

# Mission Area 2: Resource Use— Manage Resources to Promote Responsible Use and Sustain a Dynamic Economy

- End Outcome 1 Energy—Manage or Influence Resource Use to Enhance Public Benefit, Promote Responsible Use, and Ensure Optimal Value
- End Outcome 2 Non-Energy Minerals—Manage or Influence Resource Use to Enhance Public Benefit, Promote Responsible Use, and Ensure Optimal Value
- End Outcome 3 Forage—Manage or Influence Resource Use to Enhance Public Benefit, Promote Responsible Use, and Ensure Optimal Value
- End Outcome 4 Forest Products—Manage or Influence Resource Use to Enhance Public Benefit, Promote Responsible Use, and Ensure Optimal Value
- End Outcome 5 Water—Deliver Water Consistent with Applicable State and Federal Law, in an Environmentally Responsible and Cost-Efficient Manner
- End Outcome 6 Hydropower—Generate Hydropower Consistent with Applicable Federal and State Law, in an Environmentally Responsible and Cost-Efficient Manner

Managing the vast resources of America’s public lands has been a core Interior responsibility since the Department was founded in 1849. Over the past 156 years, that management task has grown more complex than it was in the 19th Century. Today, we continue to provide access to the resources needed by the Nation, but our challenge is to determine where, when, and how to provide access to the renewable and non-renewable economic resources of these public lands and waters.

Lands and water managed by Interior produce resources critical to the Nation’s economic health. Our multiple-use lands, water, and offshore areas supply about 30% of the Nation’s domestic energy production, including 34.5% of the natural gas, 34.7% of the oil, 43% of the coal, 17% of the hydropower, and 50% of the geothermal energy. Making responsible resource use decisions demands that we balance the economy’s call for energy, minerals, water, forage, and forest resources with our resource protection and recreation mandates. Interior conducts resource and environmental assessments to make informed decisions.

## End Outcome Goals 1, 2, and 3: Managing Energy and Non-Energy Minerals and Forage Resources

Science is a key foundation upon which we base management decisions that promote natural resource use to sustain a dynamic economy while maintaining healthy lands and waters. Interior scientists, including geologists, engineers, and researchers at USGS, provide the critical information needed to make informed natural resource use decisions. In FY 2004, the USGS helped support non-energy mineral resource use decisions by providing information covering 2,401,329 average square miles of the United States. This information includes geologic maps and digital data sets, mineral locality information, and a web-based geochemical database. The geochemical database alone includes data for approximately 71% of the land area of the United States, including sites in all 50 States. USGS also conducted five oil and gas resource assessments (against a goal of 5) on targeted basins to support management decisions.

One hundred percent of its studies were validated through appropriate peer or independent reviews.

Interior also manages leases and mineral operations covering more than 700 million acres of mineral estate underlying Federal and other onshore surface ownerships, and nearly 1.8 billion acres of the Outer Continental Shelf (OCS). Annual revenues from resource use activities have reached as high as \$11 billion. In FY 2004, these revenues amounted to approximately \$10 billion. These revenues are shared, in part, with States, Tribes, and communities (*Figure 1-9*). These revenues play an empowering role in local economies. Some of them also become a part of the Historic Preservation Fund and the Land & Water Conservation Fund, helping to protect natural, cultural, recreational, and heritage resources. Interior’s BLM and Minerals Management Service (MMS) have specific responsibilities as stewards of energy minerals resources on Interior-managed lands. In FY 2004, revenues collected from the offshore mineral leases administered by MMS amounted to approximately \$6.3 billion. BLM collected more than \$700 million in revenue from energy, minerals, grazing, land sales, and other leases it administers. In FY 2004, MMS reported that royalties received for offshore and onshore mineral leases comprised 96% of predicted revenues (against a target of 98% for 2001), based on market indicators in the production year. It reported that it disbursed 95.5% of its revenues on a timely basis, against a target of 94%, compared with 92.6% in FY 2003 and 80% in FY 2002.

Implementing the President’s National Energy Plan, which focuses in part on producing energy on Federal lands while maintaining environmental protections, is a priority of the Department. In FY 2004, Interior met its performance target and held four offshore sales, consistent with the Secretary’s Five-Year Program for supporting the National Energy Plan. Offshore sales resulted in \$544 million in high bids on 922 tracts.

### Walk a Mile in My Boots

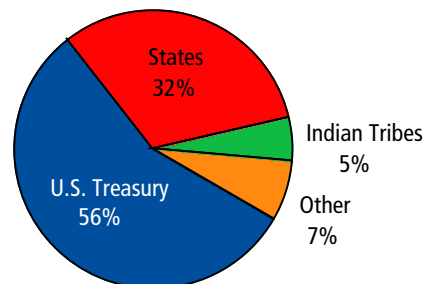
The FWS and the National Cattlemen’s Beef Association (NCBA) have launched a cooperative exchange program between FWS employees and NCBA representatives that provides an opportunity to learn about each others’ respective lifestyles and perspectives. Through the “Walk a Mile in My Boots” initiative, ranchers and FWS employees are learning what it is like to be on the “other side of the fence”—often quite literally. Ranchers and FWS employees sign up for an exchange that lasts typically between 2 and 10 days. During that time, ranchers shadow FWS biologists, managers, and educators and attend government meetings while visiting refuges and offices. FWS employees are paired with cattlemen, learning what it is like to run a ranch and participating in a range of activities from mending fences to moving cattle.

Since the program’s launch in the summer of 2003, exchanges have taken place in Texas, Idaho, Montana, and Wyoming. Those participating have characterized the program as a “rewarding experience.”



FIGURE 1-9

### Interior Revenue Distribution





As part of the President's Healthy Forests Initiative, forest managers are looking to reduced fuels techniques to mitigate damage to forests caused by fires. Here are photos showing a stand of trees that was thinned, before (left photo) and after a fire (right photo).

### End Outcome Goal 4: Forest Products

Forest management programs led by BIA and BLM within the Department have the dual benefit of generating timber harvests on public and Indian trust lands, while restoring forest health through the President's Healthy Forests Initiative. BIA is steward for Indian forests, which cover 18 million acres on 275 reservations in 26 states. BIA forest use plans, which at present cover 44% of forested lands on reservations, optimize the benefits of timber resources while addressing use conflicts, ensuring Tribes realize the full potential of their lands. Guardian of forest health on the Interior lands it manages, BLM balances its conservation mission with managing timber as a resource. In FY 2004, BLM offered 188 million board feet (MMBF) of timber for sale on Interior lands, against a target of 208 MMBF. The administrative cost of the timber offered was maintained at \$176 against a target of \$165 per thousand board feet (MBF) within 94% of its target for costs. The \$176 includes administrative and program management costs that were not included in the target. Due to litigation in the Pacific Northwest, Interior was unable to meet its target for percent of wood products offered over the allowable sale quantity (ASQ). Instead, 80% of the wood products offered were consistent with management plans against a target of 88.5%. In addition, we increased the volume of timber offered for sale on Indian lands to 579.8 MMBF, exceeding a target within our Serving Communities mission area.

### End Outcome Goal 5: Deliver Water

Water availability is among the most critical issues facing our Nation today. Interior is the largest supplier and manager of water in the 17 western States. Interior bureaus manage over 2,800 dams and reservoirs. Interior's Bureau of Reclamation (Reclamation) manages 476 dams and 348 reservoirs, and provides drinking water to over 31 million people. Interior water irrigates more than 10 million acres of farmland, on which farmers produce about 60% of the Nation's vegetables and 25% of our fruits and nuts. In FY 2004, Reclamation delivered an estimated 28.7 million acre-feet (MAF) of water to its customers, consistent with applicable requirements of Federal and State water laws, against a target of 29.1 MAF. One acre-foot equals about 326,000 gallons of water, or enough to fill a football field to a depth of one foot. An acre-foot is also enough water to supply the needs of a family of five for a year. The Department of Water Resources in the State of Utah estimates Lake Powell holds approximately 28 million acre feet at normal capacity.

Reclamation operates and maintains a safe and reliable water infrastructure and delivery system. In FY 2004, 100% of its water facilities remained in compliance with environmental requirements as defined by law, against a target of 97%. Reclamation's Facilities Reliability Rating showed 97.4%, against a target of 96%, of its water infrastructure was in fair to

good condition. Reclamation increased its capacity for delivering water, making an additional 103,598 acre-feet available (against a target of 102,109), by completing infrastructure construction projects.

## End Outcome Goal 6: Generate Hydropower

Reclamation's water infrastructure generates 17% (42 billion kilowatt hours) of the Nation's hydropower—making Reclamation the second largest producer of hydroelectric power in the United States. Reclamation produces this power cost-effectively and reliably. In FY 2004, Reclamation's facilities produced power at a cost estimated to be within the lowest quartile of all hydropower producers. Its hydroelectric power generating units were available for an estimated 91.9% of the time to the interconnected Western Electrical System during daily peak summer demand periods in 2004 (against a target of 91.5%). Its forced outage time is better than the industry average at about 1% (against a target of 2.5%).

### Partnering to Succeed: Water 2025 Initiative

Water supply challenges will continue to confront the West in the coming decades. Crisis management is not an effective way to address these long-term, systemic problems. Recent crises in the Klamath and Middle Rio Grande Basins—where American Indian Tribes, farmers, urban residents,

and fish and wildlife have been affected by water shortages—vividly demonstrate the consequences of failing to strategically address the problem of competing demands for a finite water supply. To address these and other concerns, an initiative known as Water 2025 is underway. Its purpose is to help manage scarce water resources and develop partnerships to nourish a healthy environment and sustain a vibrant economy. Through a 50-50 Challenge Grant Program, Water 2025 encourages voluntary water banks and other market-based measures, promotes the use of new technology for water conservation and efficiency, and removes institutional barriers to increase cooperation and collaboration among Federal, State, Tribal, and private organizations. The goal of these challenge grants is to support realistic, cooperative approaches and tools that have the most likelihood of successfully addressing water challenges in the basins facing the greatest risk.

Interior and its partners will continue to use Water 2025 as a basis for public discussion of the realities that face the West so that decisions can be made at the appropriate level in advance of water supply crises. Water 2025 will hopefully serve as a useful tool for finding innovative, workable solutions to water management challenges.

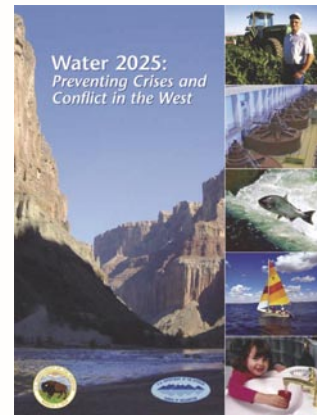


TABLE 1-5

Mission Area 2: Resource Use Performance and Resource Scorecard				
End Outcome Goal	Number of Measures Met	Number of Unmet Measures	Number of Measures Containing Estimated or No Reports	Costs (in millions)
Goal #1: Energy—Manage or Influence Resource Use to Enhance Public Benefit, Promote Responsible Use, and Ensure Optimal Value	12	2	1	\$1,902
Goal #2: Non-Energy Minerals—Manage or Influence Resource Use	4	1	0	\$142
Goal #3: Forage—Manage or Influence Resource Use	1	1	1	\$76
Goal #4: Forest Products	1	3	0	\$58
Goal #5: Water—Deliver Water Consistent with Applicable Federal and State Law, in an Environmentally Responsible and Cost-Efficient Manner	6	3	0	\$1,134
Goal #6: Hydropower—Generate Hydropower Consistent with Applicable Federal and State Law	5	0	0	\$218
Total	29	10	2	\$3,530
Percentage (Total of 41 Measures)	70.7%	24.4%	4.9%	

