

**Remarks as Prepared for Delivery
For the Honorable Lynn Scarlett,
Deputy Secretary of the Interior,
NRD Industry Symposium
*July 18, 2006***

Good morning, I am delighted to join you this morning.

I would like to thank Frank DeLuise for his leadership in the NRD program. I also appreciate the commitment of all those gathered here today for your commitment to improving the Natural Resource Damages process and outcomes. This program is evolving.

Let us flashback for a few moments to just a few years ago. The Department of the Interior, with 3 land management agencies and the Bureau of Indian Affairs, has multidimensional resource management and stewardship responsibilities. With our many roles, we often spoke on Natural Resource Damages matters with many voices: on individual cases, at the program level, and on policy issues.

The NRD program, like many environmental programs in the last two decades, generally focused on process and use of “a stick” to accomplish clean ups. In case of natural resource damages, that translated into damage assessments. The goal was defined in terms of the money collected, rather than on restoration achieved. That focus put money in our coffers. Those dollars eventually yielded sometimes significant environmental clean up. But this focus on damages assessment also provoked conflict, as various parties debated methodologies for assessing damages. Such conflict also delayed achievement of on-the-ground results.

Let us consider these methodological challenges and the focus on damages assessment that inevitably catapulted us into use of economic models and methodologies. Such assessments sometimes moved us into using economic concepts such as contingent valuation, existence valuation, and willingness-to-pay valuations and surveys.

These tools have some utility in an academic setting for framing environmental problems in economic terms, but their use rests upon

multitude of assumptions, information aggregation, and averaging. In an operational setting, such tools have notable limitations—limitations that spark debate and data battles.

At this 21st century crossroads, with accumulated experiences, we believe we can often achieve better outcomes for everyone by focusing directly on restoration with an emphasis on cooperation among interested parties. Cooperation includes coordination among the Department of the Interior family of agencies and with other federal agencies, such as NOAA. We believe we also must better coordinate with the States to exchange ideas on policy and practice.

Coordination among trustees is now the norm. Rarely do individual trustees pursue separate settlements. The DOI Restoration Fund houses co-mingled State and Federal funds, with decisions on how to expend these funds made jointly by consensus of all relevant trustees.

Let us consider further the matter of restoration: Why this focus?

First and perhaps the most obvious, restoration is what we all seek: healthy ecosystems and flourishing wildlife. We seek restoration of opportunities to enjoy and use natural resources.

Second, the focus on restoration builds upon a foundation of tangible evaluation methods and processes. Estimating the “existence” value of a bald eagle outside any market context requires a series of assumptions, information aggregation, and a blurring of individual values into a single composite. A restoration focus, on the other hand, centers on the more tractable questions of cost for specific restoration actions and projects such as:

- How much would it cost to remove sediments from a stream?
- How much would it cost to replant wetland grasses?
- How much would it cost to buy a conservation easement as an offset for damages?

These are design and engineering actions with cost estimates rooted in experience and practice.

Let me not understate the challenges. Of course, we all still face conundrums and potential disagreements such as:

- How much restoration is enough?
- Or, how clean is clean enough?

Such questions are fundamentally policy questions. Scientific and technical information can help inform our decisions on these policy questions by building an understanding of the effects of various levels of detectable contamination, but, ultimately, these questions involve policy and value judgments.

We continue to seek clarity and predictability regarding what types of impairments and conditions constitute “injury”. This challenge extends beyond the NRD program to all of our environmental protection inquiries. Is injury the mere presence of contamination, or some evidence of harm from that contamination?

And, the converse also challenges us. Is restoration the mere presence of a viable population of, say, loons in an area of a spill or a superfund site? The presence of the loon does not mean there’s no injury at the site in question.

We continue to grapple with the merits and limitations of using different scientific assessment methods at the individual, population, community, habitat, and ecosystem levels.

We face other questions such as what do we do about interim losses? How do we address losses of public use and enjoyment resulting from release of oil or hazardous substances?

Consider, for example, diminished use of a National Seashore after an oil spill. Under current practice, we attempt to monetize those losses and seek compensation. But perhaps we should apply a restoration-based approach to these interim losses, too. Could we, for example, offset these interim losses by investing in improved public access or enhanced opportunities for public enjoyment? Such a focus could, again, turn us to tangible costs of providing tangible services.

All these questions and matters of analysis and process situate within a broader context of time and space. We need to balance the need for knowledge and information with the need to get the restoration job done. We have to think about the benefits of one more study or one additional layer of analysis versus the benefits of using our time and resources to invest in restoration on the ground.

Our focus for the NRD program on restoration and partnerships fits within a broader conservation vision set forth by this Administration. In August 2004, President Bush announced his Executive Order on Cooperative Conservation. It is a framework that envisions citizens, communities, and companies playing a central role in the stewardship and governance of the environments in we all live, work and play.

Cooperative conservation has as many faces as it does places in which it is practiced. Its principles are simple:

- It is incentive-based
- It rests on cooperation and collaboration
- It is rooted in on-the-ground action
- It is reliant upon experiential knowledge—the practical and situational knowledge of place and profession
- It is also reliant upon science;
- It is a practical option to litigation and polarization that otherwise divide Americans; and
- It is entrepreneurial, nurturing innovation and creativity by citizens as the engine that drives conservation problem solving.

The NRD program a program of accountability and a product of statute and regulations. Nonetheless, it benefits from a cooperative orientation and results focus.

At the White House Conference on Cooperative Conservation in St. Louis, last August, participants learned of a Northern Forest restoration in Maine that included North Cape Settlement funds in a partnership to protect thousands of acres of forest.

In California this spring, thanks to work by the partners in the Montrose DDT case, we saw the first successful hatching of a Bald Eagle in the northern Channel Islands—the first one in over 50 years.

For the fourth consecutive year, partners that included local communities, The Nature Conservancy, our Fish and Wildlife Service, the U.S. Geological Survey, the State of Virginia, and Virginia Tech propagated mussels in hatcheries and re-established them in the Powell River and the Clinch River of SW Virginia.

We've taken migratory bird restoration to new heights and greater distances by restoring and protecting nesting sites far away from spill sites. Consider our efforts in Maine, where we restored loon nesting after a spill in Rhode Island. We restored ruddy duck nesting sites in the Dakotas after a Maryland spill; and most recently, we restored a sooty shearwater nesting site in New Zealand after a spill off the California coast.

None of us wants contaminated landscapes and waters. Few on this earth intentionally degrade the world around them. But, whether through accident, inattention, or even deliberate action, contamination does occur and natural resources, wildlife, and habitat become despoiled, harmed, and injured.

We must, by law and by moral conviction, clean up and restore harmed ecosystems. We believe our NRD program, with its evolution toward a central focus on restoration, best positions us to achieve the results to which we all aspire.

While our focus here today is the NRD program, let me suggest that we have other opportunities for conservation partnerships. Indeed, most of our cooperative conservation initiatives the past five years extend beyond the damage assessment and restoration realm.

This spring, we released a report, "Sustaining Land and Habitat for Wildlife through Cooperative Conservation." The Report highlights our cooperative conservation record.

This Administration has applied record amounts of funding in cooperative conservation grants. We have strengthened our

relationships with the hunting and angling community. We have promoted best-management practices for managing multipurpose lands. We have recovered wildlife populations through partnerships.

Since 2001, 16 million acres of wetland and associated upland habitat have been restored, protected, and enhanced through North American Wetlands Conservation Act grants. We treated more than 16 million acres of forests and rangelands to reduce the risk of catastrophic wildfires and to improve the habitat of a variety of wildlife species.

We have restored, under our Coastal Program, nearly 65,000 acres of coastal wetlands, 12,300 acres of native grasslands, and 659 miles of streams through 364 partnerships since 2001. Through that same program, we've assisted communities and nonprofit organizations to protect more than 735,000 acres of wetlands and native grasslands, as well as nearly 118 miles of stream and streamside habitat.

Under the Partners for Fish and Wildlife Program, through 10,600 voluntary partnership agreements with landowners, we've restored 175,000 acres of wetlands, more than 950,000 acres of native grassland prairie and uplands and 2,400 miles of streams.

Since 2001, our Fish Passage Program has removed 370 barriers across the country. Our 2006 projects alone will open 1,440 acres and more than 556 miles of waterways for fish, contributing to larger populations and to more recreational fishing opportunities.

For the NRD program, we know policy issues and practical challenges remain. In 2005, we chartered a Natural Resource Damages Assessment and Restoration Advisory Committee. This Committee will provide advice and recommendations on issues related to the Department's authorities, responsibilities and implementation of the natural resource damage statutes and regulations. This Committee includes 30 members that include representatives from Federal, State and Tribal natural resource trustee agencies. It also includes folks from businesses and industry, the academic community, and national and local environmental groups.

The Committee has met several times. The Committee has created 4 subcommittees to address 4 key questions facing the program. These questions cover the “waterfront” of key issues facing the program.

- Are NRD regulations sufficient to reflect the current direction of the program?
- What additional measures should we be considering to expedite planning and implantation of restoration projects?
- How can we continue to address the issues of injury determination?
- How do we determine whether and when to restore on-site or off-site?
- How should we think about compensatory claims for interim lost uses?
- How might we improve and streamline the restoration process?

A little less than a year remains on the clock for the Advisory Committee. We hope to see early recommendations by this fall. We hope to see consensus recommendations in spring 2007.

Aldo Leopold, the visionary 20th century conservationist, eloquently imagined a Nation of citizen stewards. Environmental progress ultimately resides in the efforts of all of us to apply a caring hand to the landscape. It resides in our actions in our own backyards, at our places of work, on our farms and ranches, and in our communities.

On behalf of Secretary Kempthorne, who is a great advocate of conversation, dialogue, and collaboration, I urge us all, including Interior agencies, our fellow trustees, as well as the industrial, academic, and environmental communities, to continue restoring our natural resources. I urge us all to continue to seek results exemplified by the bald eagle egg on the Channel Islands and the promise it holds for new life.

We seek, through cooperative conservation, healthy lands and waters, thriving communities, and dynamic economies.

I thank you for your part in these efforts.