



Highlights of [GAO-09-425T](#), a testimony before the Subcommittee on Interior, Environment, and Related Agencies, Committee on Appropriations, House of Representatives

Why GAO Did This Study

The Department of the Interior is responsible for managing much of the nation's vast natural resources. Its agencies implement an array of programs intended to protect these precious resources for future generations while also allowing certain uses of them, such as oil and gas development and recreation. In some cases, Interior is authorized to collect royalties and fees for these uses. Over the years, GAO has reported on challenges facing Interior as it implements its programs. In addition to basic program management issues, Interior faces difficult choices in balancing its many responsibilities, and in improving the condition of the nation's natural resources and the department's infrastructure, in light of the federal deficit and long-term fiscal challenges facing the nation.

This testimony highlights some of the major management challenges facing Interior today. It is based on prior GAO reports.

What GAO Recommends

GAO has made a number of recommendations intended to improve Interior's programs by enhancing the information it uses to manage its programs and strengthening internal controls. Interior has agreed with most of the recommendations and taken some steps to implement them. However, Interior has been slow to implement other recommendations, such as developing a cohesive wildland fire strategy and improving oversight of oil and gas activities.

View [GAO-09-425T](#) or key components. For more information, contact Robin M. Nazzaro or Frank Rusco at (202) 512-3841 or nazzaro@gao.gov and ruscof@gao.gov, respectively.

DEPARTMENT OF THE INTERIOR

Major Management Challenges

What GAO Found

As GAO's previous work has shown, the Department of the Interior faces major management challenges in the following six areas.

- *Strengthening resource protection.* Interior has not yet developed a cohesive strategy to address wildland fire issues, as GAO recommended in 1999 and 2005. In addition, Interior faces challenges in managing oil and gas operations on federal lands, adapting to climate change, and resolving natural resource conflicts through collaborative management.
- *Strengthening the accountability of Indian and island community programs.* Having a land base is important to Indian tribes. Concerns remain about delays in decisions about land that Interior will take into trust status. In addition, programs for seven island communities—four U.S. territories and three sovereign island nations—continue to have financial and program management deficiencies.
- *Improving federal land acquisition and management.* As the steward of more than 500 million acres of federal land, land consolidation through sales and acquisitions and land management are important functions for the department. The Federal Land Transaction Facilitation Act has had limited success and Interior's U.S. Fish and Wildlife Service is unlikely to achieve its goals to protect certain migratory bird habitat and it is generally not managing a majority of its farmlands.
- *Reducing Interior's deferred maintenance backlog.* While Interior has improved inventory and asset management systems, the dollar estimate of the deferred maintenance backlog has continued to grow. The 2008 estimate of between \$13.2 billion and \$19.4 billion is more than 60 percent higher than the 2003 estimate. The funds for Interior in the recently enacted stimulus package may reverse this trend.
- *Ensuring the accurate collection of royalties.* GAO and others have found many material weaknesses in their numerous evaluations of federal oil and gas management and revenue collection processes. These weaknesses place an unknown but significant proportion of royalties and other oil and gas revenues at risk and raise questions about whether Interior is collecting an appropriate amount of revenue for the rights to explore for, develop, and produce oil and gas from federal lands and waters.
- *Enhancing other revenue collections and financial assurances.* Additional revenues or financial assurances could be generated by (1) amending the General Mining Act of 1872 to collect federal royalties on gold, silver, copper, and other valuable minerals belonging to the United States, (2) requiring adequate financial assurances from hardrock mining operations to fully cover estimated reclamation costs, and (3) increasing the grazing fee for public lands managed by Interior's Bureau of Land