007, the task force learned that methamphetamine was once again being distributed in the same area. On September 25, 2007, about 150 law enforcement personnel arrested 35 defendants.

The photo shows IA law enforcement officers in training.

GOAL: Increase economic self-sufficiency of insular areas

Representative Strategic Plan Measure: Ratio of Federal revenue to total revenues in insular areas

	2004	2005	2006	2007	2008 Plan
Federal Assistance as a percentage of GDP	26%	25%	28%	30%	30%
Cost (\$)	Not Available	Not Available	Not Available	Not Available	Not Available

The insular areas in this measure refer to Guam, American Samoa, the U.S. Virgin Islands and the Northern Mariana Islands, as well as the three freely associated states: the Federated States of Micronesia, the Republic of the Marshall Islands, and the Republic of Palau.

The Office of Insular Affairs assists the island governments to develop more efficient and effective financial management practices and increase development opportunities so that island contributions to their total revenues increase.

Three of the four territories face economic challenges, and all are facing fiscal difficulties.

- ◆ The Mariana Islands rely heavily on tourism, which took a recent downturn along with tourism in the rest of Asia. The rapidly dwindling garment industry has been negatively impacted by trade agreements affecting clothing and textiles.
- ◆ Guam depends primarily on tourism and is a popular destination for Japanese, Korean and Chinese tourists. The economy is expected to stabilize when U.S. Marine personnel and operations transfer to Guam sometime in 2007–2008.

Infrastructure Key to Successful Economics

OIA has worked to improve the environment for economic development in the insular areas. OIA's facilitation efforts are beginning to yield results.

- ◆ A company is exploring financing options to bring a fiber-optic cable to American Samoa. The cable provides several benefits, such as allowing a call center to open and providing high speed internet access.
- ◆ A financial investment firm is relocating a large portion of its operations to the U.S. Virgin Islands. This will provide new jobs and tax revenue for the local government.

Through OIA's infrastructure development programs, the foundation for further economic growth is being established. For example, 62 classrooms were completed in the Republic of the Marshall Islands in FY 2007.

Additionally, a Public Health and Dialysis Center was finished this past year on the island of Saipan in the Northern Mariana Islands. These activities will assist the islands in their economic development efforts.



- ◆ American Samoa relies on two tuna canneries that employ 10,000 people. Unfortunately, these are likely to shut down soon as a result of changes in international trade and tariff policies.
- ◆ The American Virgin Islands is a popular tourist destination. Its manufacturing sector consists of a more diversified economy than the other territories. However, it faces a potentially serious challenge from changes in tax law.

The fourth Conference on Business Opportunities in the Islands was held on Guam in October 2007. The conference

provided an opportunity for U.S. business people to meet with island entrepreneurs and business owners to strengthen the island economies. The conferences draw business people from the construction, airline, travel and tourism, environmental technology, and communications technology industries.

Improving island economies continues to be extremely challenging, especially due to the remote locations of these territories and their relatively small populations. Performance is expected to remain essentially the same for 2008. Funding for this measure is over \$70 million annually.

MANAGEMENT EXCELLENCE

The Department's Strategic Plan 2007–2012 is organized into four main Mission Areas. A fifth area, Management Excellence, provides the enabling framework for accomplishing our mission through improved business processes, practices, and tools. Of course, any accomplishments would not be possible without the key element—a highly skilled, diverse, and dedicated workforce.

In FY 2007, Interior continued to make progress in areas targeted by the President's Management Agenda. The PMA is a strategy for improving the management of the Federal Government. The focus is on performance and results. Quarterly reviews by Office of Management and Budget examine six areas in which improvements and progress can

be made: human capital, improving financial performance, competitive sourcing, e-government, budget/performance integration, and real property.

OMB uses an Executive Branch Management Scorecard to monitor agencies' status and progress toward attaining PMA goals.

For FY 2007, Interior joins an elite group of seven Federal agencies which are not Red for status or progress in all six initiatives. Moreover, Interior anticipates achieving Green for status and progress for the six PMA initiatives by the end of FY 2008.

GOAL: Increase accountability

OUTCOME: Improving Financial Performance

	FY 2006		FY 2007		Expected FY 2008	
	Status	Progress	Status	Progress	Status	Progress
PMA Scorecard Rating	R	G	Y	G	G	G

The Department's goal to increase accountability through improved financial management focuses on four individual performance measures. Financial management begins with accounting transactions and encompasses every aspect of our mission and program performance across the agency. The measures we have chosen are:

- ◆ Percent of reporting entities' receiving a clean audit opinion
- ◆ Percent of entities maintaining an effective internal control environment

- ◆ Percent of material weaknesses or non-compliance corrected within established schedules
- ◆ Percent of financial performance metrics met or exceeded.

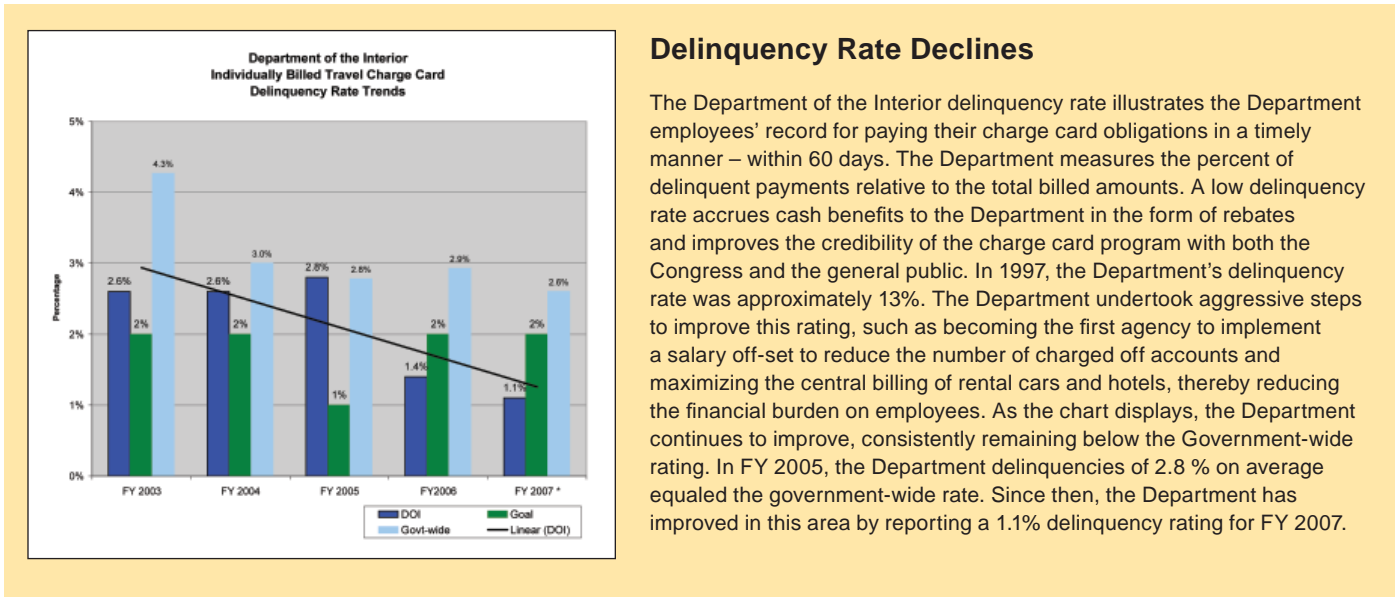
The Department continues to pursue improved financial management. Our progress rating above is indicative of our commitment. Implementation has begun on the integrated financial management system that will significantly enhance the accuracy, timeliness, and usefulness of financial information that drives decisionmaking and results. This system will link critical transaction and budget formulation

systems and allow all levels of management to view consistent real-time data to monitor performance.

As with every large decentralized organization providing diverse services, the collection of useful and consistent management information is difficult. Our challenge is made even more difficult by the number of independent and unique software systems employed by our Bureaus and offices. We overcome this hurdle from an accounting and reporting

perspective with significant manual efforts and other mitigating controls. As referenced in our Office of Inspector General, Top Management Challenges report, the Department has several initiatives underway to improve this area, such as the FBMS implementation.

Additionally, we have proactively worked to improve our controls and this effort has resulted in no material weaknesses being identified for FY 2007.



Delinquency Rate Declines

The Department of the Interior delinquency rate illustrates the Department employees' record for paying their charge card obligations in a timely manner – within 60 days. The Department measures the percent of delinquent payments relative to the total billed amounts. A low delinquency rate accrues cash benefits to the Department in the form of rebates and improves the credibility of the charge card program with both the Congress and the general public. In 1997, the Department's delinquency rate was approximately 13%. The Department undertook aggressive steps to improve this rating, such as becoming the first agency to implement a salary off-set to reduce the number of charged off accounts and maximizing the central billing of rental cars and hotels, thereby reducing the financial burden on employees. As the chart displays, the Department continues to improve, consistently remaining below the Government-wide rating. In FY 2005, the Department delinquencies of 2.8 % on average equaled the government-wide rate. Since then, the Department has improved in this area by reporting a 1.1% delinquency rating for FY 2007.

GOAL: Advance modernization/integration

OUTCOME: E-Government

	FY 2006		FY 2007		Expected FY 2008	
	Status	Progress	Status	Progress	Status	Progress
PMA Scorecard Rating	Y	R	Y	Y	G	G

Related Strategic Plan Measure: Score achieved on the OMB Enterprise Architecture Framework

In 2007, the Integrated Enterprise Architecture program received a green rating from OMB and was recognized as one of the top five enterprise architecture programs across the Federal government for the third consecutive year. The program issued a Governance Plan that outlined the decisionmaking processes used to develop segment and DOI enterprise architectures and an Enterprise Transition Strategy, both approved by the Deputy Secretary. IEA also implemented data quality performance measures and objectives for the

Departmental Enterprise Architecture Repository which were incorporated into quarterly evaluations of Bureau Enterprise Architecture programs.

The IEA program completed and gained approval from the Investment Review Board of two additional modernization blueprints for Human Resource Management, and Land Management Planning and National Environmental Policy Act compliance.

Interior Enterprise Architecture Sustained Excellence

For the past three years, the Department of the Interior has been recognized as a leader in enterprise architecture across the federal government. According to the OMB, the DOI EA program was ranked #1 in FY 2005, 2006, and one of the top five rated agencies for 2007. The GAO also rated the EA program as the most mature in its last government-wide assessment in 2006 by having completed 97% of all elements.

Over the past few years, the IEA has developed modernization blueprints that guide projects aimed at maximizing program performance. Collectively, these blueprints identify over 100 legacy systems/sub-systems that will be retired when the target solutions are deployed.

OMB has cited DOI's approach – Methodology for Business Transformation – as a best practice that other federal agencies can leverage in developing their architectures.

Table 6: Percentage of Framework Elements Satisfied by Department and Agency Architecture Programs within Each Maturity Stage

Departments/Agencies and Maturity Stages	Percent of framework elements satisfied	Percent of Stage 2 elements satisfied	Percent of Stage 3 elements satisfied	Percent of Stage 4 elements satisfied	Percent of Stage 5 elements satisfied
Department of the Interior	97	100	100	88	100
Department of Housing & Urban Development	94	100	100	75	100
Department of the Labor	87	100	100	88	63
Department of the Justice	77	100	100	63	50
Stage 2					
Office of Personnel Management	94	100	83	88	100
Department of Homeland Security	77	100	83	75	50
Department of Agriculture	61	100	67	50	25
Stage 1					
Department of Commerce	87	89	100	88	75
Social Security Administration	87	89	100	100	69
Department of Education	84	89	100	75	75
Department of Energy	77	89	83	88	50
National Aeronautics and Space Administration	71	67	100	63	63
Small Business Administration	71	78	67	75	63
Department of the Treasury	71	78	83	63	63
Department of Health and Human Services	71	89	100	38	63
Environmental Protection Agency	74	89	83	88	38
Department of Defense – Global Information Grid	71	89	67	75	50
Department of Defense – Business Enterprise Architecture	68	78	67	63	63
Department of Veterans Affairs	65	78	83	60	50
Department of Transportation	65	78	83	50	50
Department of State	58	67	67	63	38
General Services Administration	55	67	50	50	50
Nuclear Regulatory Commission	55	67	83	60	25
National Science Foundation	52	78	67	25	38
Department of the Air Force	48	56	67	38	25

GAO-06-831 Enterprise Architecture

Related Strategic Plan Measure: Percent of completed IT projects for which customers report objectives were met

With 28 major IT investments in the operations and maintenance stage, 24 have conducted operational analyses to determine if customer objectives were achieved. The remaining four have operational analyses underway or planned.

Of the 24 operational analyses that have been conducted, 21, or 87.5 percent, indicate that customer objectives were met and that business requirements were satisfied. The three investments that did not report customer satisfaction have adequate plans to ensure customer objectives will be met through a combination of system replacements, retirements, and enhancements.

OUTCOME: Human Capital Management

	FY 2006		FY 2007		Expected FY 2008	
	Status	Progress	Status	Progress	Status	Progress
PMA Scorecard Rating	G	G	G	G	G	G

Related Strategic Plan Measure: Percent of employees who have resolved competency gaps for specified occupational groups representing Departmentwide skill needs.

In 2004, the Department purchased a computer system to help identify competency gaps in specified occupational groups. The Department continues to work with OPM and vendors to configure the system to capture the desired data and address the competency gaps in various occupational groups. When the competency assessment tool is available on the learning management system (DOILEARN), we will

develop baseline data on proficiency levels of selected occupations. We will compare that baseline with occupational outcome criteria and track progress after strategies to close the gaps have been implemented. Until the tool is successfully launched, we will measure our success in terms of staffing level trends in selected occupations and report an aggregate percent change.

Related Strategic Plan Measure: Increase in the percentage of qualified, highly skilled, diverse candidates hired as a result of implementing specified requirements of the DOI Strategic Plan for Achieving and Maintaining a Highly Skilled and Diverse Workforce, FY 2005–2009.

During FY 2007, DOI invested resources and the following strategies to increase the percentage of highly skilled, diverse candidates hired by the Department:

- ◆ Used a diversity recruitment consortium to help recruit and place students from partner educational institutions
- ◆ Created the Indian Excellence Program to assist managers in outreach and recruitment of Indian students
- ◆ Developed a corporate targeted recruitment tool to locate and hire applicants for mission critical occupations
- ◆ Established linkage with the <www.DisabilityInfo.gov> website as a resource for individuals with disabilities

- ◆ Reinforced communication and collaboration with employee-focused groups
- ◆ Implemented cooperative partnerships with external organizations, such as the National Association for Equal Opportunity and the League of United Latin American Citizens, to strengthen outreach and recruitment to diverse segments of the labor force

Despite these efforts, DOI has experienced a decrease in the number of total hires, and a 3.8 percent decrease in the percent of women, minorities, and persons with disabilities since the first quarter of FY 2007. In light of this decrease, more remains to be done to fill competency gaps with skilled, diverse candidates.

OUTCOME: Organizational Reviews and Acquisitions (Competitive Sourcing)

	FY 2006		FY 2007		Expected FY 2008	
	Status	Progress	Status	Progress	Status	Progress
PMA Scorecard Rating	G	R	G	Y	G	G

Related Strategic Plan Measure: Number of FTE in competitive sourcing studies completed during the fiscal year

Through the end of FY 2007, DOI had completed competitions on 2,725 FTEs, and directly converted another 1,773 FTEs. In all those efforts, only one employee was impacted by involuntary actions. These studies have resulted in current cumulative annualized savings over \$6M. Savings have been reinvested in deferred maintenance projects, upgrading utility systems, absorption of increased fuel costs, upgrading equipment, and purchasing supplies in larger quantities to take advantage of quantity discounts. We completed competitions impacting 223 FTEs during FY 2007, and studies impacting 466 FTEs are still in progress. Included in that number is an NPS-wide review of human capital functions. This competition is being conducted concurrent with an organizational review

of all human capital functions, which could result in dramatic change and improvement in how those critical services can enhance NPS missions.

Status of Competitions

- ◆ Completed to Date
 - Standard = 510 FTEs
 - Streamlined = 2,215 FTEs
 - Direct Conversions = 1,773 FTEs
- ◆ In Progress
 - Standard = 466 FTEs
 - Streamlined = 100 FTEs

Related Strategic Plan Measure: Percent savings compared to relevant GSA Federal Supply Schedule prices for contracts awarded through Strategic Sourcing

The FY 2007 GPRA Strategic Sourcing Initiative target was to achieve an overall savings of two percent compared with the General Services Administration's Federal Supply Schedule. Strong partnerships were developed with offices and bureaus to advance this initiative. By collaborating across the Department, we exceeded the goals to streamline the procurement process, reduce administrative and commodity costs, improve management efficiency, and

maintain the Department's commitment to small business and environmental objectives. The following Strategic Sourcing commodities were completed in FY 2007 and realized significant savings compared to the Federal Supply Schedule: IT Equipment (23%); Office Supplies (15%); Relocation Services (9%); Domestic Delivery (25%); and Wireless Equipment and Services (5%). We plan to sustain this level of performance in FY 2008.

OUTCOME: Real Property Asset Management

	FY 2006		FY 2007		Expected FY 2008	
	Status	Progress	Status	Progress	Status	Progress
PMA Scorecard Rating	Y	G	Y	G	G	G

Related Strategic Plan Measure: Overall condition of buildings and of structures (as measured by the FCI) that are mission critical and mission dependent, (as measured by the API) with emphasis on improving the condition of assets with critical health and safety needs.

Over the past three years, since the development, approval and implementation of the Asset Management Plan, processes, and tools, the Department of the Interior has significantly improved the overall condition of its constructed asset portfolio. Specifically, the AMP, implemented in 2005, provided guidance on the conduct of comprehensive and annual facility/asset condition assessments. The AMP also

provided the framework and initial guidance used to gather facility/asset data and populate the Federal real property profile database. As the process of data collection and analysis has matured, use of data to make daily business decisions that improve the overall condition of assets has increased.

Restoring Essential Assets

The Sacramento Landing is located on the shores of 12-mile long Tomales Bay at the Point Reyes National Seashore in Northern California. The Sacramento Landing pier was a deteriorated timber pier that provided access to a floating dock used to moor NPS vessels. The pier had deteriorated to such an extent that it was condemned for public use after a 40-foot section of the pier collapsed.

This completed project provides an all-weather safe anchorage for the park emergency response boats and enables the boats to respond during any tide cycle. It also provides an environmentally safe fueling station. In addition to being the only pier within the park suitable for use of law enforcement and emergency response operations, the Tomales Bay Marine Station is the only marine facility for research on Tomales Bay and crucial to promoting many research and monitoring studies on coastal resources. Tomales Bay specific studies include monitoring water quality, fish, seals and invasive non-native species. The facility will also accelerate the All Taxa Biodiversity Inventory of Tomales Bay, which had documented over 2,000 marine species in the past four years.



OUTCOME: Performance-Budget Integration (Performance Improvement)

	FY 2006		FY 2007		Expected FY 2008	
	Status	Progress	Status	Progress	Status	Progress
PMA Scorecard Rating	Y	G	Y	G	G	G

The development and application of Representative Performance Measures, as displayed in this report, provide a clearer overview of progress being made against the Strategic Plan.

- ◆ The graphs and tables in this report display, as available, past trends and a preview of what is expected in the near future in achieving the Department's set of goals. The addition of relative funding, provided via use of activity-based costing, offers insight into the relationship of funding with realized and planned performance.
- ◆ Many of the relationships between funding and performance are not linked to the extent that one dollar achieves a unit of achieved performance in a single year. While annual performance targets and annual appropriations focus our attention on a single year, funding over several years may be needed to attain the final achievement of an acre of land to desired condition or the stabilization of an endangered species.
- ◆ While some of the selected Representative Performance Measures do not display much past history, their presence signals the onset of continued, routine tracking of performance. We will continue to emphasize these measures in future PARs and report on their results year after year.

◆ Program Reviews

- Under the President's Management Agenda for Budget and Performance Integration, specific program-level reviews are conducted in consultation with the Office of Management and Budget using the Program Assessment Rating Tool. More detailed information regarding findings and follow-on actions that are under way can be found on the <www.ExpectMore.gov> website.
- In FY 2007, progress in implementing follow-on actions continued, most notably in terms of six programs previously rated as "Results Not Demonstrated" successfully accomplishing ratings of "Adequate to Moderately Effective." A higher level of direct engagement of senior management significantly helped this year's conduct of program assessments and is a continuing practice. The perspective and guidance provided by these senior individuals were invaluable to ensuring a more thorough response to policy question, providing overall programmatic context, ensuring attention of the related OMB examiner, and providing related support to the associated program personnel.
- The most significant challenges that remain for those programs with ratings of "Results Not Demonstrated" include successfully revising some legislation, identifying mutually agreeable performance measures, and attaining adequate performance results data to demonstrate the amount of progress that is being made. Preparations are already underway to graduate more programs out of the ranks of "Results Not Demonstrated" next year.



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