U.S. House of Representatives
Committee on Natural Resources
Washington, DC 20515

March 1, 2007

Rep. John M. Spratt
Chairman
House Committee on the Budget
Room 207, CHOB
Washington, D.C. 20515

Dear Chairman Spratt:

Pursuant to Section 301(d) of the Congressional Budget Act of 1974 and House Rule X, clause 4(f), I am submitting the Committee on Natural Resources' views and estimates on the Fiscal Year 2008 concurrent resolution on the budget. Also attached are additional and dissenting views submitted by Ranking Member Don Young. Thank you for your consideration.

With warm regards, I am

Sincerely,

NICK J. RAHALL, II
Chairman
Committee on Natural Resources

cc: Rep. Paul Ryan, Ranking Member, Committee on the Budget
Rep. Don Young, Ranking Member, Committee on Natural Resources

VIEWS AND ESTIMATES
OF THE
COMMITTEE ON NATURAL RESOURCES
FOR FY 2008

INDIAN AFFAIRS

Each year the Federal government appropriates funds for American Indians and Indian tribes based on numerous treaties signed between the United States and Indian tribes, as well as statutes passed by Congress, and Supreme Court holdings. In nearly every treaty, Indian tribes gave up lands in return for goods, services, and binding legal agreements that tribes would retain sovereign authority within their reservation boundaries and be funded into perpetuity by the Federal government.

Indian Health Service

The Indian Health Care Improvement Act (IHCIA) provides the authority and framework for virtually every Federal health delivery system available to American Indians. It is imperative that this Act remain current in order to address the ever-changing needs and evolving technology available to provide services throughout Indian country. Unfortunately, the IHCIA authority expired in 2000 and despite the introduction of legislation each year and strong efforts to enact reauthorization, the former leadership in the Congress refused to prioritize reauthorization. The Natural Resources Committee has committed to consider and report reauthorization of the IHCIA as its first priority to Indian tribes. The Committee fully expects the reauthorization to be completed prior to Fiscal Year 2008 and asks that consideration be given to the required funding. To this end, **the Committee strongly supports funding at $1,502,000,000 for Hospitals and Health Clinics, which is an additional $8,000,000 over the President's request for funding in Fiscal Year 2008.** This increase is based upon the Congressional Budget Office scoring of a version of the reauthorization bill from the 109th Congress, which is similar to what the Committee will consider this year.

The health disparities continue to balloon between Indians and non-Indians but also among Indians from region to region. The Indian Health Care Improvement Fund is designed to address inequities among Indian health facilities. The last study of the amount needed to equalize funding among Indian health facilities was done in the mid-1990's and recommended approximately $1.2 billion to achieve equal resources. Clearly that figure would be higher today. **The Committee supports funding in the amount of $100 million for the Indian Healthcare Improvement Fund in order to begin to bring fairness and equity in Indian health funding**.

American Indians and Alaska Natives are over 300% more likely to die from diabetes compared to other groups in the U.S.; however, the President's budget requests $150 million for diabetes control, a $13 million decrease from Fiscal Year 2006. **The**

Committee supports increasing funding for diabetes control to $175 million for Fiscal Year 2008.

There is a backlog of need for sanitation facilities throughout Indian country of $1 billion. This deficit continued to grow under the Republican leadership. The President has requested a mere $101 million for sanitation facilities for Fiscal Year 2008, which is down from $156 million appropriated in Fiscal Year 2006. **The Committee supports increased funding for sanitation facilities to $200 million for Fiscal Year 2008** with the understanding that healthy communities must have safe and clean sanitation facilities.

Finally, the Committee strongly recommends **restoring funding of $32,744,000 for urban Indian health care.** The Administration has zeroed out funding for this important function even though close to 70% of American Indians can be considered as living in urban areas.

Bureau of Indian Affairs and Office of Special Trustee

The Committee supports the President's new "Safe Indian Communities Initiative," which is designed to address the crisis of methamphetamine in Indian country. The goals of this initiative, including additional law enforcement officers and better training to combat production and distribution are laudable. However, **the Committee is concerned that the request for $16 million to carry out the initiative may be inadequate** but will reserve additional comment until the program is operational.

Contract Support costs, including related fixed costs, are perennially underfunded. While the contracting of Indian programs and self-governance compacts with Indian tribes has proved a great success, Indian tribes continue to run programs with fewer and fewer resources. The **Committee supports funding contract support costs at $186,628,000 which is $37 million over the President's request for Fiscal Year 2008**.

Although more than 40% of American Indians and Alaska Natives are homeless or under-housed, the President's budget has zeroed out funding for the Housing Improvement Program within the Bureau of Indian Affairs. This small program has been extremely successful in helping tribal members address all sorts of housing problems and **the Committee strongly supports restoring funding for the Housing Improvement Program at $34.4 million**.

Under funding for Aid to Tribal Governments known as Tribal Priority Allocation (TPA), the President has again requested a cut in funding of more than $3 million below Fiscal Year 2007. These funds are vital to Indian tribes as they allow tribal governments to use funding for specific tribal priority matters. **The Committee supports TPA funding at $38 million**.

While funding for the Bureau of Indian Affairs has decreased, funding for the Office of Special Trustee continues to spiral out of control. When Congress established the Office of Special Trustee as part of trust fund management reform in 1994, the Office was set up to oversee trust fund management reform throughout the Department. It was never intended to administer Indian programs. In a move referred to as the "reorganization" of BIA, the Department unilaterally, with no tribal consultation and virtually no Congressional oversight, transferred numerous programs and almost $200 million out of BIA and into the OST and continues to request increased budget authority for it each year. In this regard, the request for $196 million in Fiscal Year 2007 was pared down and $157 million was appropriated. **The President's request for Fiscal Year 2008 funding is for $186 million; however, the Committee supports limiting funding to $157 million until proper oversight is conducted to see how this "reorganization" is affecting Indian tribes.**

INSULAR AFFAIRS

The Territorial Clause of the Constitution provides the Congress with powers to "dispose of and make all needful Rules and Regulations respecting the Territory or other Property belonging to the United States…" The enactment of certain Federal laws has provided the Secretary of the Interior with the authority to carry out functions to improve the economic and political development for the U.S. territories of the Virgin Islands (USVI), Guam, American Samoa, and the Commonwealth of the Northern Mariana Islands (CNMI). Congress makes annual appropriations available to the Interior Department's Office of Insular Affairs to assist in their mission to help the aforementioned U.S. territories. Additionally, annual appropriations for three former U.N., Trust Territories of the Pacific Islands; whose political relationship and funding agreements are governed under Compacts of Free Association; are carried out through the Department of Interior's Office of Insular Affairs

Administration of Territories

The U.S. insular areas other than Puerto Rico (American Samoa, Guam, the CNMI and the USVI) are provided special assistance through Administration of Territories appropriations. This Department of Interior account also funds technical assistance to these areas, as well as the three Freely Associated States (FAS): the Federated States of Micronesia (FSM), the Republic of the Marshall Islands (RMI) and the Republic of Palau (RP).

For Fiscal Year 2008, the President has proposed increasing Administration of Territories discretionary spending by $560,000 for a total of $79.8 million. **In general the Committee supports this request; however, the Committee would recommend increasing the Technical Assistance account to further assist the Office of Insular Affairs (OIA) in implementing private sector economic development and promoting sound financial management practices in the insular governments**.

Territorial Assistance

The Office of Insular Affairs is intended to be the Executive Branch's primary agency for matters concerning all of the insular areas (American Samoa, the Federated States of Micronesia, Guam the Marshall Islands, the Republic of Palau, and the Virgin Islands) other than Puerto Rico. It is charged with providing financial and technical assistance to these areas and it is expected to be an expert on and advocate for them within the Executive. It is also supposed to coordinate programs of other agencies in these areas and to serve as a liaison for the Executive to all of them other than the FSM, RMI and RP.

The Committee in general supports the President's requests for Territorial Assistance but also acknowledges and supports recommendations by the Interior Department's Inspector General (IG) and the Government Accountability Office (GAO) that a more coordinated effort should be made between the OIA and other Federal grant-making agencies on issues of common concern relating to insular governments. Some of the periodic concerns are single audit reports, high-risk designations, and deficiencies in financial management systems and practices.

The technical assistance program is one of OIA's most useful programs because it provides insular governments with relatively small amounts of assistance for projects of all kinds on a discretionary basis. The program allows each government to identify pressing needs and priorities and develop action plans to mitigate these problems which OIA then funds. A major focus of the program has been to help insular governments to improve the productivity and efficiency of government operations. The President has proposed maintaining the funds for this program at the FY 07 level.

In testimony before the Full Committee in February 2007, both the IG and GAO commented on the weak performance of insular governments to produce credible audit records for the expenditure of Federal and local funds. **The Committee supports an increase of $4 million to OIA's Technical Assistance account to provide more assistance in helping insular governments establish sound financial management systems, improve accounting systems, and promote stable economic development**.

The Pacific Islands Committee (PIC) of the Judicial Council of the Ninth Circuit's assessment to continue education and training needs for judges and court personnel benefits the U.S. Territories of Guam, the CNMI, and American Samoa, as well as the freely associated State of Palau. The program strengthens all aspects of each respective judiciary by providing a more competent, stable, and fair judicial system. Congress has supported funding for this initiative in Fiscal Years 2005 through 2007. **The Committee strongly agrees with the recommendations of the PIC and supports an increase of $320,000 for this initiative**.

The 177 Healthcare Program created under the Compact of Free Association with the Republic of the Marshall Islands (P.L. 99-239), serves the communities from the four atolls of Enewetak, Utrok, Rongelap, and Bikini exposed to fallout from the U.S. thermonuclear weapons testing program in the mid-1950's.

The U.S. has previously taken the position that nuclear compensation issues should be addressed separately from other assistance and in the context of the Marshall Island's petition to Congress for additional nuclear claims compensation. Congress has supported a temporary extension of the 177 Healthcare Program in Fiscal Years 2005 – 2007 pending Congress's consideration and resolution of such matters. **The Committee supports providing $2 million to continue the 177 Healthcare Program.**

Legislation to address claims resulting from the occupation of the territory of Guam during World War II was passed by both the Resources Committee and the Judiciary Committee in the 109^{th} Congress, but was not considered by the House of Representatives. The legislation was a result of a study conducted by a Federal commission which found that Guam was not treated in the same manner as others in Federal law to address war time occupation and claims. The Congressional Budget Office estimated the cost of the legislation at $180 million. **The Committee intends to revisit Guam War Claims legislation in the 110^{th} Congress and asks that consideration be given under the Budget Resolution.**

American Samoa Government Operations

The President's budget proposes maintaining American Samoa's government (ASG) operations grant at a constant level, requiring American Samoa to absorb costs of inflation or costs associated with their growing population.

American Samoa, like the other territories, is facing serious economic challenges. The Interior Department's own budget justifications acknowledge that the two tuna canneries that account for 80 percent of the private-sector economy are likely to be shut down soon as a result of changes in international trade and tariff policies.

Notwithstanding, American Samoa being designated as a "high risk" grantee by the GAO and the IG, the Committee believes that their willingness to implement recommendations designed to ensure a healthy financial position under the Revised Fiscal Reform Plan and the August 2002 Memorandum of Understanding between Governor Tauese P. Sunia and DOI Deputy Assistant Secretary David B. Cohen will improve their fiscal position. This fact should be recognized in deciding which government, ASG or the U.S., should bear the increased costs in American Samoa's operating budget because of inflation or population growth.

Covenant Grants

The law that approved the Covenant that established the political union between the United States and the CNMI committed the Federal government to provide the commonwealth with assistance for operating government and capital and economic development for seven years. It also contemplated further multi-year assistance based upon consultations between representatives of the President and the CNMI Governor prior to the end of every multi-year period. Beginning in Fiscal Year 1992, this law required that an amount of $27.72 million be provided annually until another law on the matter was enacted.

In 1996, Public Law 104-134 reduced the annual funding to the CNMI and allocated the remaining funds for use throughout the U.S. affiliated insular areas. Each of the territories received funding through this mandatory Covenant appropriation to fund Capital Improvement Projects (CIP). Beginning in Fiscal Year 2005, OIA implemented a competitive allocation system for the $27.72 million mandatory Covenant CIP grants, based on a premise that all funds will be used for capital improvement needs in the U.S. territories. The new process offers the U.S. insular area governments the opportunity to compete each year for a portion of the guaranteed funding in addition to other assistance for local funding that might be available.

The Committee intends to explore in greater detail the specifics of OIA's competitive allocation system, but believes that maximum consideration for funding should be given to those governments that are under Federal court orders and consent decrees for compliance or violations of Federal environmental laws.

Compacts of Free Association

Funding to the FSM, RMI and RP are almost entirely met through permanent indefinite, or mandatory appropriations. **The Committee supports the President's requests for the mandatory and other Federal services requests in accordance with the different negotiated agreements.**

The Compact Amendments Act (CAA) (P.L. 108-188) provided mandatory funding for the Enewetak Food and Agriculture Program (EFAP). The Enewetak Atoll was the site for 43 nuclear tests carried out by the United States in the 1950's. Partial resettlement of the Enewetak people has occurred; however, more than half of the atoll remains contaminated by radiation. In Fiscal Years 2005 - 2007, Congress added close to $500,000 more to the mandatory funding provided for in the CAA which has allowed the EFAP to keep up with inflation. **The Committee requests the same funding for Fiscal Year 2008 to cover inflationary costs.**

NATIONAL PARKS, FORESTS AND PUBLIC LANDS

National Parks

Founded in 1916, the National Park Service is responsible for 390 park units encompassing more than 84 million acres in 49 states, five insular areas, and the District of Columbia. According to NPS figures, there were 271 million recreational visits within the national park system in 2006, down from 274 million in 2005.

For Fiscal Year 2008, the Administration has requested $2.36 billion for the National Park Service (NPS). This represents an increase of approximately $105.8 million compared to FY 2006 enacted levels. Increases are proposed for park operations and the US Park Police. Unfortunately, these increases are made possible, in large part, by cuts to other NPS programs. The Administration has publicly claimed that their budget request would increase funding for National Parks by $3 billion over ten years in recognition of the NPS centennial in 2016. These claims require explication.

The proposed 10-year "Centennial Initiative" is a 3-part program consisting of a "Centennial Commitment" of $100 million per year included in the Administration's budget request, the "Centennial Challenge," through which private philanthropy would raise another $100 million annually, and the "Centennial Match," a new mandatory spending program to match up to $100 million in private donations annually.

The Administration points to $100 million of the $250 million increase for park operations as the first installment of the "Centennial Commitment." While any real increase to park budgets is a positive step, $50 million of the proposed increase will be absorbed by the 2007 to 2008 increase in fixed costs, leaving a net increase of $200 million. Another $152 million of the proposed increase comes at the expense of cuts to other NPS program areas including construction, historic preservation, and Federal and state land acquisitions, leaving an overall net real increase to the NPS of just under $50 million.

The "Centennial Challenge" is to be raised from private donors and is therefore not a budget issue. It should be noted, however, that fund-raising efforts on behalf of parks have never raised anywhere near this level of funding and this increasing reliance on private funding for public parks raises serious concerns. **A legislative proposal to authorize the "Centennial Match" was not included in the budget request and the Administration has stated that when such a proposal is delivered, it will not identify an offset for this new mandatory spending**.

Given current budget constraints and the PAYGO rules recently adopted by the House – not to mention concerns regarding creation of new mandatory spending programs – this aspect of the Centennial proposal is problematic at best. **In sum, the proposed real increase in funding for the National Parks of approximately $50 million is welcome. The Administration's claim that this budget request would provide a $3 billion increase over ten years is misleading**.

Land and Water Conservation Fund (LWCF)

Since 1965, the Federal LWCF program has provided essential funding for the acquisition of lands and waters to improve national parks, forests, wildlife refuges, and public lands. The program allocates a fraction of the enormous revenues generated by depletion of oil and gas resources in the Outer Continental Shelf to these purposes. Further, the Stateside LWCF program has provided states and localities with crucial funding to preserve open space and develop parks and recreational facilities.

Each year, approximately $900 million is credited to the LWCF. The Fund is expected to end FY 2008 with a balance of more than $16 billion. Inexplicably, the Administration's budget request includes only $57.9 million for Federal LWCF programs and again proposes no funding for the Stateside program. This is a meager 6% of the revenue credited to the LWCF in the last Fiscal Year and only three tenths of one percent of the Fund balance. **This request represents nothing less than the abandonment of this forty-two-year-old program and a full retreat from a presidential commitment to fully fund LWCF programs.**

Forest Service

Congress established the Forest Service (FS) as an agency within the U.S. Department of Agriculture in 1905. The FS manages 193 million acres of national forests and grasslands in 44 states, Puerto Rico and the Virgin Islands, including a wide range of natural, recreational, and historical resources. These lands comprise 8.5% of the total land mass of the United States, an area approximately the size of Texas. The Forest Service is the largest forest research organization in the world. It also provides states, tribes, and private land owners with technical and financial assistance on forest matters.

The President's FY 2008 budget request for the FS totals $4.13 billion in discretionary appropriations, a $251 million decrease from the FY 2006 enacted level. **This request is irresponsibly low and, if enacted, would require a fundamental reorganization of the agency and reexamination of its mission**. For example, under this request, the agency expects to cut 3,516 full-time-equivalent employees, or 11% of its workforce, compared to the FY 2006 level.

Furthermore, spending related to fires continues to account for an ever-larger percentage of the FS budget. In 1991, wildland fire management was 13% of the overall FS budget; for FY 2008 it is expected to account for 45% of the FS budget.

The request also includes a legislative proposal to sell off $800 million in Forest Service lands to pay for reauthorization of the Secure Rural Schools program ("county payments"). The proposal would allocate $400 million to fund county payments with the other $400 million being set aside for land acquisition. The actual budget request for land acquisition, however, is approximately $17 million, a figure that is $26 million less than FY 2006 enacted level. **A similar county payments legislative proposal was rejected by the Congress last year and should be rejected again this year. The Committee intends to act on the Secure Rural Schools legislation and asks that consideration be given to this under the Budget Resolution.**

Bureau of Land Management

The Bureau of Land Management (BLM) manages 262 million surface acres and approximately 700 million acres of subsurface minerals, predominantly located in 11 contiguous western states[1] and Alaska. These lands make up about 13% of the land mass of the United States and about 40% of the land managed by the Federal Government.

The BLM manages multiple resources and uses including energy and mineral production, timber, grazing, public recreation, wild horse and burro herds, fish and wildlife habitat and wilderness areas, as well as archaeological, paleontological, and historic sites. In addition, the BLM manages the National Landscape Conservation System, which includes National Conservation Areas, Wilderness, and 15 National Monuments.

For FY 2008 the Administration is requesting a total of $1.8 billion for the BLM, an increase of roughly $58 million over the FY 2006 enacted level. Despite this modest increase, however, many BLM accounts would receive flat or reduced funding under this budget with one, notable exception.

In FY 2006, Energy and Minerals Management was funded at roughly $108 million. For the upcoming Fiscal Year, the Administration proposes spending more than $141 million, a 30% increase. By way of comparison, the enacted level for FY 2000 for these activities was $74 million. Investigations by the Government Accountability Office and the Interior Inspector General have documented that this reprioritization of the BLM's focus toward energy development has limited the agency's ability to perform other aspects of its core mission. This is a multiple use agency and has an obligation to manage our public lands for the benefit of all resources. **Unfortunately, this budget request makes abundantly clear that, to this Administration, management of all other resources on public lands is subservient to energy development.**

For example, funding for the National Landscape Conservation System (NLCS) would be cut by $10 million compared to the actual level received in FY 2006. The NLCS consists of 26 million acres of BLM land, including National Monuments, Recreation Areas, Conservation Areas and trails as well as Wild and Scenic Rivers. **The conservation and preservation of these areas must continue to be a priority for the BLM and this proposed funding reduction should be rejected.**

FISHERIES, WILDLIFE, AND OCEANS

[1] These states are Arizona, California, Colorado, Idaho, Montana, Nevada, New Mexico, Oregon, Utah, Washington, and Wyoming.

National Oceanic and Atmospheric Administration (NOAA)

The conservation and management of America's oceans are at a crossroads. In 2003 and 2004, two national commissions, the Pew Oceans Commission and the Congressionally authorized U.S. Commission on Ocean Policy, released reports detailing the significant threats facing our oceans and coasts that must be addressed to assure the sustainability of an ocean economy that, according to the National Ocean Economic Program, generates more than $130 billion and 2.3 million jobs annually[1]. In late 2004, the two commissions formed one entity, the Joint Ocean Commissions Initiative (JOCI), to pursue their recommendations.

In addition to fragmented laws, over-fishing, and a dearth of U.S. leadership in International Ocean and coastal forums, the commissions found that one of the biggest problems facing our oceans and coasts is inadequate funding. The commissions reported that dwindling investment in ocean and coastal research, science and education has compromised our ability to tackle problems like global warming, resource depletion, invasive species and water pollution. In addition, the commissions said inadequate funding for Federal agencies and for non-federal partners at the regional, state, and local levels impede our ability to address current problems and to anticipate and plan for future challenges[2].

In the report to Congress in June 2006, the JOCI identified $750 million in new and immediate funding needs--$500 million of which was targeted at NOAA programs. The President's budget ignores that advice and despite claims to the contrary, actually would decrease NOAA funding over Fiscal Year 2006 enacted levels, cutting funds in many of the areas JOCI recommended increases.

Specifically, the President's budget requests $3.8 billion for the National Oceanic and Atmospheric Administration. This represents a $122 million decrease in total discretionary appropriations over 2006 enacted levels. **The Committee does not support this request and instead urges increased funding for NOAA programs, particularly in the areas of ocean and coastal management; ocean science and research; monitoring, observing and mapping; and ocean education and outreach to better address the challenges laid out by the JOCI.**

Operations, Research and Facilities (ORF) Accounts

National Ocean Service.

The National Ocean Service (NOS) is the primary Federal agency working to preserve America's coastal resources. The President's budget requests $468 million for

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[1] The National Ocean Economic Program, http://noep.mbari.org

[2] "From Sea to Shining Sea: Priorities for Ocean Policy Reform." Joint Ocean Commission Initiative, June 2006. www.jointoceancommission.org

NOS programs, a $56 million decrease over 2006 enacted levels. Of particular concern to the Committee is the requested $35 million decrease in funding for the Ocean Assessment Program. While proposing important improvements to integrated and regional observation programs, overall funding for observations and assessments is decreased significantly. **This reduction and cuts to navigation services contrast sharply with the JOCI recommendations to increase monitoring, observations and mapping programs at NOAA and other agencies by $289 million**.

Also of concern to the Committee are inadequate requests to fund coastal management and the National Marine Sanctuary Program. The Administration maintains level funding for coastal management, but yet again intends to award more than 50 percent of these funds "competitively," which could result in very substantial cuts to some state coastal zone management programs that depend heavily on Federal grants to maintain base operations. While the Administration is requesting more than $8 million in new funding for the Northwest Hawaiian Islands National Marine Monument, 14 other sanctuaries responsible for the management of over 150,000 square miles of marine and Great Lakes waters and submerged resources will receive no additional management funds. Again, this contrasts with the JOCI recommendation to increase funding for governance and coastal management by $85 million.

National Marine Fisheries Service (NMFS)

NMFS is responsible for the conservation and management of fisheries and other living marine resources within the U.S. Exclusive Economic Zone (EEZ). The President's budget requests a modest increase for the NMFS ORF accounts of $37 million -- or about 5% -- over 2006 enacted levels. The Committee is concerned, however, that some of the funding would support new initiatives that are not of the highest priority. For instance, **while the Committee supports the Administration's request of $6.5 million to implement the new requirements of the Magnuson-Stevens Fishery Conservation and Management Act, the Committee is very concerned about the request for $6 million in new funding to promote the development and implementation of Limited Access Privilege Programs (LAPPs) as a fisheries management tool.**

Given that the decisions regarding the use of LAPPs or any other fishery management tool generally originate with the regional fishery management councils, the Committee does not believe the Agency should give priority to this tool, particularly when the agency has not yet developed the new regulations needed to guide the Councils' development of LAPPs pursuant to the requirements of the recent Magnuson Stevens-Act reauthorization. Rather than double the number of LAPPS issued, as the Administration proposes, **the Committee prefers that the agency devote resources to developing a regulation that ensures LAPPS will promote fishing conservation and management, fishing safety, and social and economic benefits as the Magnuson-Stevenson Act requires.** The Committee supports increased funding for implementation of other provisions in the Magnuson-Stevens Act, **such as research and enforcement, instead of dedicating most of the funding to LAPPS as the Administration proposes.**

In addition, while the Committee agrees with the Administration that a regulatory program for marine aquaculture in the EEZ is needed to protect wild species and the environment, legislation requiring the development of this regulatory regime has not yet passed the Congress and it is unclear why it would require 5 FTEs and $3 million in new funding for this purpose.

The Committee supports the Administration's request to increase funding for fisheries enforcement and observer training, but is concerned about significant cuts to the Cooperative Research program.

Office of Atmospheric Research

The Administration's request for the ORF accounts of OAR is $358 million, an $11 million decrease over 2006 enacted levels. While this overall decrease in funding may seem small, it again stands in sharp contrast with the recommendations of the JOCI that called for almost $300 million in *new funding* for ocean science and research as compared to 2006 funding levels. Within the OAR accounts, the Committee is particularly concerned about proposed cuts to the National Undersea Research Program as part of NOAA's initiative to merge this program with its Ocean Exploration Program. The Administration also proposes to cut invasive species research and control and other partnership programs. **With respect to invasive species funding, small cuts in funding are penny wise and pound foolish and are also inconsistent with the JOCI recommendation to make new investments to address this burgeoning environmental threat.** Moreover, considering the potential losses attributed to invasive species, estimated in the hundreds of millions of dollars annually on the ocean and Great Lakes economy as a whole, failure to fund these programs is simply irresponsible.

Program Support

While the Administration seeks an overall increase of $31 million in the Program Support accounts within ORF, **the Committee is very concerned about the proposed $18 million cut -- almost 50 percent -- from the NOAA Education Program**. Given that one of the primary new funding recommendations made by the JOCI was an increase in ocean education and outreach, this proposal heads the agency in the wrong direction.

U.S. Fish and Wildlife Service

The U.S. Fish and Wildlife Service is the principal Federal agency responsible for conserving, protecting and enhancing fish, wildlife and plants and their habitats. The Service manages the 96-million-acre National Wildlife Refuge System, which encompasses 547 national wildlife refuges, 37 wetland management districts and other special management areas. It also operates 70 national fish hatcheries, 64 fishery resource offices and 81 ecological services field stations. The agency enforces Federal wildlife laws, administers the Endangered Species Act, manages migratory bird populations, restores nationally significant fisheries, conserves and restores wildlife habitat such as wetlands, and helps foreign governments with their conservation efforts. It also oversees the Federal Assistance program, which distributes, annually, hundreds of millions of dollars in excise taxes on fishing and hunting equipment to state fish and wildlife agencies for sport fishing and wildlife restoration activities.

National Wildlife Refuge System

The President's Fiscal Year 2008 budget requests $394.8 million for the operations and maintenance of the National Wildlife Refuge System. This amount represents a $12.3 million increase (3 percent) over the FY 2006 appropriation. **The Committee, nevertheless, is extremely disappointed with this request.**

The Fiscal Year 2008 budget request barely addresses the annual increase of uncontrollable fixed costs. It also falls well short of the additional $40 million in expenses for fuel, rent and utilities. As a result, this likely will mean that the Service, which has already lost approximately 600 field personnel since 2005,[3] will continue to lose ground and be forced to implement radical proposals to restructure field operations and close refuges. In addition, the request is entirely inadequate within the context of the operations and maintenance budget backlog now estimated by the Service to be approximately $2.75 billion, a $525 million increase from the 2001 estimate.[4] Although this request will restore overall Refuge System funding to the high water mark attained in the FY 2004 appropriation, the Administration should have requested no less than $436 million for FY 2008 to truly address uncontrolled expenses. In order to cover these costs and provide additional funds for essential program activities, especially the completion of comprehensive conservation plans for all refuges as required under the National Wildlife Refuge Act (P.L. 105-57), **the Committee urges that the Congress fund the Refuge System at the amount of $451 million, as requested by the Cooperative Alliance for Refuge Enhancement.**

Endangered Species Program

The President requests $146.5 million for the Fish and Wildlife Service to implement the endangered species program in Fiscal Year 2008. This is $1.3 million less than the level provided in Fiscal Year 2006 yet the agency's workload and legal requirements have not decreased. The budget request proposes to eliminate funding for the private stewardship and landowner incentive programs, and re-directs the monies to other programs.

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[3] House Report 109-465. Department of the Interior, Environment, and Related Agencies Appropriations Bill, 2007. May 15, 2006.

[4] Committee on Resources Report 107-11. Comprehensive Conservation Planning and the Operation and Maintenance Backlog in the National Wildlife Refuge System. March 29, 2001.

The Endangered Species Act (ESA) requires the Secretary to prepare critical habitat designations and recovery plans for all listed species in the United States, but there are 828 listed species without critical habitat designations, and 235 species without recovery plans.

The number of inter-governmental Section 7 consultations in which the agency has participated has increased from 35,186 in Fiscal Year 2006 to 36,728 in Fiscal Year 2007. Without an adequate consultation budget, the agency is unable to give developers and others timely answers regarding the impact that proposed projects may have on listed species. In the end, projects are delayed, increasing costs to affected parties.

There are 278 species eligible for listing, but the agency's workload and budget have precluded the agency from addressing the backlog. By not taking the steps to list candidate species, some species may go extinct because the agency did not commit adequate resources.

For listings, the Committee recommends $25.2 million in response to the backlog of listed species without critical habitat designations, and new listings. The Committee supports providing $63.2 million for consultation, $12 million in funding for candidate conservation, and $84.8 million for recovery programs. Funding for the private stewardship and landowner incentive programs should either be restored or redirected to endangered species conservation exclusively.

Coastal Barrier Resources System

Congress passed the Coastal Barrier Resources Act (CBRA) in 1982 to protect hurricane-prone and low-lying coastal barriers from ill-advised development through the prohibition or restriction of Federal financial assistance, including Federal flood insurance, within undeveloped CBRA units. This market-based conservation approach has saved the U.S. Treasury an estimated $1.27 billion[5]. The effectiveness of the program was reaffirmed by the positive review it received from the Office of Management and Budget during the program's FY 2006 performance rating assessment.

This successful program is, however, at a technological crossroads. The existing series of 600 hand-rendered paper maps that depict undeveloped coastal barriers desperately needs to be modernized. New digital mapping technologies could improve the accuracy, availability and effectiveness of CBRA maps. Impressed by the potential benefits of a digital format Congress required the Service to complete a Digital Mapping Pilot Program as part of the Act's 2000 reauthorization (P.L. 106-514). The pilot project produced 70 digital maps and was completed in 2006; a final report should be transmitted to the Congress this year.

Last Congress, as part of the Act's most recent reauthorization (P.L. 109-226), the Service was directed to complete the digital transformation of all CBRA maps.

[5] "The Coastal Barrier Resources Act: Harnessing the Power of Market Forces to Conserve America's Coasts and Save Taxpayers' Money. U.S. Fish and Wildlife Service, August 2002.

Considering the substantial benefits of digital maps and the relatively low cost to produce them -- the Fish and Wildlife Service estimates it will take roughly $7 million -- the Committee is disappointed that the Administration has failed to request any funding to initiate this critical cartographic modernization. But for the lack of a few million dollars, it is ironic that we would forego developing the best available map information that will ultimately save U.S. taxpayers billions of dollars and provide valuable information to local governments and private property owners. **Congress should see past the Administration's indifference and provide sufficient funding in FY 2008 to initiate this vital project.**

WATER AND POWER

Bureau of Reclamation

The Bureau of Reclamation is best known for the dams, powerplants, and canals it constructed in the 17 western states. The Bureau operates nearly 350 storage reservoirs and approximately 250 diversion and 58 power plants. Through this federally owned and controlled infrastructure, the Bureau is the largest wholesaler of water in the country, providing more than 31 million people with water. In addition, the Bureau supplies one out of five Western farmers (140,000) with irrigation water for 10 million acres of farmland that produce 60% of the nation's vegetables and 25% of its fruits and nuts.

Water and Related Resources

Most of the requested authority for the Bureau of Reclamation is for Water and Related Resources. This category includes items deemed by the Bureau to be central to its "core mission of delivering water and generating hydropower." The Fiscal Year 2008 request for Water and Related Resources totals $816,197,000, a decrease of $17,227,000 from the FY 2007 requested level.

Contemporary Water Needs

The Committee is particularly interested in how the Bureau's budget request reflects the *priorities* of the Bureau of Reclamation. The Bureau of Reclamation is the only Federal agency with exclusive responsibility for water supply in the Western United States. Yet **the agency's budget request and its resulting policy direction do not reflect a strong commitment to respond to the contemporary water needs of the changing West.** Of the annual budget request and appropriation in the neighborhood of a billion dollars, only about $10 million – one percent -- is requested each year to help communities finance water recycling projects. Other programs for water technology research and water conservation are similarly shortchanged. The agency's priorities seem to be frozen in time, with resources devoted to continued construction of a few large traditional water projects, maintaining its aging infrastructure of dams, canals, and pumping plants, and meeting its self-described "core mission" of delivering water and power pursuant to contracts.

Title XVI Water Recycling Projects

The general purpose of "Title XVI" projects is to provide Federal financial assistance for developing supplemental water supplies by recycling/reusing agricultural drainage water, municipal wastewater, brackish surface and groundwater, and other sources of contaminated water. Projects may be permanent or for demonstration purposes.

Projects are financed with partial Federal grants, and construction costs are shared by a local project sponsor or sponsors and the Federal government. The Federal share is generally limited to a maximum of 25% of total project costs and in most cases the Federal share is non-reimbursable, resulting in a de facto grant to the local project sponsor. Congress limited the Federal share of individual projects to $20 million in 1996 dollars (P.L. 104-266).

The benefits of water recycling are well-documented. In California, the Governor's 2003 Water Recycling Task Force Report identified 1.5 million of acre-feet of new supplies (2030) from recycled water, the largest new supply component in the statewide water plan. Recycling water also means reduced energy use as compared to using pumps and lengthy conveyance facilities to move water. Water recycling also means water quality improvements, less capital infrastructure costs, and lower costs in many cases because recycled water doesn't have to be treated to the high standards of drinking water if it will be used for non-potable uses like irrigation of golf courses and industrial uses.

Despite the widespread acceptance of water recycling and the widespread interest in building more projects throughout the West, **the Fiscal Year 2008 budget request for "Title XVI" water recycling projects is again far below a level that would indicate a sincere commitment meeting the water needs of the West** The Bureau will defend this meager request by referencing a 2003 OMB "PART" process. Through this questionable and unsupported evaluation, the budget justification portrays the Title XVI program as only "moderately effective" as evaluated by OMB.

The Bureau of Reclamation is to be commended for its effort to reach out to water recycling professionals and to consider revising the agency guidelines for administering the program. However, the agency shows its true colors with this token budget request and with its repeated opposition to water recycling projects that come before the committee for authorization. The Bureau of Reclamation consistently refuses to support funding for new recycling projects and now hints on page 8 of the *Water and Related Resources* section of its budget justification that the program should be "coordinated" with the unauthorized Water 2025 program. Most of the projects authorized to receive Title XVI financial assistance will never see any money at all if the program is funded at the requested level. **The committee intends to authorize a number of Title XVI water projects and asks that consideration be given to this under the budget resolution. An annual funding level of at least $50,000,000 is required to meaningfully implement Title XVI**.

Groundwater Reclamation

In 2006, Congress enacted the California Reclamation Groundwater Remediation Initiative, Public Law 109-338, Title VIII. This new authority provides for establishment of the California Basins Groundwater Remediation Fund to assist in the implementation of groundwater treatment technologies to "remediate damage" to groundwater supplies. This important new program will help alleviate shortages from the Colorado River, and protect against drought in California. The Committee recommends that funds be appropriated to the new Remediation Fund, to assist in groundwater cleanup in the Santa Ana River watershed and Santa Clara Valley.

Water 2025

The Fiscal Year 2008 request for the Water 2025 program is $11,000,000. The Water 2025 program has never been authorized by Congress and as such has received limited appropriations. Two bills formally authorizing grants and cooperative agreements to "further the goals of the Water 2025 Program" were introduced in the spring of the second session of the 109th Congress but were not enacted. The House Appropriations Committee noted in its reports accompanying the Fiscal Year 2006 and Fiscal Year 2007 Energy and Water Development bills that "while the Committee remains supportive of the program, given its lack of authorization, the committee has not provided funding for the Water 2025 program..." **The Committee agrees that this program is not authorized, and recommends that the 11,000,000 requested for the program be used to bring funding for Title XVI water recycling projects to a more meaningful level.**

California Restoration Efforts

Other major programmatic categories of interest to the Committee include *California Bay-Delta Restoration (CALFED), and Trinity River Restoration*. The budget request for the CALFED program is $31,750,000, over a $6,000,000 reduction from the previous year's request. The Bureau of Reclamation offers a somewhat confusing explanation for the reduction, arguing that the proposed enlargement of Los Vaqueros Reservoir (Contra Costa County, California) would mainly benefit the Environmental Water Account (EWA), and since the EWA is under review, they have decided to cutting funding for both the EWA and the proposed Los Vaqueros reservoir enlargement. **The Committee will continue to maintain oversight on this important program in the 110th Congress, and recommends that adequate funding for the California Bay-Delta Restoration Program be restored.**

The Fiscal Year 2008 budget request for Trinity River Restoration is $7,005,000, with an additional $1,000,000 allocated from the Central Valley Project Restoration Fund. The Committee is concerned that the annual funding level for this important program is inadequate to implement the 2000 Record of Decision. **A more realistic funding total of $10,000,000 is recommended.** In addition, the budget justification states that the currently authorized cost ceiling will not be sufficient to complete the restoration. **The Bureau of Reclamation should promptly submit its request and recommendation for a ceiling increase**.

Site Security

The Committee recognizes the need to provide security at Bureau of Reclamation project facilities. The agency has done an excellent job of responding to this demanding challenge following the attacks of September 11, 2001. The Bureau has correctly determined that physical improvements made for site security purposes are non-reimbursable. However, water and power users continue to challenge the Bureau of Reclamation's decision to make water and power users pay all or part of the costs of guards and patrols. **The Committee will consider legislation in 2007 to resolve the funding dispute and we urge the committee to consider the additional costs of fulfilling the Bureau's responsibilities as part of the budget resolution.** The Committee urges the Bureau of Reclamation to work closely with water and power users and the Congress to identify areas where agreement can be reached on the issue of funding site security measures.

Lower Colorado River

An emerging problem is the discovery of an invasive species in the Lower Colorado River and Lake Mead, the quagga mussel. These pests spread very rapidly and it is feared they could clog water supply intakes. The Bureau of Reclamation participates in an inter-Bureau program for Tamarisk control along the Rio Grande River, but no reference to other invasive species control programs are included in the budget justification. **The Committee urges the Bureau to use available funds to quickly determine the scope of this problem in the Colorado River and tributaries, and to identify control measures**.

<u>Power Marketing Administrations, U.S. Department of Energy</u>

The Federal Power Marketing Administrations (PMAs) were created to market and deliver electricity generated mainly at Federal dams and reservoirs operated by the Bureau of Reclamation (Reclamation) and the U.S. Army Corps of Engineers (Corps). Hydropower generated at these facilities, particularly in the western United States, is used to provide electricity to operate irrigation pumps. Any excess power left over is mainly sold to "preference" customers, which are mainly non-profit rural electric cooperatives, public utility districts, municipalities, and some irrigation districts. Under numerous authorizing statutes, preference power is sold at "cost-of-service" based rates, which are designed to repay the Federal capital investment in Federal electricity generation and transmission facilities, annual operation and maintenance of such facilities, and Federal staffing. Cost-of-service based rates also include the costs of environmental mandates and replacement power services resulting from these mandates and drought. The four

PMA's under the Committee's jurisdiction are Bonneville Power Administration (BPA), Western Area Power Administration (WAPA), Southwestern Power Administration (SWPA) and the Southeastern Power Administration (SEPA)

"Agency Rate" Applicable to WAPA, SWPA, and SEPA

The Office of Management and Budget (OMB) has proposed changing the interest rate charged by the Federal power marketing administrations on all new investments in Federal projects where interest rates are not set by law. The President's Fiscal Year 2008 budget request calls for WAPA, SWPA, and SEPA to set their interest rates at the level that "government corporations" pay to borrow funds from the Federal government. The Bonneville Power Administration is cited in the budget request as an example of a government corporation that is required by law to apply this method of setting interest rates. This type of rate, which reflects the interest cost for the Federal government to provide loans to government corporations, is known as the Agency Rate. This proposal was also advanced in the Fiscal Year 2007 budget request.

Public power stakeholders have expressed concern that this administrative initiative to impose the "Agency Rate" is a usurpation of Congressional authority that would result in higher power rates. The agencies were barred from implementing the Agency Rate proposal by language in the Fiscal Year 2007 Continuing Resolution. **The Committee will maintain oversight on this initiative during the 110th Congress.**

BPA Proposes "Secondary Sales" Initiative

The budget request for Fiscal Year 2008 again assumes that BPA will use any annual surplus power sales (net secondary) revenues it earns above $500 million in 2008 and beyond to make early payments on its Federal bond debt to the U.S. Treasury. This proposal was widely criticized by the Pacific Northwest Congressional delegation in response to a similar proposal included in the Fiscal Year 2007 budget request.

In an October 30, 2006 letter to the Director of the Office of Management and Budget, the delegation stated:

> *In the FY07 budget proposal, OMB recommended applying a portion of Bonneville's secondary sales revenue towards accelerated federal debt repayment. This proposal represented the worst of all worlds: it guaranteed a rate increase, but, contrary to the stated rationale by OMB, the infrastructure investment benefits were purely speculative and not likely to materialize. We strongly oppose this flawed proposal being revived in the FY08 budget.*

The Committee shares this concern and will continue to consult with Members of the Pacific Northwest Congressional delegation and will maintain oversight on this initiative during the 110th Congress.

U.S. Geological Survey (USGS) Water Programs

Since 1879, the USGS has been involved in issues related to water availability, water quality, and flood hazards. This work, conducted by more than 3,500 hydrologists, technicians, and support staff located in every State, includes collection, management, and dissemination of hydrologic data; analysis of hydrologic systems through modeling or statistical methods; and research and development leading to new methods and new understanding of water resources.

The President's budget request for the U.S. Geological Survey's Water Division for Fiscal Year 2008 is $212,454,000, an increase of $950,000. The Fiscal Year 2008 budget request for the USGS Water Division proposes several important changes. Of note is the lack of funding for the Water Resources Research Institute and Grants Programs. The Administration refuses to include this popular and highly effective program in its annual budget requests, knowing that Congress will restore funding. **The Committee strongly supports this program, which was reauthorized in the 109th Congress, and recommends funding at least at the Fiscal Year 2006 level.**

In addition, we are concerned with the proposed cuts to the Cooperative Water Program. The USGS Cooperative Water Program is an ongoing partnership between the USGS and non-Federal agencies. The program has been in existence for 112 years, jointly funding water resources investigation projects in every State, Puerto Rico, and several other U.S. Trust territories. The Administration has requested $63,281,000 for the Cooperative Water Program, a decrease of $4.2 million. This is a highly cost-effective program, relying on more than 1,400 partners across the country for most of the financial support. The program is successful because cooperators have been forced to increase their share of project funding. **The USGS share of this program is grossly underfunded, and the Committee strongly recommends that funds be restored to an adequate level.**

Finally, at a time where climate variability is impacting the rate and timing of snowmelts across the West, it is critical to have accurate and timely information on water flows. The National Streamflow Information Program (NSIP) provides the Nation with streamflow information to help protect life and property from floods and manage our water resources and aquatic environment. A solid backbone of stream gages is also critical to our ability to predict the effects of climate change on water supplies. The Administration is to be commended for recommending $18,900,000 for the program, a 30% increase from the Fiscal Year 2006 level. However **the committee supports additional funds to help the program recover from years of essentially flat funding**.

ENERGY AND MINERALS

Minerals Management Service (MMS)

"Adjustment Line Monitoring Initiative"

MMS has proposed the "Adjustment Line Monitoring Initiative" as a way to address problems with its faulty compliance review process. In a December 2006 Office of the Inspector General's (OIG) report on MMS's Compliance Review Process, the OIG found that MMS's royalty collection data is often inaccurate and relies heavily on statements by oil companies rather than their actual records.

It further found that only 9% of all oil and gas leases are reviewed by auditors and only 20% of all companies are audited. Since 2000, the number of audits has declined by 22%, and the number of auditors has been reduced by 15%.

The Inspector General concluded that MMS's compliance reviews should only be used in conjunction with audits, in the context of a well-designed, risk-based compliance strategy. However, MMS's FY 2008 budget proposal does not reflect the Inspector General's recommendations to use compliance reviews solely in conjunction with audits.

Instead it proposes the "Adjustment Line Monitoring Initiative," which purportedly will improve the compliance review process; however, it completely fails to address the Inspector General's recommendations to increase the number of auditors and rely more on these auditors to provide oversight of the royalty program by using the actual oil and gas company production records. Despite this recommendation, MMS has no intention of increasing auditors. **The Committee recommends an increase in funding to restore the FTE's lost by the audit office since 2000. Further, the Committee urges consideration of increased funds for the OIG to support needed staff to monitor the MMS audit office.**

<u>Bureau of Land Management (BLM)</u>

"Healthy Lands" Initiative

The $20 million Healthy Lands Initiative under both the Bureau of Land Management (BLM) and the United States Geological Survey (USGS) is purportedly a plan to address the growing conflict between oil and gas development on public lands and wildlife and habitat conservation.

However, at the same time, the Administration has proposed a substantial increase, almost 3,100 or 35%, more than in 2006, in the number of Applications for Permit to Drill (APDs). This continues a policy that has existed for the last six years of record high numbers of oil and gas development leases across the public lands, while subverting all other uses of BLM land to drilling activities. The Committee objects to funding programs with "healthy" labels that ring hollow in practice, and recommends that these funds be shifted, instead, to better addressing the conflict between oil and gas development on public lands and all other uses. This would include: enforcing existing oil and gas lease stipulations; ensuring that proper royalty payments are made; adequately supporting important critical and strategic mineral surveys; and ensuring prompt implementation of the 2006 amendments to the Surface Mining Control and Reclamation Act.

Repealing certain provisions from the Energy Policy Act of 2005 (EPAct)

The Fiscal Year 2008 BLM budget request for oil and gas management reflects a proposed transition **away from reliance on mandatory mineral leasing receipts authorized by Section 365 of the EPAct and toward cost recoveries**. The Administration is proposing legislation to repeal provisions in Section 365 of EPAct that prohibit BLM from implementing cost recovery fees for processing APDs and divert mineral leasing receipts from the Treasury to BLM. **The BLM estimates it will receive $21 million in Section 365 receipts in 2008.**

These same provisions have already passed the House of Representatives as part of our first 100 hours agenda. The provisions, contained in ***H.R. 6, the Clean Energy Act of 2007***, sponsored by Chairman Rahall, would strike the expansion of Outer Continental Shelf oil and gas royalty relief in the Gulf of Mexico and repeal the provision prohibiting the Federal government from charging companies fees when they apply for drilling permits on Federal lands. **Thus, the Committee endorses the Administration's action in this regard, and supports the repeal of these provisions, which would provide estimated revenues of at least $21 million in 2008 alone.**

The Administration is also proposing to repeal Section 344 of EPAct, which extended existing deep gas incentives in two ways. First, it mandated an increase in the royalty suspension volumes from 25-billion to 35-billion cubic feet of natural gas in a third drilling depth category greater than 20,000 feet sub-sea. Second, it directed that incentives for all three drilling depth categories also be applied to lease in 200-400 meters of water. The 2008 budget also proposes to repeal Section 345 of EPAct, which provided additional mandatory royalty relief for certain deep water oil and gas production. Additional royalty relief for oil and gas exploration is unwarranted in today's price environment. **Thus, the Committee endorses the Administration's proposed repeals, which would result in much-needed revenue increases to the U.S. Treasury.**

The Administration will resubmit legislation to repeal Sections 244 and 234 of the EPAct. Prior to passage of the EPAct, geothermal lease payments were directed 50% to States, 40% to Reclamation Fund, and 10% to General Fund. The EPAct changed this beginning in 2006 to direct 50 % to States, 25% to counties, and 25% to a new BLM Geothermal Steam Act Implementation Fund. **The Committee endorses the Administration's proposed repeal of Sections 224 and 234, which would restore the disposition of geothermal revenue to the historical formula of 50% to the States and 50% to the Treasury.**

Coal Bonus Bid Change

The 2008 BLM budget request proposes to accelerate the schedule for payments on all new coal leases. Full payment of bonus bids would be required within the first year of the lease sale. The current law allows coal operators to spread bonus bid payments over five years. **Thus, Bonus bid payments will show an increase in revenues to the U.S. Treasury in the near-term, shifting forward revenues that would have been expected in the out-years. The Committee supports this proposal as it is estimated to generate an additional $851.4 million in revenues over the five-year period 2008 through 2012, to be shared 50:50 with States**.

USGS Minerals Resources Program

The FY 2008 USGS budget claims that is focusing funding on the Mineral Resources program (MRP), yet this budget proposes a decrease of $**22.8 million from FY 2006 enacted levels.** The USGS will not be able to continue to provide scientific information for objective resource assessments on mineral potential, production, consumption, and environmental effects with continued decreases in funding. The Mineral Commodity Summaries publications that are published on an annual basis are critical to furnishing estimates covering non-fuel mineral industry data and are a focal point for new and emerging science and technology in the minerals field. **The Committee urges a restoration of USGS MRP funding to at least the FY 2006 level.**

Mining Law of 1872

The Bush Administration continues to ignore the archaic Mining Law of 1872--a law signed by Ulysses S Grant, and in dire need of reform. Under this law, valuable hardrock minerals such as gold, silver, and copper are mined on public domain lands in the western states without payment of royalties. Further, these lands can be patented (fee simple title) by holders of mining claims for $2.50 or $5.00 an acre, depending on the type of claim (an annual appropriations bill provision has temporarily halted this practice). Reform of this law must take place to prohibit mining companies from gouging billions of dollars worth of minerals from public lands without any return to the public and at a great cost to taxpayers, communities, and the environment. **The Committee intends to revise the Mining Law to ensure that the American public receives a fair price for the hard-rock resources it own; thus, generating several hundred million dollars annually in much-needed Federal revenues.**