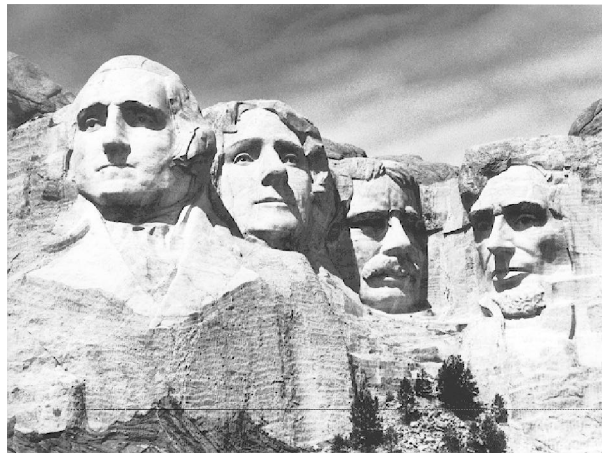




The Department of the Interior

As the Nation's principal conservation agency, the U.S. Department of the Interior (DOI) has responsibility for most of our nationally owned public lands and natural resources. The Department's responsibilities include fostering the wisest use of our land and water resources, protecting our fish and wildlife, and preserving the environmental and cultural values of our national parks and historic places.

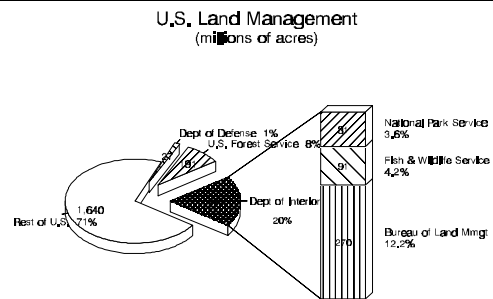
The American people have had a long-term investment in the resources managed by the Department of the Interior. In 1849, Congress created the Department of the Interior to administer the vastly expanded land holdings acquired by the Federal Government through the Louisiana Purchase of 1803, the Mexican war of 1846-48 and the 1846 treaty with Great Britain by which the United States acquired the Oregon Territory. In addition to the General Land Office, custodian of these lands, the new Interior Department was given functional responsibility for the Office of Indian Affairs, Pension Office, Patent Office, and several smaller agencies including the Census of the United States.



The faces of the four American Presidents - George Washington, Thomas Jefferson, Abraham Lincoln, and Theodore Roosevelt - carved into 6,000 foot Mount Rushmore boldly symbolize the beginning and trials of the United States during its first century and a half of growth. Begun in 1927 by sculptor Gutzon Borglum and completed by his son, Lincoln, the faces were carved to a scale of men 465 feet tall over a period of 14 years (Mount Rushmore National Memorial, South Dakota).

Over the years, the Department's role has changed

from that of a general housekeeper for the Federal Government to that of custodian of its natural resources. The Interior Department has evolved into the Nation's principal conservation agency and manager of much of the Nation's Federally owned public lands and many of its natural resources. The Department through its bureaus, services, surveys, and offices, serves people in all 50 states and has major responsibilities to American Indians, Alaska Natives, and residents of freely associated states and territories under the general administrative authority of the United States.



Total U.S. Acreage - approximately 2,300 million acres

The Department manages the natural resources of the Nation, in the form of national parks, refuges and public lands comprising approximately 20 percent of the land mass of the United States. These resources provide habitat for fish, wildlife and plants and produce revenues for the Nation from mineral royalties, timber and grazing. The Department's resource management responsibilities also include reclamation of lands damaged by past surface mining, management of water resources in the western United States and the collection of mineral royalties owed to the Federal government.

The Department continues to support scientific research to provide basic earth science, biological, and minerals data for the Federal Government and the Nation. The Department's earth and biological scientists do not make regulatory decisions. Rather, they provide objective scientific data regarding complex issues.

The programs of the Department of the Interior -

from the administration of National Parks to volcano and earthquake monitoring by the U.S. Geological Survey to management of Federal lands - will at some point touch the life of nearly every American. However, the Department accomplishes all this with only one-half of one percent of the budget of the Federal government.

The majority, 60 percent, of the financial resources of the Department are allocated toward the management of natural resources in a wide variety of forms, including operation of National Parks, Wildlife Refuges and other public lands, maintenance of dams and water conservation projects, reclamation of land damaged by surface mining and, and collection of royalties due the nation from the extraction of oil, gas and minerals from public land. As additional one-tenth of the Department's budget is invested in science that supports the Department's natural resource

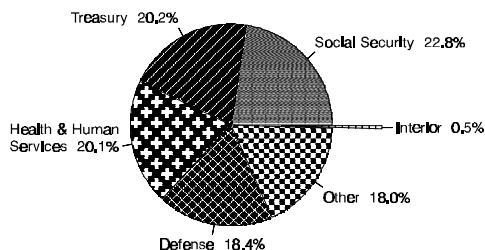
reducing the costs of those programs on the Federal budget and citizens. One-fourth of the Department's budget is used to provide a wide range of services to Native Americans.

Key Resource Management Initiatives

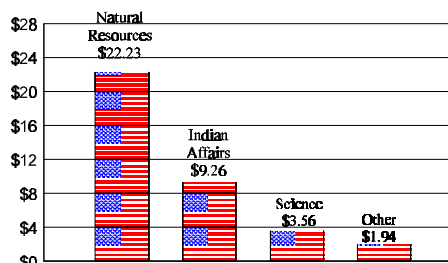
The key resource management initiatives of the Department cut across bureaus, linking resource management and sound science in a manner intended to benefit both economy and ecology. These initiatives include:

South Florida Ecosystem Restoration: One of the highest priorities for the Department is the restoration of the South Florida ecosystem, an area encompassing approximately 17,000 square miles

DOI Percentage of 1994 Federal Budget

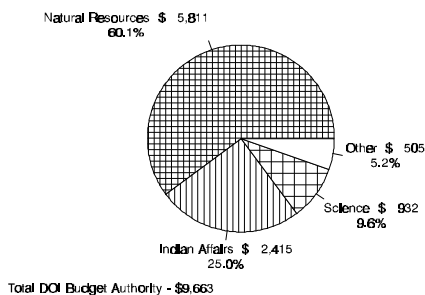


Estimated Annual Per Capita Cost
Based on FY 1994 DOI Budget Authority



DOI Budget Authority - \$9,663 million
U.S. population of 261,050,000 based on Bureau of Census estimate

FY 1994 DOI Budget Authority
(\$ in millions)



management, including finding ways to increase the effectiveness of the Department's programs while

from the headwaters of the Kissimmee River and extending south to Florida Bay and the Keys. On its northern end near the Kissimmee River Valley, the region contains the central Florida highlands and their disappearing scrub and sand pine habitat. South of Lake Okeechobee comprising the southern end are Everglades sawgrass prairies, tree islands, cypress forests, and extensive mangrove, seagrass, and coral reef communities.

Within this ecosystem are seven units of the National Park and National Wildlife Refuge systems, providing habitat for 56 Federally listed threatened or endangered species and 30 candidate species, as well as numerous other diverse flora and fauna species. In addition, the ecosystem is an important over-wintering area for migratory

waterfowl. Florida Bay is an important commercial and sport fishery resource contributing to the economic health of the region.

The region, home to more than five million people, is one of the fastest growing and heavily populated areas of the Nation, and supports tourism, agricultural, and fishing industries. The area's future depends on its long-term ability to sustain these natural resources and accommodate the growing urban presence.

The Clinton Administration established the South Florida Ecosystem Restoration Task Force, chaired by the Department of the Interior's Assistant Secretary for Fish and Wildlife and Parks, to provide leadership and coordination among the Federal agencies involved in the region.

The goal of the Task Force is to work towards restoring, to the extent possible, the natural hydrologic functions of the Everglades to support environmental and economic needs. This work cannot be done by the Federal Government alone; the Task Force is working in partnership with the state of Florida, local governments, the Seminole and Miccosukee Tribes, and other organizations, such as the Governor's Commission on a Sustainable South Florida.

Since the Task Force was established, there have been several major successes including the settlement of longstanding water quality litigation between the Federal Government, the State of Florida, and major agricultural interests.

Pacific Northwest Forest Plan: The Forest Plan is a comprehensive blueprint for forest management, economic development, and interagency coordination in the Pacific Northwest. The Forest Plan offers a new approach to managing old growth forests and their biological diversity, based on objective science and a commitment to existing law. The Forest Plan aims to strengthen the long-term economic and environmental health of the region. To encourage attainment of these goals, the Forest Plan follows these five objectives:

- First, provide a sustainable harvest that will allow timber sales and logging based on a scientifically sound and legally responsible plan.

The plan provides for a sustainable harvest of 1.2 billion board feet annually from spotted owl forests.

- Second, provide economic assistance to help local workers, families, businesses, Tribes, and communities strengthen their economies and determine their own economic and social futures.
- Third, provide an innovative approach to environmental protection based on key watersheds and valuable old growth forests.
- Fourth, set up a comprehensive system of old growth preserves that includes the most valuable old growth forests and designated conservation areas to protect specific species.
- Fifth, promote improved coordination among Federal agencies.

The Department has played a large part in the Administration's implementation of a unique "Jobs in the Woods" program which provides environmental benefits at the same time it provides much needed job opportunities for workers. For example, timber workers' skills are needed for watershed restoration projects.

California Desert: The Department has begun to implement the recently passed California Desert Protection Act which will assure protection of this valuable desert wilderness. This Act has expanded the Death Valley and Joshua Tree National Monuments and upgraded them to National Park status. The bill also designates the Mojave Desert as a National Preserve and establishes 69 new wilderness areas comprising over 3.6 million acres of Bureau of Land Management land. These park units and wilderness areas will provide recreational and tourism opportunities for southern California's rapidly growing urban population.

The Department will set a new standard for public lands management by managing the California Desert as one ecological system. In addition to internal management coordination, the Department is also working with the Department of Defense, the military services, and the State of California to develop a joint planning process for public lands

managed by the two Departments in the California Desert area. The efforts will ensure an efficient utilization of resources and expertise.

Restoration of Prince William Sound: In the past year, significant strides have been made to restore the natural resources of Prince William Sound, which were heavily damaged by the March 1989 Exxon Valdez oil spill - the largest in U.S. history. The Administration has begun to acquire environmentally sensitive lands, worked to implement joint Federal/State restoration and instituted a restoration plan for the area.

The restoration plan will use the civil fines and settlement monies (totaling \$1.1 billion) that will be paid by the Exxon Corporation into the next century. In 1995, the Department will continue leadership in

the acquisition of environmentally sensitive habitat, and encourage development of an ecological inventory for future land use and environmental analyses.

Discussion and Analysis of Departmental Programs

Programs administered by the Department of the Interior can be classified into four major categories: Natural Resources Management, Science, Native American Programs, and Other Departmental Programs. The functional areas, in turn, are comprised of individual DOI bureaus and offices. The following sections discuss major functional and bureau program highlights.

Restoration of a National Symbol

In 1963, there were 417 occupied Bald Eagle territories; the bird's population had been decimated by the ingestion of DDT. By 1993, thanks to recovery efforts by the Fish and Wildlife Service and cooperation from the American people, there were more than 4,000 occupied Bald Eagle territories. The Fish and Wildlife Service reclassified the eagle from endangered to threatened throughout the lower 48 states in 1994, with the exception of some Southwestern states.



This recovery did not happen by accident. It was only with cooperation among diverse interests and mutual respect that this accomplishment could happen. For example, more than 400 bald eagles congregate on the Missouri River below Canyon Ferry Dam between mid-October and mid-December each year to feed on spawning salmon, the largest concentration of fall migrant eagles in the lower 48 states. A cooperative management plan and public education program has been developed to enable viewing of the eagles by the public while minimizing disturbance to the birds. Recreational and other activities such as dredging or mining are coordinated and managed to facilitate viewing of the birds by the public.

Another example of cooperation is with the Louisiana-Pacific Corporation, which owns land adjacent to Nevada Lake in Montana where an active bald eagle nest occurs. The Corporation, aware of the bald eagle nest and the potential that its proposed logging operations would displace the birds, voluntarily contacted the Montana Field Office of the Fish and Wildlife Service to coordinate the timing and type of logging. Monitoring after the logging confirmed successful nesting by the eagle pair.