

Fiscal Year 2005
The Interior
Budget in Brief
February 2004

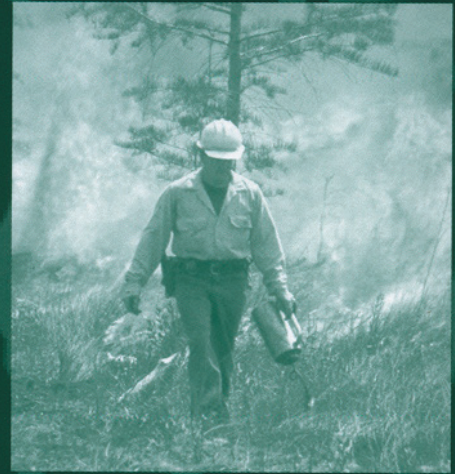
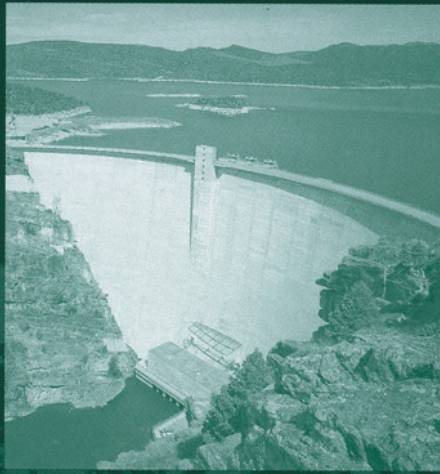


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FOREWORD

BACKGROUND AND ORGANIZATION

This document summarizes and highlights the programs of the Department of the Interior and its fiscal year 2005 President's budget request. It has been prepared for Members of Congress, congressional committees and their staffs, Departmental and other Federal government officials, the press, and private citizens interested in the Department's programs.

The **DEPARTMENTAL OVERVIEW** section summarizes budgetary resource requirements at the Departmental level. The **DEPARTMENTAL HIGHLIGHTS** section presents major Department-wide programs and budget proposals linked to Interior's new strategic plan. The **BUREAU HIGHLIGHTS** section presents a narrative summary of the budget request for each bureau and an in-depth comparison in tabular form of 2003, 2004, and 2005 budgetary resource estimates, in addition to brief descriptions of programmatic changes. The **APPENDICES** present tabular summaries of pertinent budgetary data. Appendix A is a Department-wide table, comparing 2005 requests with the 2004 enacted and 2003 actual amounts. Appendix B presents a crosswalk of 2005 funding to the strategic plan end outcome goals. Other appendices contain summaries of Interior bureau maintenance, construction, and land acquisition programs; the Everglades watershed restoration, invasive species, and recreational fee programs; mineral revenue payments to States; other grant and payment programs; receipt estimates; and staffing levels.

USAGE AND TERMINOLOGY

All years referenced are fiscal years unless noted, and amounts presented reflect budget authority unless otherwise specified. Numbers in tables and graphs may not add to totals because of rounding. Numbers shown in brackets [] are displayed for informational purposes and not included in totals.

References to **2004 estimate**, **2004 appropriations** or **2004 enacted** signify amounts appropriated primarily in the Interior and Related Agencies Appropriations Act, 2004, P.L. 108-108 and the Energy and Water Development Appropriations Act, 2004, P.L. 108-137. Both of these appropriations acts are subject to the provisions contained in the 2004 Consolidated Appropriations Act, P.L. 108-199, and thus 2004 figures include the 0.59 percent across-the-board rescission contained in the Act. References to **2003 appropriations**, **2003 actual**, or **2003 enacted** signify amounts appropriated primarily in the Consolidated Appropriations Act, 2003, P.L. 108-7, which included both Interior and Related Agencies Appropriations and Energy and Water Development Appropriations. **Uncontrollable costs** refer to cost changes that are unavoidable in the short term (e.g., GSA-negotiated space rate costs, unemployment compensation, government-wide changes in pay). Additional information on the basis for the amounts used in this document is provided in the note following Appendix A.

A listing of frequently used acronyms follows:

BLM	Bureau of Land Management	SOL	Office of the Solicitor
MMS	Minerals Management Service	OIG	Office of Inspector General
OSM	Office of Surface Mining Reclamation & Enforcement	OST	Office of the Special Trustee for American Indians
BOR	Bureau of Reclamation	NRDAR	Natural Resource Damage Assessment & Restoration
CUP	Central Utah Project Completion Act	NIGC	National Indian Gaming Commission
USGS	U.S. Geological Survey	ABC/M	Activity-Based Cost Management
FWS	Fish & Wildlife Service	CCI	Cooperative Conservation Initiative
NPS	National Park Service	FCI	Facility Condition Index
BIA	Bureau of Indian Affairs	GPRA	Gov't. Performance & Results Act
DO	Departmental Offices	LWCF	Land & Water Conservation Fund
DM	Departmental Management	PART	Program Assessment Rating Tool
OIA	Office of Insular Affairs		



DEPARTMENTAL OVERVIEW

Budget Overview for 2005



Aldo Leopold, a visionary mid-20th century conservationist, 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.

Secretary Gale A. Norton, September 5, 2003

With broad responsibilities, the Department of the Interior touches the lives of all Americans, contributing to the Nation's environmental quality, economic vitality, and the well-being of communities. The Department:

- Manages one in every five acres of land in the United States.
- Operates over 800 dams and irrigation facilities.
- Oversees water projects that irrigate lands generating 60 percent of our Nation's vegetables.
- Manages lands and waters that generate one-third of the Nation's domestic energy supply.
- Undertakes research and provides scientific information to advance our knowledge of our surroundings.
- Serves American Indians, Alaska Natives, and affiliated island communities.
- Works with States to restore abandoned mine land sites and protect communities.
- Manages 388 national park units and 542 wildlife refuges.

Interior's multi-faceted mission encompasses four themes delineated within our new strategic plan: resource protection, recreation, resource use, and

servicing communities. Within this framework, the Department's 2005 budget supports an array of programs to achieve presidential commitments and other high-priority goals that include:

- Supporting and enhancing cooperative conservation.
- Fully funding the Land and Water Conservation Fund.
- Accelerating Indian trust reform.
- Reforming the Abandoned Mine Lands program.
- Implementing the Healthy Forests Initiative.
- Addressing the National Park Service's maintenance backlog.
- Enhancing the education of American Indian children.
- Advancing the goals of the National Energy Plan.

The Department of the Interior, the Nation's chief guardian of unique natural and cultural resources, fulfills its multiple roles in a complicated and changing world. Populations are moving into once remote areas, resulting in increased recreational activities on public lands. Nature's complexity demands that Interior invest in science to better understand ecosystems and how they coexist with people who live, work, and recreate across a mosaic of public lands. In this context, partnering is

essential. To build these partnerships, Secretary Norton has advanced a vision of Conservation through Cooperation, Communication, and Consultation—what she calls the Four C's.

The President's 2005 budget proposes funding to develop stronger partnerships with States, Tribes, local communities, and citizens for healthy lands, thriving communities, and dynamic economies. The budget will:

- Expand opportunities to work with landowners and others through conservation partnerships, applying conservation solutions that serve as models for ecologically healthy and economically vibrant working landscapes throughout the Nation.
- Meet the President's commitment to fund the Land and Water Conservation Fund at \$900 million.
- Accelerate Indian trust reform, significantly increasing funding to consolidate fractionated interests in trust lands, advancing the reorganization and reform of trust programs, and continuing efforts to account for historical balances in trust accounts.
- Reform the Abandoned Mine Lands program to fund the most critical areas, eliminating significant health and safety problems associated with abandoned coal mines in 25 years.
- Support the President's commitment to restore healthy forests and rangelands, reducing the threat of catastrophic wildfires that have devastated numerous communities, harmed threatened and endangered species, and cost the lives of firefighters and civilians.
- Continue the President's commitments to provide \$4.9 billion over five years for the National Park Service maintenance backlog and to replace outmoded and unsafe Indian schools.
- Minimize future western water crises through our Water 2025 initiative to foster conservation and interagency coordination, enhance water supplies

through improved technologies, and manage water resources in cooperation with States, communities, and Tribes.

MANAGEMENT EXCELLENCE

Meeting the Department's many responsibilities requires a constant search for ways to work effectively and efficiently. Through management improvements, we are achieving greater efficiency and accountability, employing modern technology, eliminating duplication, and enhancing service to citizens. The Department continues to make significant progress on the President's management agenda and other management improvements.

Budget Performance Integration – Budget and performance integration lies at the heart of ensuring both the strategic allocation and efficient use of funds. The Department's approach to this integration extends beyond the cyclic budget formulation process to include building cost and performance information systems that allow on-the-ground managers to better understand unit costs of performing specific activities; the relationship of those activities to achieving measurable goals; and where opportunities might exist for greater efficiency and effectiveness.

The Department is utilizing Program Assessment Rating Tool reviews, along with program evaluations conducted by the Office of Inspector General, General Accounting Office, and National Association of Public Administration, to assist in the identification of measures that can strengthen programs and improve the linkage of budget and performance information.

Activity-Based Cost Management – The Department has a sustained need for cost management information to help employees and the public understand what it takes to deliver quality products and services. Activity-based cost management, ABC/M, allows us to break our work into specific activities so that we can measure and compare unit costs and performance by dollars spent and actions undertaken. This information allows Interior employees to make better decisions in allocating financial and human resources.

In 2004, all Departmental employees began to code their time and purchases to activities that describe the work of the Department. The year 2005 heralds the migration to a uniform ABC/M system and training of bureau personnel to use and rely on the

ABC/M system to meet management information needs. In 2005, Interior will configure the ABC/M system to accommodate bureau activities and will train employees in data extraction and data analysis. Activity-based cost management will help the Department:

- Demonstrate the value we are providing in how we use tax dollars.
- Evaluate cost and performance trends to identify opportunities for improving efficiency and effectiveness.
- Identify best management practices.

Financial System Migration – In early 2003, Interior launched a comprehensive plan to transform its financial management functions and create a world-class financial management structure that links planning and budgeting with performance results; performs efficient and reliable transaction processing; recruits, trains, and rewards top financial management talent; and focuses on analysis to improve the business information available to program managers. The cornerstone of the Department’s plan to transform financial management is the Financial and Business Management System, which will replace a variety of outdated, stand-alone, mainframe-based systems that are costly to operate, difficult to secure, unable to provide timely financial and performance information, and do not comply with financial system standards.

Department-wide Strategic Plan – Replacing eight distinct bureau plans with a single, cohesive framework for the first-time, Interior’s new strategic plan—finalized in September 2003—organizes our goals and performance measures into four mission areas, with bureau resources and activities linked to these measures.

Law Enforcement Reforms – Responding to the Inspector General’s observation that Interior’s law enforcement activities were in a “disquieting state of disarray,” the Office of Law Enforcement and Security and the bureaus are implementing 25 Secretarial directives to improve law enforcement.

Bureau law enforcement offices are establishing bureau policies and oversight consistent with these directives. The Bureau of Land Management has hired its chief for law enforcement, and the National Park Service has hired a chief ranger and special agent in charge for internal affairs.

E-Government – The new strategic plan also provides a common framework to identify and adopt common technology solutions to support shared business needs across the bureaus. With a Departmental e-government strategy, Interior is moving towards standardization, consistency, and greater efficiency.

Strategic Human Capital Management Plan – The Department’s *Strategic Human Capital Management Plan – FY 2003-2007* links our human resources and missions as identified in the strategic plan and identifies common challenges that are shaping the skills, training, and professions needed throughout the Department. Key challenges include increased urbanization; rising security demands; an aging infrastructure; and expectations by citizens for greater transparency, accountability, and efficiency in government.

Competitive Sourcing – Competitive sourcing is an important component of the Department’s management toolbox, providing a means to periodically evaluate how business is conducted and develop effective organizations for service delivery. Competitive sourcing has produced more efficient ways to deliver services thereby allowing savings to be reinvested in programs.

Senior Executive Service – We have revised our SES performance management and appraisal program to emphasize strategic plan goals through the performance of each executive. Individual performance plans now clearly link executive performance to mission outcomes. The Department is using performance results as a basis for pay, awards, development, retention, removal, and other personnel decisions. Performance elements for all SES members directly support the President’s management agenda and the Secretary’s strategic vision of achieving Departmental goals through partnerships and cooperation.

**BUDGET AUTHORITY AND RECEIPTS
FOR 2003, 2004, AND 2005**
(in millions of dollars)

	<u>2003 Actual</u>	<u>2004 Enacted</u>	<u>2005 Request</u>	<u>Change from 2004</u>
BUDGET AUTHORITY				
Total Current Appropriations	10,675	10,729	10,979	+250
Permanent Appropriations.....	3,207	3,596	4,355	+759
Total.....	13,881	14,325	15,334	+1,009
[Net discretionary BA in above].....	[10,572]	[10,646]	[10,850]	[+205]
RECEIPTS				
Outer Continental Shelf	5,029	4,587	4,755	+168
Offsetting Receipts.....	1,575	1,791	2,512	+721
Onshore Mineral Leasing	2,014	2,237	2,323	+86
Other Receipts	579	565	536	-28
Total.....	9,197	9,180	10,126	+947

Note: Numbers may not add due to rounding.

THE NUMBERS

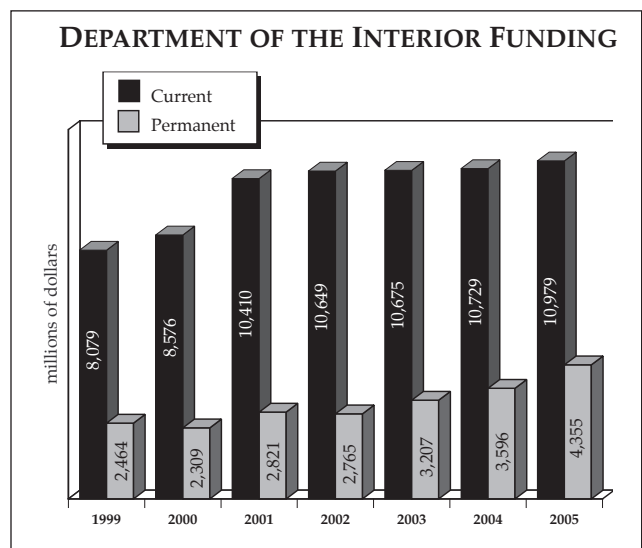
The 2005 budget request for current appropriations is \$11.0 billion, the largest presidential request in the Department's history. Permanent funding that becomes available as a result of existing legislation without further action by Congress will provide an additional \$4.4 billion for a total 2005 Interior budget of \$15.3 billion.

The 2005 current appropriations request is an increase of \$250.2 million or 2.3 percent over the 2004 funding level, adjusted for the 0.59 percent across-the-board reduction contained in the 2004 Consolidated Appropriations Act.

The 2005 budget request includes \$10.0 billion for programs funded in the Interior and Related Agencies Appropriations Act, an increase of \$228.4 million or 2.3 percent over the 2004 level.

The request for the Bureau of Reclamation and the Central Utah Project, funded in the Energy and Water Development Appropriations Act, is \$1.0 billion, \$21.8 million or 2.2 percent above the 2004 funding level.

Receipts collected by the Department in 2005 are projected to be \$10.1 billion, equivalent to 92 percent of Interior's current appropriations request.



SUPPORTING THE DEPARTMENT'S MISSION

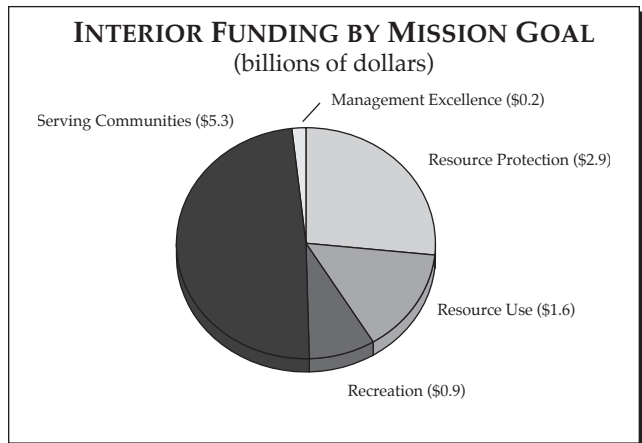
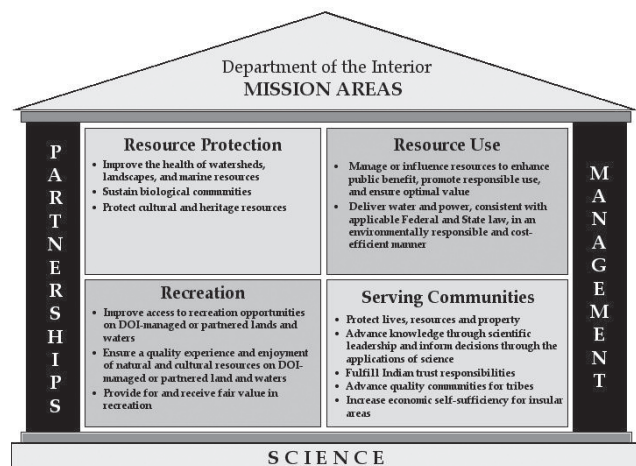
The Department's 2005 budget request of \$11.0 billion aligns with the four strategic mission components as follows:

Resource Protection – The 2005 budget includes \$2.9 billion for resource protection for programs that improve the health of landscapes and watersheds, sustain biological communities, and protect cultural and natural heritage resources, including advancing the President's commitment to address the \$4.9 billion maintenance backlog in national parks.

Resource Use – The 2005 budget proposes \$1.6 billion to better meet increasing demands for water resources and to implement important components of the National Energy Policy.

Recreation – The 2005 budget proposes \$900.0 million in recreation investments that improve access to recreational opportunities.

Serving Communities – The 2005 budget includes \$5.3 billion for serving communities, increasing efforts to fulfill responsibilities for trust management; improving services to Tribes and individual Indians; addressing the Indian school maintenance backlog; and improving Indian education. Funding to serve communities also supports the President's Healthy Forests Initiative and strengthens the wildland fire program; law enforcement activities; and the quality of information on which policy decisions are based.



MAJOR INITIATIVES IN THE 2005 BUDGET

Cooperative Conservation – Through partnerships, Interior works with landowners and others to achieve conservation goals across the Nation and benefit America's national parks, wildlife refuges, and other public lands. The 2005 budget includes \$507.3 million for the Department's cooperative conservation programs, an increase of over \$84.2 million or 20 percent above the 2004 enacted appropriations. A vital part of our cooperative conservation vision—the Cooperative Conservation Initiative—awards grants for land restoration and conservation projects that leverage federal dollars through partnerships. This initiative is an important component of our Land and Water Conservation Fund budget request.

Full Funding of the Land and Water Conservation Fund – The Department's 2005 budget request realizes the President's commitment to fully fund the Land and Water Conservation fund. The \$660.6 million LWCF proposal is an increase of \$139.3 million above the 2004 enacted budget. The Interior budget request, combined with the request for the U.S. Forest Service, brings the total government-wide LWCF request to \$900.2 million. This request will continue to enhance the Department's partnership approach with States, Tribes, local communities, and private citizens.

Trust Programs – The budget provides \$157.8 million in new funding to strengthen the Department's ongoing efforts to reform management of its fiduciary obligations to Tribes and individual Indians, to continue historical accounting efforts for trust funds, and to reduce the exponentially

growing costs of maintaining fractionated interests in Indian lands.

Increases to support ongoing reform and reorganization of Indian trust programs include \$4.0 million to quicken the pace at which current probate cases are resolved and \$7.2 million for additional trust management and oversight positions at the local level. An increase of \$29.1 million is proposed to continue efforts to build the Bureau of Indian Affairs' information technology infrastructure to support trust, as well as non-trust, programs.

Funding for historical accounting by the Office of Historical Trust Accounting is increased by \$65.0 million, to a total of \$109.4 million. This amount may be revised as legal issues pending before the courts are resolved. In 2005 OHTA will spend \$80.0 million to carry out accounting for individual Indian money accounts and \$29.4 million to account for funds in tribal accounts.

An increase of \$53.3 million is proposed for Indian land consolidation, bringing to \$75.0 million the 2005 investment to reduce the fractionation of individual Indian ownership interests. This increase is part of a multi-year effort that, along with proposed new legislative initiatives to reform probate and slow the fractionation of individually owned lands, will help bring these lands to more economically productive status for Tribes and curb the growth in the costs of managing and probating fractionated interests.

Abandoned Mine Lands – More than 3.5 million Americans live less than one mile from dangerous abandoned coal mines. Under the current Abandoned Mine Lands program grant allocation structure, it would take an average of 47 years and in some cases well over 100 years to reclaim all of the most dangerous abandoned coal mines as the majority of funds flow to States with few or no priority areas. In 2005, the Administration proposes to correct this problem by directing funds to the most critical and vulnerable areas, thus providing sufficient funding to eliminate all significant health and safety problems associated with abandoned coal mines within 25 years. To support this plan, the 2005 budget proposes a \$53.3 million increase over 2004. The proposed AML reforms will yield a savings of \$3.2 billion over the life of the program.

Healthy Forests Initiative – On December 3, 2003, after months of working with a bipartisan

SUMMARY OF MAJOR CHANGES
(current budget authority in millions of dollars)

INTERIOR AND RELATED AGENCIES

2004 Enacted Level.....	9,747.9
Abandoned Mine Reclamation	+53.3
Fire	
Suppression.....	+28.6
Fuels reduction (Healthy Forests).....	+25.0
Preparedness.....	+6.5
Rural fire assistance	-4.9
Indian Trust	
Historical accounting.....	+65.0
Indian land consolidation	+53.3
BIA Information technology	+29.1
Other	+13.7
Cooperative Conservation	
North American wetlands conservation.....	+16.5
Challenge cost share	+13.3
State and tribal wildlife grants.....	+10.9
Coop. endangered species conservation.....	+8.4
Other CCI	+35.2
Taking Care of Parks	
Priority park operating increases.....	+22.0
Repair and rehabilitation	+13.2
Law enforcement.....	+8.0
Natural resource challenge	+4.4
Preserve America	+10.0
Federal Land Acquisition.....	+55.1
Other	
Wild horse and burro program	+10.5
BLM Timber Management.....	+8.8
Enterprise services network	+8.0
Financial & Business Management System.	+7.0
Payment in Lieu of Taxes	+1.3
BLM construction.....	-7.3
Endangered species	-7.6
National recreation and preservation	-24.0
FWS construction	-37.7
BIA schools replacement and rehab.	-65.9
One-time 2004 fire repayments	-98.4
Net, all other program changes.....	-23.7
2005 Budget Request.....	9,976.3

Uncontrollable cost changes (non-add)[+70.8]

ENERGY AND WATER DEVELOPMENT

2004 Enacted Level.....	980.8
Bureau of Reclamation and Central Utah Project	
Central Valley Project	+29.4
Water management & endangered species .	+15.7
Site security	+15.4
Water 2025	+12.5
Animas La Plata	+5.3
Rural water.....	-6.8
Net, all other program changes.....	-49.7
2005 Budget Request.....	1,002.6

Total 2005 Budget Request10,978.9

coalition of members of Congress, President Bush signed into law the Healthy Forests Restoration Act of 2003 to reduce the threat of catastrophic wildfires, improve forest and rangeland health, and encourage public participation in project selection and implementation. This law builds upon the President's Healthy Forests Initiative, announced on August 22, 2002. The 2005 budget supports the President's commitment, proposing \$209.3 million for hazardous fuels funding in the wildland fire program, an increase of \$25.0 million or 14 percent. This hazardous fuels funding, together with funds for forest and range improvement in the land management agencies and Bureau of Indian Affairs, will provide approximately \$300 million in 2005 to reduce the build-up of hazardous fuels in the Nation's forests and rangelands, reduce the risk of catastrophic fire to communities, protect threatened and endangered species, and support other activities under the Healthy Forests Act.

Wildland Fire

– In addition to funding increases for hazardous fuels reduction, the 2005 budget provides an increase of \$28.6 million to fund suppression activities at the 10-year average and \$6.5 million more in preparedness activities to help implement the recommendations of a blue ribbon aviation safety panel and fund the fire program analysis system. In total, the 2005 budget for wildland fire management is \$743.1 million, a \$57.9 million increase over the 2004 enacted level.

National Parks Stewardship – The 2005 budget request of \$724.7 million for park facilities continues the President's commitment to address the deferred maintenance backlog in national parks. Increases include \$10.0 million for the park base operations to address facility maintenance and \$13.2 million for repair and rehabilitation priorities identified through the facility condition index performance measure. In addition, the President's budget assumes \$310.0 million for park roads funding in

the surface transportation reauthorization proposal, and \$77.5 million in recreation fee receipts obligated for maintenance. The 2005 budget will bring total investment in park facilities during this Administration to \$3.9 billion over four years, staying on track to meet the funding commitment of \$4.9 billion over five years.

Indian Education – The budget request includes \$229.1 million for school construction to fund the remaining five replacement schools on the current priority list, as well as several major improvement and repair projects. The BIA is making significant progress in addressing the Indian school maintenance backlog. Together with previous appropriations, the funds sought for 2005 will reduce the facility condition index for BIA schools from its September 2001 level of 0.266 to 0.113. Approximately sixty percent of schools will be in fair or good condition, as compared with 35 percent in 2001. The budget request also includes \$522.4 million



for elementary and secondary school operations and continues the President's commitment to "Leave No Child Behind." Included in the school operations request is expanded funding for FOCUS, a school achievement program with demonstrable results.

Water 2025 –

Chronic water supply problems in the West will continue to challenge the Nation in the coming decades. Crisis management is not an effective way to address long-term water-supply challenges. Recent crises in the Klamath and Middle Rio Grande basins—where water shortages have affected Native Americans, farmers, urban residents, and fish and wildlife—vividly demonstrate the consequences of failing to address strategically the problem of competing demands for constrained water supplies.

Water 2025 will foster conservation and interagency coordination, enhance water supplies through improved technologies, and manage water resources

in cooperation with States, communities, and Tribes. In some cases, collaborative approaches and market-based transfers can help communities meet emerging water needs. Federal investments in research and development will provide more affordable water treatment technologies to increase water supplies in critical areas. The 2005 budget includes \$20.0 million for Water 2025 in the Bureau of Reclamation and \$1.0 million in the U.S. Geological Survey. The Water 2025 initiative will help diminish the likelihood of future water crises by improving water management for the next century.

Klamath River Basin – The Department of the Interior is committed to finding a long-term resolution to the conflict in the Klamath River basin that will provide water to farmers and Tribes while protecting and enhancing the health of fish populations. The 2005 request includes \$67.2 million spread across several bureaus for the Klamath basin, an increase of \$17.5 million from 2004. Together with funds available in 2004, this increase will fund habitat restoration, removal of fish migration barriers, land acquisition, and the use of water banking.

Preserve America – On March 3, 2003, the First Lady announced Preserve America, an initiative to encourage and support community efforts for the preservation and enjoyment of our cultural and natural heritage. Preserve America advances greater shared knowledge about the Nation's past, increased local participation in historic preservation, and stimulation of local economies through heritage tourism. In 2005, the Department's budget includes \$10.0 million in the Historic Preservation Fund for Preserve America matching grants to support community efforts to enhance historic preservation and heritage tourism.

Natural Resource Challenge – Through the Natural Resource Challenge, the National Park Service measures the health of park ecosystems and specific flora and fauna within park boundaries. The 2005 budget proposes increases of \$4.1 million to fund another six vital signs monitoring networks, for a total 28 out of 32 planned. It also includes an increase of \$528,000 to fund all of the remaining water quality monitoring networks. With this funding, cumulative increases in the Natural Resource Challenge over the 2001 level will be \$149.4 million, fulfilling a presidential commitment to improve park management of natural resources.

BLM Resource Monitoring – The 2005 budget request includes a \$4.0 million increase to strengthen and enhance BLM's resource monitoring capabilities. Better baseline data on the condition of natural and cultural resources will improve BLM's ability to manage and protect these resources and ensure that land use plans and management decisions achieve their desired results.

BLM Timber Management – The 2005 budget request seeks \$8.8 million in new funding for timber planning and management in BLM. Additionally, \$4.2 million in Jobs-in-the-Woods will be focused on increased forest health treatments in 2005. These increases will enable BLM to satisfy the settlement terms pursuant to *American Forest Resource Council v. Clarke*.

Invasive Species – Aware of the enormous threat posed by invasive species, Interior, in coordination with the National Invasive Species Council, proposes for 2005 a \$58.3 million budget for programs to assist in the research, early detection, rapid response, and control of invasive species. With this requested amount, Interior will focus on:

- Controlling of brown tree snake infestations through research and detection.
- Developing and implementing strategies to control Asian carp species and other fresh water habitat invaders.
- Developing strike teams to respond quickly to infestations of brown tree snakes, tamarisk, leafy spurge, and yellow star thistle.
- Working with State and local governments, private landowners, and private nonprofits in the eight southwestern States to pursue an integrated strategic approach to managing tamarisk.

Payments in Lieu of Taxes – The 2005 budget seeks \$226.0 million for PILT, the highest amount ever requested for PILT and a \$1.3 million increase over the enacted level. Cooperating with States and localities is a Departmental priority. Recognizing that the financial stability of localities enhances their ability to partner with the Federal government, Interior is committed to improving PILT payment distributions, including an equitable distribution of payments to eligible local governments.

OTHER MAJOR CHANGES BY BUREAU

BUREAU OF LAND MANAGEMENT

The budget proposes \$953.5 million for BLM's two operating accounts, an increase of \$8.3 million over the 2004 enacted level.

Major changes not discussed above include increases of \$4.8 million for the challenge cost share program and \$3.2 million for sage grouse habitat conservation and restoration efforts.

The budget includes an increase of \$12.8 million for the wild horse and burro program to enable BLM to implement a long-term strategy to bring the number of horses on the range to appropriate management levels. Of this increase, \$10.5 million will be offset with decreases to programs that will benefit from achievement of appropriate management levels and with reductions to lower-priority activities. An estimated \$2.3 million will be provided by a proposed amendment to the Southern Nevada Public Land Management Act to allow use of land sales receipts for wild horse and burro management throughout Nevada.

Other operating program decreases in the BLM budget below the 2004 level total \$22.4 million, including \$9.0 million for the Alaska conveyance program, returning the program to the pace envisioned in the 2004 President's budget, and \$2.9 million for the cadastral survey program.

The BLM request also includes an increase of \$5.6 million for BLM land acquisition and a \$7.3 million reduction in BLM's construction program.

MINERALS MANAGEMENT SERVICE

The request for direct appropriations for MMS is \$178.7 million, a net increase of \$8.4 million. Collections from Outer Continental Shelf rents and other fee sources will provide an additional \$103.7 million, for a total of \$282.4 million for MMS operations. Receipts to the Treasury from MMS operations in 2005 will be \$5.9 billion.

The MMS 2005 budget supports the National Energy Policy, which focuses on increasing and diversifying the Nation's sources of traditional and alternative fuels. The 2005 budget proposes \$16.0 million for the third year of the OCS Connect

e-government project, a six-year project to reform and streamline offshore business operations. This is an increase of \$4.0 million. The budget also proposes \$1.9 million to acquire new interpretive tools to support Gulf of Mexico oil and gas evaluations and estimates. An increase of \$600,000 will expand MMS's efforts to evaluate gas hydrates, a potentially significant new offshore source of natural gas.

The 2005 MMS request also includes a \$941,000 Indian trust initiative. This initiative will expand outreach to Tribes, safeguard Indian records, and fund cost of living increases for the tribal cooperative audit partners. The budget also requests an increase of \$305,000 to fund cost of living increases for the State 205 cooperative audit program.

OFFICE OF SURFACE MINING

The OSM 2005 budget requests \$352.8 million, including the \$53.3 million increase in the Abandoned Mine Reclamation program discussed above. The 2005 AML budget will result in the reclamation of 8,200 acres of disturbed land and other hazards that threaten human health and welfare and environmental quality, removing an estimated 142,000 people from risk.

The 2005 request for Regulatory and Technology account is \$108.9 million, a \$3.5 million increase over the 2004 enacted level. The increase will allow States and Tribes to ensure that 93 percent of mine sites are free from offsite impacts.

BUREAU OF RECLAMATION

The 2005 BOR budget requests \$956.3 million, including the \$20.0 million for Water 2025 discussed above. This is a \$13.5 million increase above the 2004 enacted level.

The budget continues to emphasize BOR's core mission of delivering water and power, with a focus on ensuring site security and on maximizing efficient ways to conserve water for multiple uses, including endangered species protection. Increases of \$15.7 million above 2004 are proposed for the Klamath, Savage Rapids dam removal and Columbia basin projects; and the Columbia/Snake River salmon recovery and Endangered Species Act recovery implementation programs. In total, the request for these programs and projects is \$72.2 million.

A total of \$43.2 million is requested for site security

to assure the safety and security of facilities, an increase of \$15.4 million. Beginning in 2005, the operation and maintenance-related security costs for BOR facilities will be reimbursable from project beneficiaries, consistent with the practice for other operation and maintenance expenses.

The budget includes \$52.0 million for the Animas La Plata project to continue implementation of the Colorado Ute Settlement Act. This funding equates to the 2004 enacted level prior to application of underfinancing and will provide for construction of several facilities and implementation of mitigation projects for fish, wildlife, wetlands, and cultural resources.

The request for rural water supply projects is \$67.5 million. Although this is a reduction of \$6.8 million from 2004 enacted, the 2005 budget supports Interior's strategy of completing the construction of projects to increase water-delivery infrastructure and water availability. Consistent with the recommendations from a Program Assessment Rating Tool evaluation, legislation will be proposed to establish formally a BOR rural water program. This is an interim solution while the Administration considers restructuring all 11 Federal programs that provide drinking water to rural communities. In the long term, the water needs of rural communities may benefit from Water 2025 by helping communities look at new technologies and new management strategies for their water resources.

The \$162.9 million request for the Central Valley Project includes a \$9.6 million increase for the CVP replacements, additions, and extraordinary maintenance program. The budget funds the Middle Rio Grande project at \$18.0 million, \$14.3 million below 2004. This funding level is consistent with the President's budget request in recent years and addresses key issues.

U.S. GEOLOGICAL SURVEY

The USGS budget request is \$919.8 million. The request will maintain a robust science program, providing \$16.1 million in new and expanded programs within an overall net decrease of \$18.2 million from 2004.

The budget focuses on providing reliable data to the Interior bureaus to support sound policy and management, proposing a \$1.2 million increase for science on the Interior landscape. Science projects

funded within this initiative are determined by the priorities set by the other Interior bureaus, working in conjunction with the USGS.

Other increases include \$2.0 million for Klamath research into lake conditions and the Lost River and shortnose suckers, \$1.0 million for Water 2025, and \$1.0 million in invasive species research. Additionally, \$4.5 million is requested to build excellence in business and technology within the USGS to improve overall financial management performance and to improve information technology services provided to both USGS scientists and customers.

Overall, the 2005 budget requests \$118.9 million for geography, \$220.8 million for geology, \$202.7 million for water resources, \$167.6 million for biological research, and \$209.8 million for science support, enterprise information, and facilities.

FISH AND WILDLIFE SERVICE

The 2005 FWS budget proposes \$1.3 billion, an increase of \$22.6 million over the 2004 level.

The request for Resource Management, the principal operating account, is \$951.0 million. Included within this request is a programmatic increase of \$5.0 million for the endangered species listing program to meet litigation-driven workloads. The Resource Management request also proposes programmatic increases of \$7.5 million for the Partners for Fish and Wildlife program and \$4.4 million for the migratory bird program. The Partners program increase will provide additional funding to combat invasive species that threaten declining and at-risk species in the High Plains region and to restore the Klamath basin ecosystem. The increase for the migratory bird program will expand joint ventures, support status and trend surveys, and address migratory bird management issues, including the management of problems associated with overabundant populations of resident Canada geese, double-crested cormorants, and Caspian terns.

The budget proposes significant increases for FWS cooperative grant programs, including a \$20.4 million increase for the Landowner Incentive Program, a \$2.6 million increase for the Private Stewardship Grants program, and an \$8.4 million increase for the Cooperative Endangered Species Conservation Fund. These increases will provide States, Tribes, and private entities significant additional support

to protect and conserve threatened, endangered and at-risk species.

The budget also proposes an increase of \$16.5 million for the migratory waterfowl projects funded by the North American Wetlands Conservation Fund. Together with permanent funding sources, this will provide \$79.9 million for these important and well-targeted wetland conservation activities.

The budget includes a \$10.9 million increase for the State and Tribal Wildlife grants program, which has generated a great deal of interest from States and Tribes. This increase enhances the ability of State and tribal fish and game agencies to address on-the-ground wildlife needs in a manner that best fits local conditions.

The FWS budget request of land acquisition is \$45.0 million, a \$6.9 million increase over the 2004 level. This includes funding for acquisition of property in the Upper Klamath basin. This project will enhance water quality and restore habitat for the endangered Lost River and shortnose suckers as well as anadromous fish populations downstream of Upper Klamath Lake.

NATIONAL PARK SERVICE

The NPS budget request is \$2.4 billion, an increase of \$102.0 million over the 2004 enacted level.

For the Operation of the National Park System account, the budget seeks \$1.7 billion, a net increase of \$76.5 million. In addition to the increases for maintenance and the Natural Resource Challenge discussed above, the ONPS budget proposes a \$22.0 million increase for specific park needs, including a total of \$8.3 million for new park responsibilities.

The Historic Preservation Fund request is \$77.5 million, including \$10.0 million for the Preserve America initiative discussed earlier and \$30.0 million for Save America's Treasures.

The National Recreation and Preservation appropriation is reduced by \$24.0 million. The budget does not continue funding for Statutory and Contractual Aid activities that are secondary to the primary mission of the National Park Service and reduces funding for Heritage Partnership programs by \$11.8 million.

The request for Federal land acquisition is \$84.3

million, a net increase of \$42.5 million. The request includes \$40.0 million for the purchase of the Collier mineral rights at Big Cypress National Preserve.

BUREAU OF INDIAN AFFAIRS

The BIA budget proposal is \$2.3 billion, a net decrease of \$52.0 million below the 2004 enacted level. The 2005 budget request includes a program increase of \$42.0 million for trust programs, of which \$38.6 million is detailed earlier in this chapter. Other increases for trust include \$2.0 million for workforce training, \$1.1 million to establish a consultation office, and \$1.0 million for the forestry management program.

The 2005 budget includes \$7.8 million to operate new detention centers, \$1.4 million for border security on the Tohono O'odham Nation in Arizona, and \$2.2 million for the Chiloquin dam removal plan and environmental impact study on the Klamath River.

Other increases in the 2005 BIA budget include \$1.0 million for new or expanded contracts in the Indian self-determination fund, \$1.0 million for economic development, \$250,000 for higher education scholarships, \$500,000 to expand the FOCUS program, and \$560,000 to provide base funding for new Tribes. The budget proposes to fund tribal colleges and universities at the 2003 enacted level, with a \$500,000 increase for two tribal colleges newly qualifying for BIA funding.

The budget proposes a one-time reduction of \$5.4 million in the operations account due to the availability of carryover balances that will sustain the current level of program delivery in 2005.

The budget proposes to not fund the administrative costs grant fund until further interest can be assured from Tribes in contracting for BIA schools. Funding for employee displacement costs is reduced because these funds have not been used in recent years.

The 2005 budget for the school construction program is \$229.1 million and includes funding to complete the remaining five schools on the current school replacement priority list. The request is reduced by \$65.8 million from 2004 enacted to allow the program to focus on building the schools already funded for construction and to develop a new priority list for replacement schools. The school construction budget includes an increase

of \$4.0 million for the tribal school construction demonstration program, bringing the total to \$9.9 million, and increases annual maintenance by \$21.0 million to avoid future backlogs.

The 2005 budget for land and water settlements reflects a \$25.1 million net decrease because the Ute and Santo Domingo settlements will be completed in 2004. The budget proposes increases to fund two new settlements—the Zuni Pueblo water claims settlement in New Mexico and the Cuba Lake land claims settlement with the Seneca Nation in New York.

OFFICE OF THE SPECIAL TRUSTEE

The OST 2005 budget proposal is \$322.7 million, an increase of \$113.6 million, 54.4 percent above the 2004 enacted level. In addition to major funding increases for trust-related activities discussed earlier, the 2005 budget includes increases of \$1.8 million to expand trust financial audit capabilities and \$1.6 million for required court fees, attorney costs, and continued significant document production and costs related to individual and tribal trust cases. The budget also includes a \$8.2 million net reduction reflecting completion of project task efforts and elimination of one-time costs.

OFFICE OF INSULAR AFFAIRS

The OIA 2005 budget requests \$78.9 million in current funding, a \$3.2 million decrease from 2004 that reflects a reduction of congressional earmarks. Included in the 2005 budget proposal is a \$1.0 million increase to strengthen core performance measurement and assessment activities such as statistical data collection, benchmarking, and surveying required for performance management planning. Additionally, \$379,000 is being requested to expand brown tree snake research, control, and

rapid-response team coverage. Permanent appropriations for OIA in 2005 will total \$303.0 million, including \$195.0 million for payments to the freely associated states under the recently revised and ratified Compact of Free Association.

DEPARTMENTAL MANAGEMENT

The 2005 budget requests \$325.1 million in current funding for Departmental Management, including \$226.0 million for the Payments in Lieu of Taxes program, as discussed above.

A critical component of the DM budget is \$18.6 million for the Financial and Business Management System, an increase of \$7.0 million. A contract for implementation of FBMS was awarded on January 7, 2004. This system will dramatically improve business processes throughout the Department through modernization and integration of financial management, procurement, property management, and other subsidiary systems.

The DM budget also includes \$1.0 million for the Take Pride in America program, \$503,200 over the 2004 level, and an increase of \$550,000 for the Office of Law Enforcement and Security to implement the Secretary's law enforcement reforms, improve border law enforcement coordination, and strengthen intelligence and information sharing.

RECEIPTS

The Department projects that it will collect \$10.1 billion in receipts in 2005. This is an increase of 10.3 percent from estimated 2004 receipts, primarily due to Southern Nevada land sales and higher oil and gas price assumptions.

The largest share of receipts collected by Interior, \$3.7 billion, goes to the general fund of the Treasury.

Step by step, slowly but surely, Aldo Leopold's dream of a nation of citizen stewards began to emerge. Individuals, alone and together, on farms and in factories, in backyards and in neighborhoods, began to restore riverbank habitat, replant native grasses, or innovate to prevent pollution. These citizen stewards embody President Bush's vision of a new environmentalism—one built upon principles of entrepreneurship, local action, and respect for private property.

Secretary Gale A. Norton, July 15, 2003

Our partnerships are ... about on-the-ground results that take into account environmental goals, thriving communities, and dynamic economies. We want healthy lands and waters, while also ensuring that we have energy to warm our homes and minerals to produce goods that make our lives comfortable and convenient.

Assistant Secretary P. Lynn Scarlett, November 16, 2003

DEPARTMENT OF THE INTERIOR FACTS

- **Land** – Interior manages 507 million acres or about one-fifth of the land area of the United States and 700 million acres of subsurface minerals. The Department has jurisdiction over an additional 1.76 billion acres of the Outer Continental Shelf.
- **Parks, Refuges, Public Lands** – Interior manages 388 units of the national park system, 542 national wildlife refuges, 70 national fish hatcheries, and 13 national conservation areas and 15 national monuments in the national landscape conservation system.
- **People** – Interior has over 70,000 employees located in approximately 2,400 locations across the United States, Puerto Rico, U.S. Territories, and freely associated states.
- **Volunteers** – Interior benefits from over 200,000 volunteers who provide in excess of eight million hours of service, valued at over \$142 million per year.
- **Conservation** – Over 225,000 acres of abandoned coal mine sites have been reclaimed through the OSM's Abandoned Mine Lands program. The FWS acts to protect 1,821 endangered and threatened species; 1,263 are in the United States.
- **Revenues** – Revenues collected annually vary from \$6 to \$11 billion, including revenues from energy, minerals, grazing, timber, lands sales, and other revenue producing activities.
- **Water** – The Department is the largest supplier and manager of water in the 17 western States. The BOR manages 457 dams and 348 reservoirs that deliver irrigation water to 31 million people and one out of every five western farmers irrigating 10 million acres of farmland.
- **Energy** – Interior manages lands, subsurface rights, and offshore areas that produce approximately 28 percent of the Nation's energy, including 35 percent of natural gas, 32 percent of oil, 35 percent of coal, 17 percent of hydropower, and 48 percent of geothermal.
- **Visitation** – Annually, 68 million visits are made to BLM public lands, nearly 260 million visits to national park units, and 39 million visits to national wildlife refuges. In addition, there are 90 million visitor days of use at 308 BOR recreation sites.
- **American Indians** – The Department maintains relationships with 562 federally-recognized Tribes in the lower 48 States and Alaska, and provides support to a service population of 1.5 million people. The BIA provides education services to nearly 48,000 students in 23 States attending 183 elementary and secondary schools and dormitories and supports 29 tribally controlled community colleges, universities, and post-secondary schools.

An additional \$900.0 million goes to the Land and Water Conservation Fund, and \$150.0 million goes towards the Historic Preservation Fund. Receipts

shared with the States include \$1.1 billion in mineral revenue payments and \$226 million in aid for wildlife restoration.



DEPARTMENTAL HIGHLIGHTS



Resource Protection

We need to reach out to harness innovation and enthusiasm. We need to tap into American ingenuity and the community spirit to care for our land, water, air, and wildlife.

Secretary Gale A. Norton, December 12, 2003

The Department of the Interior is the Nation's premier Federal conservation agency, overseeing 507 million acres, one-fifth of America's land. Since its creation in 1849, the Department has evolved from serving as a general custodian for the Federal government to its role as preeminent steward of the Nation's natural and cultural resources. As the resources under Interior's purview become more complex, so too do the accompanying management issues pertaining to the conservation of these natural and cultural resources.

RESOURCE PROTECTION MISSION

Protect the Nation's natural, cultural, and heritage resources

The Department administers resource protection programs on thousands of upland, wetland, and aquatic parcels within its direct jurisdiction, while providing multifaceted resources for conservation activities on non-Federal lands as well. It protects thousands of native plant and animal species, including more than 1,200 with special status under the Endangered Species Act. In addition, Interior is a guardian of the Nation's cultural heritage, with assets ranging from Native American archeological and cultural sites to national icons such as the Statue of Liberty and the U.S.S. Arizona Memorial.

The Department fulfills its resource protection mandate through dynamic partnerships with other Federal agencies, State and local governments, as well as with engaged citizens who help leverage available public resources.

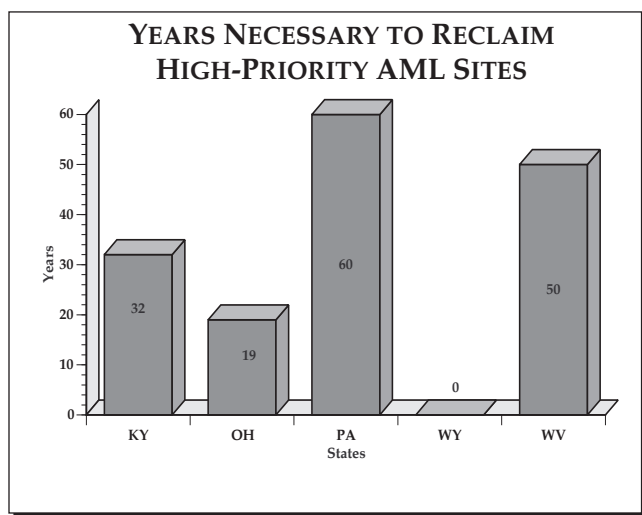
The 2005 President's budget is \$2.9 billion for resource protection. Major budget initiatives include:

- Revamping Abandoned Mine Land grants to better address serious resource and life-threatening hazards resulting from abandoned mine lands.
- Leveraging private resources through the Cooperative Conservation Initiative.
- Maintaining the President's commitment to address the deferred maintenance backlog in parks.
- Continuing the National Park Service's Natural Resource Challenge and creating a comprehensive resource monitoring program in the Bureau of Land Management to develop sustainability indicators, conduct condition assessments to establish baseline conditions, and monitor these indicators regularly.

- Increasing the Landowner Incentive Program to provide competitive matching grants to private landowners who are protecting and restoring habitat for threatened species.
- Supporting the protection of endangered species by providing a programmatic increase of \$5.0 million for the listing program.
- Increasing support for the Department's interagency efforts to curtail invasive species and create and maintain desirable habitat for biological communities to flourish.

RECLAIMING ABANDONED COAL MINES

The 1977 Surface Mining Control and Reclamation Act established the Office of Surface Mining and authorized the office to collect fees to finance reclamation of abandoned mine lands. Through the AML program, problems at many high-priority sites have been addressed. However, when AML coal user fee collection authority expires in September 2004, more than \$3 billion in significant health and safety problems will still remain, along with another \$3.6 billion of other high priority problems affecting the general welfare of individuals living in coalfield areas. These are not merely "ugly landscapes" that need to be cleaned up; these are serious health and safety hazards. A recent study conducted by OSM found that 3.5 million Americans live less than one mile from health and safety hazards created by abandoned coal mines.



There is a fundamental imbalance between the goals established by the 1977 Act and the requirements for allocating funds under the Act. The statutory allocation formula limits the ability of the AML program to meet its primary objective of abating AML problems on a priority basis. The majority



of grant funding, or 71 percent, is distributed to States on the basis of current production. Yet there is no relationship between current production and



the magnitude of the AML problem in each State. As a result, some States have completed reclamation on all of the abandoned coal mine sites or are working on low-priority sites, while others are still decades away from completing reclamation of the most critical high-priority sites.

While there are no easy answers, I believe that we can find common ground that will result in an efficient and effective program that refocuses reclamation towards the highest priority work, yet honors the commitments and obligations under SMCRA.

Office of Surface Mining Director Jeff Jarrett, July 24, 2003

Interwoven with the allocation issue is the need to address States and Indian Tribes that have been certified as having completed the reclamation of coal mining related AML sites. Unappropriated balances in the AML fund that would be available under the 1977 Act to certified States and Tribes are expected to reach about \$530 million by the end of September 2004.

An Administration legislative proposal accompanying the 2005 budget will correct the fundamental imbalance in the current law. The reauthorization proposal will direct resources to sites where the danger is greatest, with 80 percent of grants allocated solely on a historic production basis. The reauthorization proposal would provide sufficient funding to eliminate significant health and safety problems within 25 years, removing 142,000 people from risk annually. States and Tribes having certified as to the completion of all high priority projects will not receive additional allocations under the proposal, but will receive unappropriated balances due them on an expedited basis, over a ten-year period, at a rate of \$53.0 million per year.

The budget supports the reauthorization proposal, providing \$149.6 million in the AML fund to continue reclamation activities and \$53.0 million for the first payment of unappropriated balances to the certified States and Tribes.

AML ACCOMPLISHMENTS		
	Current	Legislative Proposal
Acres Reclaimed	6,900	8,200
People Removed from Risk Annually	76,00	140,000
Years to eliminate existing health and safety problem	47	25
Corrects Allocation Problem	No	Yes

LANDSCAPE AND WATERSHED RESTORATION

The Department is committed to working in partnership with others to reach landscape and watershed restoration goals. The 2005 budget emphasizes environmental innovations, supplementing scientific knowledge with local, place-based information and ideas about how to address complex issues. Working on a landscape scale to resolve issues and leverage Federal funds with a broad array of States, local governments, watershed groups, and private citizens, the Department is protecting and restoring habitats and improving the quality of life for local communities. For example, funding is requested to invest in these efforts in the Klamath River basin, the High Plains region, the Everglades, and across the Nation.

KLAMATH RESTORATION

This landscape scale approach is exemplified by the efforts taking place in the Klamath River basin where farmers, local communities, and Tribes are working collaboratively to achieve results. The President created the Klamath basin working group in March 2002 to provide advice "on immediate steps and long-term solutions to enhance water quality and quantity and to address other complex issues." This group and others are working in an ongoing cooperative effort involving numerous Federal, State and local agencies, tribal governments, public organizations, and individuals to restore the Klamath basin ecosystem while fostering economic vitality.

The 2005 budget request includes \$67.2 million for the Klamath River basin restoration initiative. This is an increase of \$17.5 million and, with funds available in 2004, will be used to restore streams and wetlands in the upstream and downstream reaches of the Klamath River and its tributaries. Projects include removing Chiloquin dam, which impedes passage of endangered suckers and other fish to spawning habitat on the Sprague River and



acquiring land adjacent to Agency Lake Ranch for increased water storage and restoration to increase fisheries habitat. The funding will also support water banking, water supply enhancement, and water quality improvement.

The \$6.2 million increase in the FWS Partners for Fish and Wildlife program will support an ongoing cooperative watershed restoration effort among Federal, State and local agencies, tribal governments, public organizations, and individuals. The Partners cooperative effort emphasizes on-the-ground activities including erecting fences to control cattle grazing, excavating swales to re-connect oxbows to the river, planting native trees and shrubs for shade and stream bank stabilization. These projects directly restore habitats for the federally endangered Lost River and shortnose suckers, and the sensitive redband trout.

The 2005 funding increase will enhance FWS's ability to restore high priority habitats while working with stakeholders to resolve natural resource issues. Through partnership agreements, the

	2004	2005
BOR	29.8	32.4
USGS	1.0	3.7
FWS	6.0	17.0
NPS	0.3	0.3
BIA	5.4	6.6
BLM	<u>7.2</u>	<u>7.2</u>
Total	49.7	67.2

Partners program will restore 1,555 acres of wetlands and 55 miles of stream and shoreline in the upper Klamath basin. The FWS will also be able to provide additional technical assistance to private landowners, which will result in improved water quality, and could potentially lead to an increase in water quantity as well.

ACCOMPLISHMENTS OF THE KLAMATH BASIN WORKING GROUP

- A proactive Trinity River flow release of 33,000 acre-feet of water in the fall of 2003 to aid salmon migration.
- A commitment to expand the water bank in 2004 and 2005.
- In conjunction with the Klamath Basin Rangeland Trust, a pilot project to test potential water savings and water quality improvement from irrigation reductions and cattle management in the Wood River valley.
- Studies to evaluate options for increasing water storage capacity and installation of fish screens to prevent entrainment.
- Research to improve understanding of the behavior and environmental needs of threatened and endangered species.

BLM WILD HORSE AND BURRO PROGRAM

Approximately 39,000 wild horses and burros roam on the public lands. Current levels of removal and adoption are not keeping pace with the growth in the population. The BLM predicts a unsustainable and unmanageable rise in the population based on current management regimes, creating the potential for ecological imbalance and the degradation of rangeland, forage resources, and wildlife habitat.

To meet its responsibility to manage these resources, the Department needs to make immediate investments to establish appropriate management levels for wild horse and burro populations and implement long-term strategies for more efficient removal, adoption, and habitat management.

HEALTHY FORESTS

Catastrophic fires pose severe and unprecedented risks to our Nation's forests and rangelands and the communities alongside them. An estimated 190 million acres of Federal forests and rangelands in the United States—an area twice the size of California—face high risk of catastrophic fire. Years of buildup of brush and unnaturally dense tree stands, coupled with drought, insect infestation, and disease have made our forests highly vulnerable to environmentally destructive fires. Many ponderosa pine forests are 15 times denser than they were a century ago. Where 25 to 35 trees once grew per acre, now more than 500 trees are crowded together in unhealthy conditions. As a result, there is an increasing trend of catastrophic forest and rangeland devastation. In 2000, the United States suffered its worst wildland fires in 50 years. The 2002 fire season, among the worst in the last 40 years, saw 88,458 fires burn 6.9 million acres, or an area larger than Maryland and Rhode Island combined.

In 2002, Oregon, Colorado, and Arizona experienced their worst fires in history and in 2003 terrible fires raged through California. On December 3, 2003, President Bush signed into law the bipartisan Healthy Forests Restoration Act of 2003 to reduce the threat of catastrophic



wildfires, enhance forest and rangeland health, and encourage public participation in project selection and implementation. This law builds upon the foundations of the Healthy Forests Initiative announced by the President on August 22, 2002.

The 2005 budget provides significant new funding to carry out the Healthy Forests Initiative, providing both protection for natural resources and service to communities adjacent to fire-prone landscapes. The details of the 2005 proposal are discussed in the Serving Communities chapter.

The Healthy Forests Restoration Act of 2003 gives the land management agencies new tools to help protect families and habitat from the enormous risk of devastating wildland fires through a collaborative process.

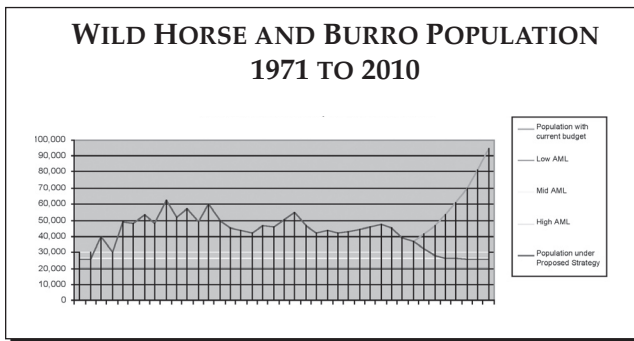
Secretary Gale A. Norton, November 21, 2003

Funding would also be used for improved monitoring, population census, and fertility control. Efforts would engage States in habitat and population management activities.

The budget includes an increase of \$12.8 million for the wild horse and burro program to achieve and maintain appropriate management levels and to implement the long-term strategy. Of this increase, \$10.5 million will be offset with decreases to programs that will benefit from achievement of appropriate management levels and with reductions to lower-priority activities. An estimated \$2.3 million will be provided by an amendment to the Southern Nevada Public Land Management Act to allow use of land sales receipts for wild horse and burro management in Nevada.



Significant progress has been made toward completion of the modified water delivery project. Once completed, this project will improve the timing and quantity of water deliveries to Everglades National Park, restore more natural hydrologic conditions, and provide for flood mitigation. The 2005 budget includes \$8.1 million for work on the project.



The single largest request in Federal land acquisition in the 2005 budget is \$40.0 million to acquire the mineral rights currently owned by the Collier family in the Big Cypress National Preserve. This request signals the Department's continued commitment to prevent new exploration or oil production in the Big Cypress Preserve, which is part of the larger Everglades ecosystem. Although an agreement between the Department and the Collier family for the acquisition of the mineral rights has expired, Interior is prepared to continue to work with the family using the Department's new guidelines and procedures for appraisals for land acquisitions and exchanges.

EVERGLADES RESTORATION

The south Florida Everglades is a complex ecosystem that hosts a wide array of upland, lowland, and marine habitats that support thousands of species of plants and animals, including numerous threatened and endangered species. Since the early 1900s, flood control, water supply systems, agriculture, and development have disrupted the region's natural hydrological patterns. Half of the original Everglades ecosystem has been drained.

The Department is committed to maintaining and improving its stewardship responsibilities in the Everglades. The 2005 budget request in support of Everglades restoration totals \$105.9 million, a \$36.8 million increase over the 2004 enacted level. With these funds, NPS, FWS, the Bureau of Indian Affairs, and U.S. Geological Survey will continue efforts to preserve and improve natural habitat; protect and recover endangered and threatened species; support tribal partners; and obtain the best available science to guide decisionmaking.

NATURAL RESOURCE DAMAGE ASSESSMENT AND RESTORATION

The Department's Natural Resource Damage Assessment and Restoration program seeks recoveries from responsible parties to restore natural resources that have been damaged by releases of hazardous substances or oil. The 2005 budget request includes \$371,000 that will enable the Department to accelerate restoration of injured trust resources using \$250 million that has been recovered from past releases of oil or hazardous substances. The proposed increase of \$124,000 will be used for essential restoration support services such as contracting, realty, project management, and partnership coordination. The program will focus on projects with strong ties to restoration opportunities in cooperation with the National Oceanic and Atmospheric

Administration, Army Corps of Engineers, other Federal and State agencies, and non-governmental partners. Achievement of Restoration program goals depends upon partnerships developed with tribal, State, and other Federal co-trustees, as well as with non-governmental conservation organizations and industry. Every damage assessment and



restoration case is conducted in partnership with co-trustees and all restoration plans must undergo public review and be approved by affected State and tribal governments.

COOPERATIVE CONSERVATION INITIATIVE

Nature knows no jurisdictional boundaries. Through partnerships, Interior's land managers can work with landowners and other citizen stewards to tackle invasive species, reduce erosion along stream banks, or enhance habitat for threatened and endangered species. Through partnerships, the Department is building the new environmentalism called for by President Bush. The Department's Cooperative Conservation Initiative is a cornerstone of this vision.

The Department's 2005 proposal expands opportunities for conservation partnerships with citizens, organizations, and communities throughout the Nation. The budget includes \$507.3 million for cooperative conservation programs, including \$129.5 million for the Cooperative Conservation Initiative. This initiative leverages funds with private citizens, States, Tribes, communities, and businesses to protect and restore habitats, wildlife, and plants through our cooperative conservation programs. The initiative builds on existing conservation partnership programs that have successfully established productive relationships with local communities and citizens. The request reflects a total increase of \$25.5 million above the 2004 enacted level in seven programs: BLM, FWS, and NPS challenge cost share; FWS coastal program; FWS Migratory Bird Joint Ventures; FWS Partners for Fish and Wildlife; and Take Pride in America, a public lands volunteer program.

The Interior Department has a long history of working cooperatively with others to achieve its conservation mission. Yet the resources available to land managers to foster innovative and collaborative conservation have historically fallen short of the demand.

CHALLENGE COST SHARE

Nationwide, CCI funds a wide variety of projects including restoring wetland prairie habitat in Oregon, building water catchments for endangered species in New Mexico, and restoring forested wetlands damaged by a tornado in Maryland. Over 40 percent, or \$54.0 million, of CCI funding will be directed to the challenge cost share programs in BLM, FWS, and NPS.

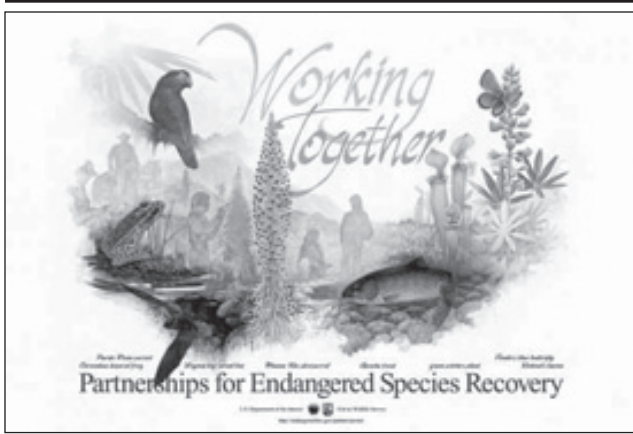
The 2005 President's budget proposes \$29.6 million for the resource restoration portion of the challenge cost share program, an increase of \$8.5 million over the 2004 level. This program provides funding for natural resource restoration and species protection. Dynamic partnerships with individuals, Tribes,

Through the Cooperative Conservation Initiative, the Department of the Interior will support local partnerships that conserve open spaces. CCI expands the President's commitment to conservation through partnership, civic involvement, and economic incentives.

First Lady Laura Bush, March 3, 2003

Citizen-stewards often are our most effective conservationists. President Bush's goal—and our goal at the Interior Department—is to empower these citizens to do what the government cannot do alone.

Secretary Gale A. Norton, September 16, 2003



State and local governments, non-profit organizations, and others support an array of projects that restore damaged habitats and lands and achieve the conservation goals of the Department's land management agencies. Projects require a one-to-one match or better, thereby at least doubling the impact of Federal dollars. This program is complemented by the \$24.4 million request for the bureau traditional challenge cost share programs that focus on cultural, recreation, and resource protection.

In 2003, the conservation challenge cost share program funded 256 projects with more than 700 partners in 40 States and Puerto Rico. The ratio of matching non-Federal funds to Federal funds was nearly two-to-one, with the Federal portion at \$12.9 million and total funding at \$36.0 million.

COOPERATIVE CONSERVATION INITIATIVE (dollars in millions)	
BLM	
Challenge Cost Share.....	21.0
FWS	
Refuge Challenge Cost Share	12.0
Partners for Fish and Wildlife	50.0
Coastal Programs	13.1
Migratory Bird Joint Venture.....	11.4
NPS	
Challenge Cost Share.....	21.0
Take Pride in America	1.0
Total.....	129.5

PARTNERS FOR FISH AND WILDLIFE

Through the Partners program, FWS has successfully established productive relationships with

communities and over 30,000 landowners, providing financial and technical assistance and restoration expertise to private landowners, Tribes, and other conservation partners. The program works with private landowners in mutually beneficial partnerships that help protect declining Federal trust species.

State resource agencies work closely with FWS to help establish priorities and identify focus areas. These partnerships emphasize restoration of degraded wetlands, native grasslands, streams, riparian areas, and other habitats to conditions that mimic natural ecosystems as closely as possible. Usually, a dollar-for-dollar cost share is achieved by working with landowners and other Federal, State, local, and private organizations.

The 2005 budget is \$50.0 million for the Partners program, including an increase of \$5.0 million for the new High Plains partnership and an increase of \$6.2 million for ongoing upper Klamath River basin watersheds restoration.

HIGH PLAINS PARTNERSHIP

Since more than 90 percent of the High Plains region is privately owned, public/private partnerships are essential to meet the shared goals of conserving declining and at-risk species, while preserving and maintaining working landscapes on private lands. The High Plains partnership is a public/private initiative across the 11-State High Plains region to conserve declining species and habitats on private lands. In the spirit of the Secretary's Four C's, this partnership is a cooperative effort among FWS, State fish and wildlife agencies, several agencies within the Department of Agriculture, private conservation organizations, and private landowners.

The Partners program will leverage the \$5.0 million High Plains increase and in cooperation with landowners and other partners focus conservation efforts on restoring, enhancing, and protecting two million acres over the next ten years. In 2005, Partners program biologists will restore approximately 34,000 additional acres of uplands, 1,000 acres of wetlands, and 1,000 acres of riparian habitat within the High Plains region. Working with other agencies and private organizations, FWS will enroll approximately 50,000 acres into conservation agreements in 2005. Ultimately, this program will reduce the potential for listing candidate species, assist in recovering or downlisting

CCI SUCCESS STORIES

The city of Eugene, Oregon matched BLM's \$150,000 in Cooperative Conservation funds with \$525,000 that is used to restore the Willow Corner historic wetland and upland prairie habitat. Willow Corner is owned by the city, is in a BLM conservation easement, and contains the largest known populations of the Fenders' blue butterfly and its host plant the Kincaid's lupine, both federally listed species. The project activities will remove fill from 8.9 acres of historic prairie wetlands, grade it to its natural levels, and plant the area with native seeds. This restored habitat also will benefit a variety of wildlife species including neotropical migratory birds, the camas pocket gopher, the gray-tailed vole, the chorus frog, and the western pond turtle.



The recently acquired 160 acre Wilgoose tract on the Montezuma National Wildlife Refuge in New York provides an opportunity for restoration of early successional grassland habitat through a partnership between FWS, Ducks Unlimited, Pheasants Forever, and Friends of the Montezuma Wetlands Complex. The partners matched FWS's \$35,000 Cooperative Conservation project funds on a one-to-one basis, providing a total of \$70,000 to improve vegetation height diversity, density, and species composition to provide enhanced habitat conditions for several species of grassland nesting birds. Nearly two miles of brush and tree hedgerows were removed this past summer to increase the overall size of the restored contiguous grasslands. Then the ground was prepared, through plowing and discing, for late spring 2004 planting of six warm-season grass and several native forb species. This will benefit many grassland wildlife species on the New York State list of endangered, threatened, and special concern species including the short-eared owl, the northern harrier, the sedge wren, and Henslow's sparrow.

The NPS partnered in a CCI project to restore the endangered Kemp's Ridley and other sea turtles at the Padre Island National Seashore in Texas. Partners including the Texas Parks and Wildlife Department, Shell Oil Company, USGS, the National Fish and Wildlife Foundation, Unilever, H.E.B., National Park Foundation, University of Alabama at Birmingham, Western National Parks Association, Alvin and Lucy Owsley Foundation, Help Endangered Animals, Ridley Turtles and Norcross Wildlife Foundation, College of Charleston, and volunteers cost-shared this \$489,000 project on a one-to-one ratio. The project resulted in the release of 1,299 endangered Kemp's Ridley sea turtle hatchlings at the most important nesting beach in the United States.



species, and preclude the need to list grassland species in decline.

FWS COASTAL PROGRAM

The Coastal program leads FWS conservation efforts in bays, estuaries, and watersheds around the U.S. coastline. Through this program, FWS and its partners work to conserve fish and wildlife and their habitats to support healthy coastal ecosystems by:

- Providing assessment and planning tools to identify priority habitats that should be protected and restored.
- Conserving coastal habitats through voluntary conservation easements and locally initiated land acquisition.
- Restoring degraded coastal wetland, upland, and stream habitats by working with partners to implement on-the-ground projects.
- Focusing resources through conservation alliances that leverage financial and technical resources and multiply the impact of the taxpayer's dollar.

On average, the Coastal program leverages Federal funding at a rate of 4:1. The 2005 budget includes \$13.1 million for the Coastal program, a \$2.9 mil-

lion increase above the 2004 level. This increase will enhance the Coastal program's ability to protect and restore high priority coastal habitats. Controlling invasive species will be a significant focus of this program in 2005.

FWS MIGRATORY BIRD JOINT VENTURES

The 2005 budget includes \$11.4 million, a \$1.2 million increase, for the Joint Ventures program. This program, originally formed to implement the North American Waterfowl Management Plan, has broadened to include other conservation partnership initiatives, such as Partners in Flight, the U.S. Shorebird Conservation Plan, and North American Waterbird Conservation Plan. This successful model for achieving migratory bird conservation goals through cooperation and consultation with partners, and coordinated project implementation, has increased the interest and number of potential partnerships for important habitat conservation projects. The 2005 budget will allow FWS to accelerate operations at 15 existing Joint Ventures and fund the Northern Great Plains and Central Hardwoods Joint Ventures.

COOPERATIVE CONSERVATION GRANT PROGRAMS

In addition to CCI, the Department's cooperative conservation efforts include a number of grant programs that provide expanded opportunities for State, tribal, local, and private partners to participate in the conservation of natural resources.

LANDOWNER INCENTIVE PROGRAM

The Landowner Incentive Program provides competitive matching grants to States, Territories, and Tribes to create, supplement, or expand upon programs to protect and manage habitats on private lands that benefit listed species or species at risk. In 2004, these cost-share grants will support

The goal of government must be to empower people to be citizen conservationists while respecting the need to make a living off the land. America's future must include both a healthy environment and a dynamic economy.

Secretary Gale A. Norton, April 20, 2002

For wildlife conservation to be successful, it must be a partnership between the government and the people. This is especially true with threatened and endangered species, half of which depend on private lands for the majority of their habitat. These Landowner Incentive Program grants will enable states to work with landowners and to defray the costs of habitat improvements for imperiled species on their land.

Secretary Gale A. Norton, February 25, 2003

innovative partnerships in 42 States. For example, the Colorado Division of Wildlife plans to use its LIP funds in 2004 to establish management agreements and seek conservation easements with private landowners to protect and restore Front Range habitat for the Preble's meadow jumping mouse, eastern short-grass prairie habitat for the black-tailed prairie dog and several bird species, and the Gunnison basin for the Gunnison sage grouse. The 2005 budget includes \$50.0 million to assist private landowners in conserving and restoring habitat for endangered species and other at-risk plants and animals. This is an increase of \$20.4 million over 2004.

PRIVATE STEWARDSHIP GRANTS

The Private Stewardship Grants program helps communities and landowners conserve species. The 2005 budget proposes \$10.0 million, a \$2.6 million increase over 2004, for this program. Through this program, FWS provides competitive grants and other assistance to individuals and groups engaged in local, private, and voluntary conservation efforts that benefit federally listed, proposed, candidate, or other at-risk species. A diverse panel of representatives from State and Federal governments, agricultural and private development interests, and the scientific and conservation communities assess and make recommendations regarding the funding for these awards.

Under this program, FWS provided a \$100,000 grant to the Comanche Pool Prairie Resource Foundation to help continue a rancher-led initiative that has successfully enhanced mixed-grass and prairie stream habitat for at-risk species, such

as the black-tailed prairie dog, the lesser prairie chicken, and the federally listed Arkansas River shiner fish and Arkansas darter fish. Participating ranchers will use a variety of resource management tools, such as altered grazing management, prescribed burning, cutting of invasive woody species, and stream restoration to improve habitat for these species.

STATE AND TRIBAL WILDLIFE GRANTS

The 2005 budget proposes a total of \$80.0 million for the State and Tribal Wildlife Grants program. This program helps develop and implement State and tribal programs for the benefit of wildlife and their habitats, not limited to species that are hunted or fished. It allows States and federally recognized Tribes to focus attention on species with the greatest conservation need based on State or tribal priorities.



This program exemplifies the Secretary's cooperative conservation vision, allowing States and Tribes to tailor their conservation efforts in a manner that best fits local conditions. The \$10.9 million increase in the budget will significantly advance efforts of State and tribal fish and game agencies to address on-the-ground wildlife needs. Based on the high level of interest in this program, FWS expects that this program will have a positive, lasting impact on fish and wildlife, while fostering stronger working relationships between Federal, State, and tribal governments.

The Cooperative Endangered Species Conservation Fund provides grants to States and Territories to participate in projects to conserve candidate, proposed, and threatened and endangered

species. The 2005 request is described in detail in the Sustaining Biological Communities section.

MAINTAINING PARKS AND PRESERVING HERITAGE

The National Park Service manages national treasures ranging from the inspiring grandeur of the Grand Canyon to the symbols of America's hope and aspirations represented by the Liberty Bell and other national icons. With a commitment to be stewards of these resources, NPS utilizes innovative approaches to conserve, protect, and restore natural and cultural resources.

PARK MAINTENANCE BACKLOG

The NPS maintains over 40,000 buildings, roads, water treatment facilities, and other assets in 388 national park units. Past Federal investments have not been systematically linked to the challenges posed by increasing park visitation or aging and deteriorating facilities. The President pledged to bring park facilities and resources into good condition and is committing \$4.9 billion over five years for park facility maintenance and construction.

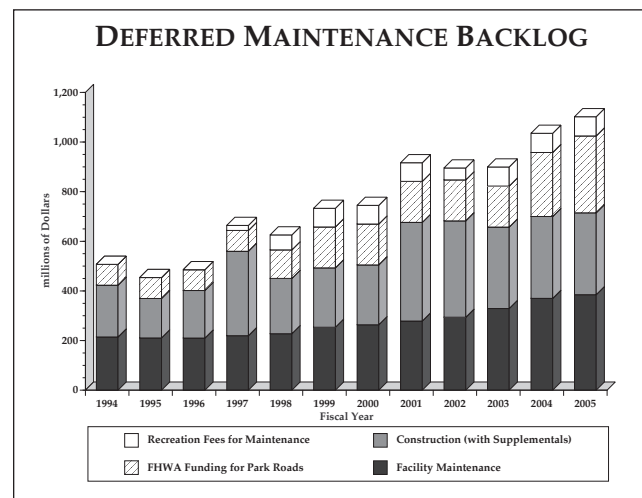
When this funding commitment was made in 2000, NPS had not adequately identified the full scope of its maintenance needs. The NPS has now implemented a management reform process to provide a comprehensive inventory and condition assessment of facilities.

The President's 2005 request continues to provide critical tools to improve accountability and expedite the completion of maintenance projects. The 2005 budget proposes \$724.7 million for park facility maintenance and construction, an increase of \$24.7 million. An increase of \$13.2 million is provided for the repair and rehabilitation program. Utilizing data from annual condition assessments completed for almost all of its regular assets, NPS has developed an estimated baseline facility condition index, an industry standard for quantifying the condition of a structure. The estimated FCI for each asset is the starting point for determining the investment required as well as establishing performance goals to achieve an acceptable condition over time. The baseline provides NPS with a launching point for monitoring and addressing the maintenance backlog. In 2005, \$8.2 million of the funding increase for repair and rehabilitation

is targeted at improving the condition of priority buildings to good condition. This focus will allow NPS to demonstrate the effectiveness of its maintenance program by quickly showing near-term results on a single-asset category. The NPS will monitor improvements in the FCI average as the principal performance measures and indicators in determining the efficacy of NPS regional maintenance programs.



Within the \$13.2 million increase for the repair and rehabilitation program, \$3.0 million focuses on the demolition and removal of hazardous structures. Hazardous structures are not only a safety liability but also a financial drain on NPS and its ability to effectively reduce the maintenance backlog. This increase in demolition funds will enhance the ability of NPS to streamline and reduce its substantial portfolio of physical assets and more effectively direct resources to restoring and rehabilitating structures that better suit the NPS mission.



Our parks are no different from a home in that they need continual maintenance, and priorities must be established and followed. If your roof is leaking, it is important to fix it before you replace your old carpet with a new one. Parks need the same well-planned approach.

Secretary Gale A. Norton, July 2, 2003

The remaining \$2.0 million increase will extend condition assessments to major assets and equipment such as roofs, exterior closures, heating, ventilation and air condition systems, and mechanical systems. These data will provide the basis for the development of a structured program of preventive and recurring maintenance and component renewal that are designed to maximize the life of the capital asset portfolio, with the aim to prevent the reoccurrence of another large deferred maintenance backlog.

Within the total requested increase of \$24.7 million there is an additional \$10.0 million for park-specific operating increases for buildings and roads in the most critical condition in the national park system. These targeted park increases will assist in ensuring that NPS infrastructure does not fall into further disrepair.

PARK ROADS AND ROADWAYS PROGRAM

In 2005, it is estimated that nearly 260 million people will visit our Nation's national parks, using over 11,900 miles of paved and unpaved roads. In addition, NPS owns and operates about 600 vehicles such as buses, trams, and shuttles that provide alternative transportation in 90 parks.

The 2005 budget assumes an investment of \$310.0 million for park roads and builds on progress made to improve road conditions. The Administration's proposed reauthorization of the Transportation Equity Act for the 21st Century would provide \$1.85 billion over six years for the park roads and parkways program. This investment would bring over 80 percent of park roads into good or excellent condition and would leave virtually no road in poor condition.

PRESERVE AMERICA

As Americans travel, they are choosing to reconnect with existing aspects of our Nation's authentic heritage in their journeys. They, and visitors from abroad, are hungry to learn more about this Nation's heritage, to visit its special places, and

understand the events that took place a year ago, a century before, or a millennium in the past.

On March 4, 2003, President and First Lady Bush announced the Preserve America initiative. This initiative calls for enhancing the Federal government's assistance in protecting and supporting the contemporary use of historic properties. Developed in cooperation with the Advisory Council on Historic Preservation and Department of Commerce, this initiative focuses attention on and promotes heritage tourism and wide-ranging partnerships for the use and preservation of historic properties.



The 2005 budget includes \$10.0 million for grants to advance the goals of Preserve America which will support community efforts to demonstrate sustainable uses of their historic and cultural sites, and the economic and educational opportunities related to heritage tourism. Currently, 26 States have some form of heritage tourism program, a strong economic development tool that creates jobs, and increases property values and tax revenues. The grants will be awarded competitively to preservation entities, such as state historic preservation offices, tribal historic preservation offices, and Preserve America communities. The NPS will administer the program in partnership with the Advisory Council on Historic Preservation.

Our Nation's cultural and natural resources are important parts of our heritage. Preserve America will promote historic and cultural preservation and encourage greater public appreciation of our national treasures.

First Lady Laura Bush, March 3, 2003

Communities may also apply for special designation as a Preserve America community, a designation to recognize communities that protect and celebrate their heritage; use their historic assets for economic development and community revitalization; and encourage people to experience and appreciate local historic resources through education and heritage tourism programs.

On January 15, 2004, the First Lady designated as Preserve America communities: Augusta, Georgia; Versailles, Kentucky; Key West, Florida; Dorchester County, Maryland; Delaware, Ohio; Castroville, Texas; Putnam County, New York; and Steamboat Springs, Colorado.



DEPARTMENTAL MONITORING PROGRAMS

One of the most crucial components of protecting the Nation's natural resources involves monitoring the health of flora, fauna, water quality, and air quality on public and other lands. The NPS, BLM, FWS, USGS, and BIA monitor and track the health of various plant and animal species and air and water quality on the lands managed by Interior. Monitoring programs assist the Department in identifying and addressing factors that cause detrimental impacts to our Nation's natural resources. These programs also enable Interior natural resource managers to make well-informed decisions while anticipating the potential implications for the vitality of the natural resources under their purview. In 2005, the President's budget request funds monitoring in NPS through the Natural Resource Challenge, provides increased funding for BLM resource monitoring efforts, and increases funding for monitoring through the FWS migratory bird management program.

NATURAL RESOURCE CHALLENGE

Through the NPS Natural Resource Challenge, the Department monitors conditions within park boundaries. Two key initiatives of the Natural Resource Challenge are vital signs monitoring and water quality monitoring. Vital signs monitoring tracks measurable features of the environment that indicate the health of park ecosystems, as well as the health of individual plant and animal species. Water quality monitoring tracks water conditions to preserve pristine waters and improve impaired waters in parks and surrounding areas. The NPS has developed a system of 32 multi-park, multi-agency vital signs and water quality monitoring networks sharing similar geographical and natural resource characteristics to complete these tasks.

The 2005 budget requests an additional \$4.1 million and \$528,000 for vital signs and water quality monitoring, respectively. The requested increase for vital signs monitoring will provide funding

for six additional networks, or a total of 28 of 32 networks altogether. The 2005 budget increase for water quality monitoring will complete funding for the remaining seven of 32 water quality monitoring networks.



BLM RESOURCE MONITORING

Monitoring lies at the heart of cost-effective, accountable resource management informed by scientific information. The 2005 BLM budget request proposes a \$4.0 million increase to strengthen and enhance resource monitoring capabilities.

Successful execution of the BLM multiple-use mandate and sustainable management of natural resources requires that BLM maintain information and trends on the health and condition of resources. This information assists in developing and revising long-term resource management plans and forms the basis for day-to-day, on-the-ground operational and permitting decisions. Recurring monitoring enables BLM to ensure that land use plans and management decisions are having their intended effect. It facilitates adaptive management by providing feedback to resource managers so they can adjust actions, as necessary, to achieve the desired outcomes. The 2005 monitoring proposal builds on the \$1.9 million for resource monitoring included in the 2004 President's budget. It will address the weakness identified in the 2004 Program Assessment Rating Tool evaluation—specifically, that comprehensive monitoring of resource conditions is needed to support management decisions and to assess the impacts of restoration activities.

FWS MIGRATORY BIRD MANAGEMENT

Currently, 38 percent of migratory bird populations face some sort of risk. The President's budget

includes a \$4.4 million programmatic increase for the migratory bird management program to fulfill its leadership role in conserving and managing migratory birds and their habitats at self-sustaining levels.

The year 2005 marks the 50th anniversary of the FWS migratory bird survey program, making these data sets among the longest running for any wildlife species on this continent. The primary purpose of the surveys is to collect information on population status that is necessary to make scientifically based regulatory decisions, especially in establishing annual hunting seasons for migratory game birds. Only through knowledge of the status and trends of a species and its habitats can managers take appropriate actions. Proper management requires information such as population size and trend, geographical distribution, annual breeding effort, the condition of their breeding and wintering habitats, and for hunted species, the number of hunters and the anticipated harvest.

The data collected by the migratory bird management program are widely used by scientists from within and outside FWS to understand how bird populations respond to annual and long-term variations in weather and climate, and the importance of habitat integrity to maintaining healthy bird populations. The long-term nature of these data sets makes them an invaluable tool for monitoring the health of the environment.

DEPARTMENTAL MONITORING FUNDING		
(dollars in millions)		
	2004	2005
NPS	28.6	32.8
FWS	25.3	24.2
BLM	46.0	50.0
USGS	118.8	115.2
BIA	1.2	1.2
Total	219.9	223.4

The 2005 proposal includes a \$2.1 million increase for monitoring activities such as surveying, monitoring and assessing shorebird, water bird, and land bird needs; improving migratory game bird harvest strategies and adaptive harvest management procedures; and expanding national migratory

bird survey, monitoring, and assessment operations.

The budget includes an additional \$1.0 million for development and implementation of environmental impact statements. This proposal will allow FWS to solicit and address public input on significant migratory bird issues, such as issuing annual sport hunting regulations and issuing migratory bird permits. This increase will also allow FWS to expeditiously implement actions recommended by completed or soon to be completed environmental impact statements. Among the highest priority implementation actions are improved monitoring programs for double-crested cormorants and support for States in the Pacific Northwest to facilitate the use of sport hunting to accomplish goose population control objectives.

An additional \$655,000 will allow FWS to fully implement the harvest information program, a cooperative program with the States to collect data on migratory game bird hunting. Since 1998, 49 States have participated in HIP. The FWS has not been able to fully reimburse the States for these data in recent years. With this increase, FWS expects to be able to fully reimburse the States for their efforts on behalf of FWS.

An increase of \$700,000 for the migratory bird permitting program will enhance operations at regional permit offices and implement process improvements identified in a recent workload study. The study identified a variety of time-saving opportunities that, as FWS implements them, will result in a more efficient process, better customer service, and the availability of better information for migratory bird conservation management decisionmaking. This funding will allow FWS to move forward with system development and implementation and will dramatically impact the speed at which permit applications are processed.

A \$1.2 million increase for the Joint Ventures program is discussed with other CCI programs.



SUSTAINING BIOLOGICAL COMMUNITIES

INVASIVE SPECIES

Invasive species threaten the ecological and economic health of the Nation. Threats posed by the uncontrolled spread of invasive species include native species diversity loss and alteration of ecological structure and function. The costs associated with invasive species exceed an estimated \$100 billion per year. Invasive species control is difficult; an estimated 5,000 to 6,000 invasive species have already become established in the United States. In some cases, control will require traditional approaches as well as molecular, biological, or chemical defenses that have yet to be discovered. Strategies for the early detection of invasive species, spread prediction, and constricting pathways to introduction are important to prevent the establishment of further invasive species.

The 2005 budget request includes \$58.3 million to further interagency coordination in addressing invasive species challenges, focused mainly on National Invasive Species Council priorities. These priorities include: providing \$1.0 million to coordinate and work with State and local governments, private land owners, and private agencies in pursuing an integrated strategic approach to controlling tamarisk in the southwest; control of the brown tree snake population on Guam and prevention of its establishment on other Pacific islands, Hawaii, and the continental United States;

early detection and rapid response efforts on fish and wildlife refuges and partner lands, including lands managed by Interior, other Federal agencies, and private entities; and research to develop and test methods and strategies for controlling Asian carp species and other established aquatic invaders of fresh water habitats in the Mississippi

River basin, the southeastern United States, and the Great Lakes region.

Working in collaboration with other Federal agencies, States, Tribes, and other partners, the Department has documented successful control of invasives. These successes provide a model for future efforts.

ERADICATION OF THE LAST AFRICAN ORYX FROM WHITE SANDS, NEW MEXICO

After four years of effort at White Sands National Monument, the last of 253 African oryx was removed from a 225 square-mile fenced area. The African oryx, a 450-pound African antelope, were released in the 1960s by the New Mexico Department of Game and Fish to establish a population for public hunting on military land. With a high birth and survival rate, the population grew from 100 to over 4,000. They repel predators, do not require drinking water in the desert, and cause damage to soil and vegetation. Partners assisting with this project included the NPS, FWS, Carlsbad Caverns and Mesa Verde National Parks, New Mexico Department of Game and Fish, and U.S. Army-White Sands Missile Range.

BIOLOGICAL CONTROL OF SALT CEDAR

Bureau of Reclamation scientists, working with the USDA, the State of Colorado, and the Consortium for the Biological Control of Salt Cedar, have established an initial demonstration project to evaluate the potential for the biological control of salt cedar using a beetle imported from China. This leaf-eating beetle, *Diorhabda elongata*, has been tested to assure it will only damage salt cedar. Insects were first released into test cages along the Arkansas River in Colorado in 1998, and released into a nearby field site in 2001. During the summer of 2003, the beetles defoliated all salt cedar trees within 100 acres surrounding the original release site. Trees will likely need to be defoliated a number of times before they are finally killed. This project includes monitoring of effects on other vegetation and wildlife as salt cedar is impacted by the beetles. Integration of the beetles with other methods of control (mechanical and herbicides) and re-vegetation of impacted areas will be included as the demonstration progresses.

Invasive species impact the lands and mission of the Interior Department across the Nation. Invasive weeds cover 1.5 million acres of National Park Service lands alone. Invasive species are a leading cause of species being listed as threatened or endangered with extinction. They diminish the value of BLM grazing lands, destroy wetlands in our national wildlife refuge system, and disrupt water delivery by the Bureau of Reclamation. They also impact our ability to enjoy recreational opportunities, including hunting and fishing both on public and private lands.

Secretary Gale A. Norton, October 30, 2003

FWS ENDANGERED SPECIES PROGRAMS

Along with State, tribal, local, and other public and private conservationists, the Department shares a common goal of protecting threatened, endangered, and other at-risk species, and ensuring that Federal activities do not further endanger these species while fostering dynamic local economies. In support of this goal, the 2005 budget includes \$266.2 million for endangered species programs, a net increase of \$4.4 million compared to 2004. This includes \$129.4 million for endangered species programs within the Resource Management account, as well as \$90.0 million in appropriated funds and an estimated \$36.7 million in permanent funds for the Cooperative Endangered Species Conservation Fund. The budget also includes \$10.0 million for the Private Stewardship Grant program.

The FWS, acting on behalf of the Department, has a number of specific duties under the Endangered Species Act, which include listing threatened or endangered species; working to recover species to healthy, self-sustaining levels; protecting species that are candidates to be listed; consulting with other Federal agencies to ensure that their actions do not jeopardize listed species or destroy or adversely modify critical habitat; and developing habitat conservation plans with non-Federal landowners to offset the potentially negative effects that development may have on threatened or endangered species.



Within the proposed 2005 increase for endangered species activities is a \$5.0 million programmatic increase for the listing program. This activity is an important part of Interior's Resource Protection mission. Through the listing process, FWS initiates the protections of the Endangered Species



act to protect species in danger of extinction or likely to become in danger of extinction. This program has been the subject of a great deal of litigation in recent years, particularly in regards to designation of critical habitat for already listed species. This significant increase will address litigation-driven workloads and should also provide additional funding to address other high-priority actions that are not the subject of ongoing litigation.

Because more than half of all species currently listed as endangered or threatened spend at least part of their life cycle on privately owned lands, FWS recognizes that success in conserving species will ultimately depend on working cooperatively with landowners, communities, and Tribes to foster voluntary stewardship efforts on private land. The 2005 budget includes increases to fund partnership programs for the protection of at-risk species.

COOPERATIVE ENDANGERED SPECIES CONSERVATION FUND

The Cooperative Endangered Species Conservation Fund provides grants to States and Territories to participate in an array of voluntary conservation projects for candidate, proposed, and listed species. These funds may in turn be awarded to private landowners and groups for conservation projects. These grants include funding for States and Territories to implement conservation projects to support the development of habitat conservation plans and to acquire habitat for threatened or endangered species. The budget proposes an increase of \$8.4 million for the appropriated portion of this program.

One example is a \$75,000 grant in 2003 to help fund development and implementation of the Burlington Northern Santa Fe Railway habitat conservation plan in Glacier and Flathead Counties, Montana. This project provides a unique opportunity to benefit a large number of species in a geographic area that includes a wild and scenic

river corridor and is adjacent to Glacier National Park and the Great Bear Wilderness. Project focus is on minimizing and mitigating the effects of railroad operations on grizzly bears. In addition, these efforts will also minimize effects on other predators, including gray wolves, wolverines, black bears, and mountain lions. Additionally, efforts to enhance habitat will benefit a variety of other species, including bald eagles, bull trout, west slope

cutthroat trout, moose, elk, mule deer, whitetail deer, beaver, mink, otter, and waterfowl.

The Private Stewardship grants program also helps communities and landowners conserve federally listed, proposed, candidate, or other at-risk species. This program is described in greater detail under the Conservation Grants section.

Conservation, and especially the conservation of imperiled species, must be a partnership between the American people and their government. By making these grants, we are empowering citizens to restore habitat on their land and take other steps to protect and recover endangered, threatened, and at-risk species.

Secretary Gale A. Norton, May 28, 2003

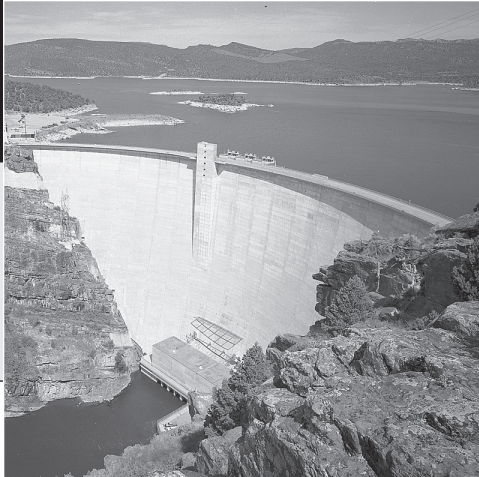
EFFORTS TO REINTRODUCE MIGRATORY WHOOPING CRANES IN EASTERN U.S.

The whooping crane, one of North America's rarest birds, has benefited from a vibrant partnership to bring them back to the flyways of the United States. In spring 2003, 16 whooping crane chicks hatched at the USGS Patuxent Wildlife Research Center in Maryland. Following their transfer to Necedah National Wildlife Refuge in Wisconsin, the chicks spent the summer training behind ultralight aircraft, and on October 16, 2003, they began their ultralight-led migration south to Chassahowitzka National Wildlife Refuge in Florida. The birds and their human support team completed the migration on December 8, 2003.

This was the third group of juvenile whooping cranes to take part in a project designed to reintroduce a migratory flock of whooping cranes to a portion of their former range in eastern North America. The unassisted fall migration of 20 whooping cranes from the 2001 and 2002 reintroduction programs was less orderly, but much faster. The first of these cranes began their migration on November 8 and arrived in Florida on the 15th. The eastern migratory flock of whooping cranes now has 20 adult and juvenile whooping cranes and 16 new cranes from this year's reintroduction. All of these whooping cranes are wintering in Florida.

The Whooping Crane Eastern Partnership – a coalition of non-profit organizations, individuals, flyway State agencies, FWS, and USGS – coordinates this unprecedented reintroduction effort. More than 60 percent of the estimated \$1.8 million budget comes from private sources in the form of grants, donations, and corporate sponsors.





Resource Use

Good stewardship of America's public lands dictates that we use energy efficiently and conserve resources

Assistant Secretary Rebecca Watson, March 2003

The Department of the Interior manages and provides access to the resources needed by the Nation for its economic well being, consistent with its environmental responsibilities. Many of the revenues generated from Interior's resource use activities fund resource protection programs throughout the Nation. Annual revenues from resource use activities have reached as high as \$11 billion.

The more than 700 million acres of mineral estate underlying Federal and other onshore surface ownerships and the nearly 1.8 billion acres of the Outer Continental Shelf managed by the Department of the Interior supply:

- 28 percent of the Nation's domestic energy production.
- 48 percent of the Nation's geothermal energy production.
- 35 percent of the Nation's natural gas and coal.
- 32 percent of the Nation's oil.

The Bureau of Reclamation manages over 800 dams and reservoirs that provide drinking water to over 31 million people, deliver water to one of every five farmers in the West for about 10 million

acres of irrigated land, and supply 17 percent of the Nation's hydropower.

RESOURCE USE MISSION

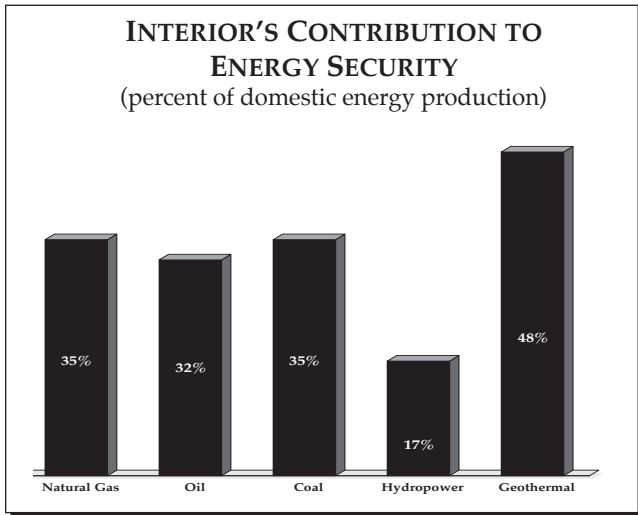
Manage natural resources to promote responsible use and sustain a dynamic economy

help the Department achieve resource protection and recreation goals.

The Department's 2005 budget requests \$1.6 billion to fulfill its resource use mission by providing access to resources in areas managed by its bureaus. Major initiatives in the 2005 budget request include:

- Promoting, through the Water 2025 initiative, the efficient and effective use of water resources in the West, while reducing conflicts surrounding scarce water resources.
- Improving forest health and strengthening timber management.
- Implementing the President's National Energy Policy.
- Streamlining offshore business practices through the e-government initiative, OCS Connect.

Water and energy demands are steadily increasing across the Nation, a trend likely to continue. Interior programs that help meet the Nation's needs for water, energy, minerals, forage, and forest resources also



fish and wildlife, vividly demonstrate the consequences of failing to address strategically the problem of competing demands for constrained water supplies.

Water 2025 minimizes future western water crises by fostering conservation and interagency coordination, enhancing water supplies through improved technologies, and managing water resources in cooperation with States, communities, and Tribes. In some cases, collaborative approaches and market-based water transfers can help meet emerging needs. In addition, Federal investments in research and development will improve water treatment technologies, such as desalination, to increase water supplies in critical areas.

WATER DELIVERY

The Bureau of Reclamation, the largest supplier and manager of water in the 17 western States, delivers water to customers, consistent with Federal and State water laws. The Bureau strives for efficient water delivery systems that optimize the overall benefits from the available water. Variations in yearly water supply, water management practices, and weather patterns determine water quantities. Through its watershed modeling, precipitation forecasting, enhancements to delivery systems, and other technological improvements, BOR enhances the productivity of water resource projects.



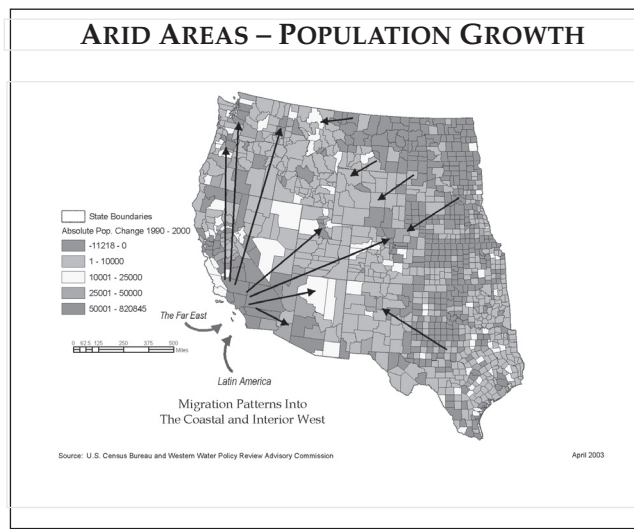
The 2005 budget request for the Water 2025 initiative includes \$20.0 million in BOR and \$1.0 million in the U.S. Geological Survey, an increase of \$13.3 million over the 2004 enacted level. Water 2025 has four key components:

WATER 2025 – PREVENTING CRISES AND CONFLICT IN THE WEST

Chronic water supply problems in the West will continue to challenge the Nation in the coming decades. Crisis management is not an effective way to address long-term water supply problems. Recent crises in the Klamath and Middle Rio Grande basins, where water shortages have affected Native Americans, farmers, urban residents, and

Conservation, Efficiency, and Markets – Water 2025 will improve water management and use market-based approaches by retrofitting and modernizing existing facilities; installing automated control and remote water measurement structures to measure water more accurately; lining canals; and facilitating the formation of water banks.

The experience of the Ochoco Irrigation District in Oregon demonstrates the benefit of improved water management. The District was losing approximately 26 million gallons of water per day due to inefficient equipment. The District, in partnership with BOR, installed



Water 2025 provides 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.

Assistant Secretary Bennett Raley, January 26, 2004

advanced water measurement equipment, cutting daily losses by 75 percent.

Collaboration – Water 2025 exemplifies the Four C's. Cooperation, communication, and consultation, based on the recognition of the rights and interests of water users and others, maximizing innovation and creativity in promoting conservation.

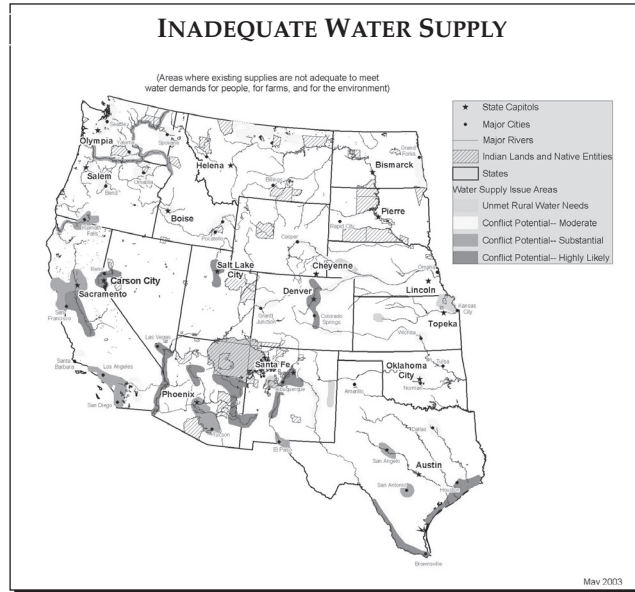
In June 2003, Secretary Norton hosted a kickoff conference on Water 2025 that marked the beginning of public discussion, outreach, and education. Subsequently, the Department hosted a science and technology workshop and eight regional conferences with over 3,000 participants to identify the watersheds facing the greatest potential risk in the next 25 years; "ground-truth" the "hot-spots" map; evaluate the most effective ways of addressing water supply challenges; and seek recommendations on cooperative approaches and tools that have the greatest likelihood for success.

Improved Technology – Water 2025 funding in the BOR budget will facilitate research to reduce the high cost of purifying wastewater, salty water, and other impaired water to increase its utility. Less expensive methods of water desalination could provide an alternative to supply water to rural communities and Indian reservations. The \$1.0 million for Water 2025 included in the USGS budget also focuses on improved technology. It will fund ground water availability assessments; improved methods for characterizing aquifers; and the development of tools and techniques for preserving biological resources while meeting water supply needs.

Removing Institutional Barriers and Increasing Interagency Cooperation – As part of Water 2025, Interior will look for opportunities to use Federal facilities with excess capacity to store water during certain times of the year, potentially satisfying unmet water demands elsewhere. Interior will also cooperate with other Federal agencies to focus dollars effectively on areas with critical water shortages.

With the Water 2025 initiative, BOR will leverage Federal resources by awarding grants that will require 50:50 cost sharing. Grantees will be selected through a competitive process.

Projects selected will provide incentives to irrigation and water districts willing to use their money and resources to create markets and make



more efficient use of existing water supplies. The effort includes a research grant component for improvements in desalination. Each grant will include performance measures to track the successful implementation of Water 2025. The selection

BENEFITS OF CANAL LINING

Most irrigation water delivery canals in the West are unlined. In some instances, unlined canals can lose up to 50 percent of their irrigation water through seepage.

For every dollar spent on canal modernization (such as rehabilitating canal gates), an expected return of \$3 to \$5 in conserved water can be achieved.

For every dollar spent on maintaining an existing canal lining, a return of up to \$10 in conserved water can be realized.

criteria will consider the size of the non-Federal cost share (including in-kind work), total water savings, use of water markets or water banks, and other performance-based commitments.

The Department's \$21.0 million investment in Water 2025 will facilitate a more forward-looking focus on areas of the West facing water supply constraints. It will help stretch water supplies to satisfy the demands of growing populations; protect environmental needs; strengthen regional, tribal and

local economies; minimize water crises in critical watersheds by improving the environment and addressing the effects of drought on important economies; and provide a practical approach to water management for the next century.

INTEGRATED MANAGEMENT APPROACHES TO CONSERVATION

Water Management and the Endangered Species Act—The 2005 BOR budget applies both traditional and innovative methods to resolve water management and delivery issues involving endangered species in several western states. The Klamath and Columbia basin projects, Savage Rapids dam removal, along with the Columbia/Snake Rivers

salmon recovery and the Endangered Species Act recovery implementation programs, are funded at \$72.2 million, which is \$15.7 million above 2004 enacted levels. These increases, together with the Water 2025 initiative, will improve water supplies through effective and more efficient water management.

A \$1.9 million increase for the Klamath project will enable BOR to meet authorized project purposes and comply with the Endangered Species Act. Funding for the project in 2005 will support a water bank, development of a collaborative partnership, and implementation of measures under the water supply initiative to increase the quantity of water available. A more detailed description of the Klamath basin initiative is provided in the Resource Protection section.

A \$6.9 million increase for the Columbia basin project will improve water and energy management and remove barriers to fish passage in Icicle Creek. A \$2.0 million increase will begin the process to

remove the Savage Rapids dam, which is a barrier to fish passage on the Rogue River in Oregon. This funding initiates the estimated two-year process for National Environmental Policy Act compliance and final design work.

An increase of \$4.0 million for the Columbia/Snake River salmon recovery project will bring project funding to \$17.5

million. The increase funds implementation of reasonable and prudent alternatives contained in biological opinions issued by the National Marine Fisheries Service and Fish and Wildlife Service. The action items include extensive habitat, hatchery, and harvest initiatives and significantly increased research, monitoring, and evaluation activities, as well as operational changes to the water and power management of the Columbia River basin.



TIMBER MANAGEMENT

BLM Forest Management – The 2005 Bureau of Land Management budget request increases funding for improving forest health as well as meeting

timber production goals. It builds on and complements steps taken in 2004 to revitalize and increase capacity in BLM's forest management programs.

For the public domain forestry management program, the request includes a \$1.0 million increase to build BLM expertise and capability to utilize its relatively new stewardship contracting authority, a promising tool for thinning and conducting other health treatments on forest and rangelands. The increase will support restoration of 1,500 acres. In addition to improving forest health, the projects will expand job opportunities in local

communities and help stimulate the development of markets for small diameter wood byproducts and the nascent biomass industry. In response to a settlement agreement in the lawsuit *American Forest Resource Council v. Clarke*, BLM will fully fund the allowable sale quantity of timber under the Northwest Forest Plan. To support the sale of the allowable quantity, BLM must revise six resource management plans in western Oregon. The 2005 budget request for the Oregon and California resource management planning program includes \$7.0 million to revise these plans.

In 2005, BLM's Jobs-in-the-Woods program will emphasize forest health improvements with a focus on restoration activities within the late successional reserves. Within the Jobs-in-the-Woods budget, \$3.7 million will be used to prepare and contract thinning in younger stands to protect and restore late successional habitat. Together with an additional \$788,000 in new funding in the O&C forest management program, BLM will satisfy the terms of the *American Forest Resource Council* settlement agreement. The Jobs-in-the-Woods program will also support forest health treatments in 2005 with \$500,000 targeted to pre-commercial thinning in late successional reserves.



Tribal Forestry Program – The 2005 President's budget request for the Bureau of Indian Affairs includes a \$1.0 million increase to improve the management of Indian forests, which cover 17.9 million acres located on 275 reservations in 26 states. The request will increase the number of

reservations covered by forest management plans. Resource use plans optimize benefits and address use conflicts on reservations. Increasing the number of plans improves the utilization of trust resources and helps Tribes benefit from the full potential of their lands. Currently, only 44 percent of forested lands on reservations are covered by forest management plans.

ENERGY AND MINERALS

The quality of American life depends on stable and readily available supplies of energy. Energy heats and cools our homes. It fuels our ambulances, fire trucks, ships, and airplanes. It powers the companies that create jobs and the agricultural economy that feeds our Nation and the world.

Lands and waters managed by Interior produce about 30 percent of our Nation's energy supply. Approximately one-third of our natural gas, coal, and oil, one-half of geothermal energy, 17 percent of hydropower, and 20 percent of wind power are produced in areas managed by the Department.

The Department is helping to implement the President's National Energy Plan, a part of which focuses on a long-term strategy for producing traditional and renewable sources of energy on Federal lands while maintaining environmental protections and involving all interested persons in open decisionmaking processes.

Promoting Domestic Energy Production – The BLM 2005 budget request will help meet the Na-

Chief Tom O'Keefe, of the California Department of Forestry, is among those who have seen the consequences of misguided forest policy. He put it this way, "A lot of people have been well-intentioned. They saved trees, but they lost the forest." We want to save the forests.

President George W. Bush, December 3, 2003

The President's National Energy Policy recognizes that conservation and efficiency, diversification of our energy supply, and increased production of renewable and nonrenewable resources are critical to our energy future.

Assistant Secretary Rebecca Watson, June 24, 2003

tion's energy needs by focusing on timely access to oil and natural gas resources on public lands, consistent with publicly developed land-use plans. As discussed in the Resource Protection chapter, the BLM budget also includes increased funding for monitoring of on-the-ground implementation of resource decisions.

The budget maintains BLM oil, gas, and coal programs at the 2004 enacted level through a combination of appropriated funds and \$4.0 million in additional user fees generated through a proposed rulemaking to bring fees closer to costs for certain services. This funding level preserves significant increases appropriated over the last few years that enable BLM to continue reducing permitting backlogs and expediting access to energy resources.

An \$800,000 increase in the BLM land and realty management program will enhance permitting of renewable energy development and processing of rights-of-ways for both renewable and non-renewable energy resources.

Gas Hydrates—In response to conversion of electric power plants from coal to cleaner burning natural gas, the demand for natural gas is expected to increase significantly in the next 10 to 15 years. Gas hydrates present promise as an additional domestic source of natural gas to meet this demand. Of all gas hydrates formed in nature, methane hydrate is the most abundant, with estimates of global resources ranging from 100,000 to 300,000 trillion cubic feet. The volume of carbon contained in methane hydrates worldwide is estimated by USGS to be twice the amount contained in all other fossil fuels on Earth, including coal.

The Minerals Management Service is the only agency with specific responsibility for the environmentally responsible extraction of gas hydrates. The

2005 budget proposes to build upon the \$300,000 program in 2004 with a \$600,000 methane hydrates increase for MMS. The agency will use \$200,000 to begin a tract-specific hydrate assessment to determine fair market value once production is practical. The MMS will spend \$400,000 to complete phase one of a two-year study to examine the potential environmental impacts of the recovery of this energy source, a necessity before the recovery of gas hydrates becomes economically viable.



OCS Connect – The MMS 2005 budget request includes an increase of \$4.3 million for the OCS Connect e-government initiative. The request represents the third year of a six-year project that will dramatically reform and streamline offshore business operations by improving connectivity between the government and the public; create a citizen-centered web presence; and build an e-government infrastructure across agencies. Total funding for the initiative in 2005 will be \$16.0 million.

This initiative enhances management practices by moving offshore business processes into a web-based online environment, reducing information collection costs for the regulated industry, increasing the public's access to offshore government business processes, and accelerating the movement of employees to areas where there are existing unfilled resource needs. All of these changes provide greater flexibility and efficiencies to accommodate a changing workload.

Increased resources will allow more of the private sector's required processes to be completed on-line with a lower burden of information collection. This effort will also allow the MMS to analyze and act on industry requests more quickly. The long-term result is that offshore oil and gas resources will be available more quickly.

With methane hydrates, we could have hundreds of years of natural gas supply. According to the Department of Energy, if only one percent of the methane hydrate resources could be made technically and economically recoverable, the U.S. could more than double its gas resource base. It appears the ideal locations for gas hydrates are the oceans and certainly Alaska.

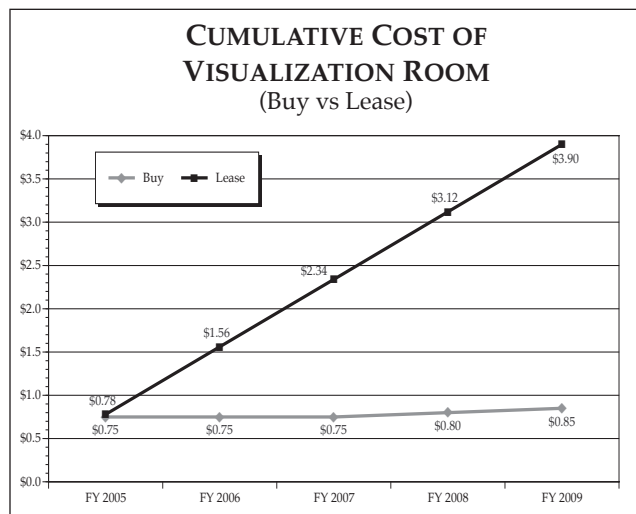
Secretary Gale A. Norton, July 22, 2003

Gulf of Mexico Region Interpretive Technologies

– To ensure that MMS receives optimal value on lease permits, it must keep pace with the private sector, which has embraced and developed new technologies to meet the increasing challenge of competition in exploring for petroleum resources. Geological interpretive tools allow MMS to maintain technological parity with industry to ensure accurate evaluations. The improved quality of interpretation allows for better evaluations and estimates by reducing uncertainties, thus optimizing value achieved through leasing activities.

additional geological interpretive tools training, workstation-ready well logs, and seismic data management. All of these technologies have been routinely used by the private sector since 1995 for making fair market determinations on lease sales. The MMS considered leasing the equipment but a cost-benefit analysis showed leasing to be far more costly in the long term. The benefits associated with updating MMS's interpretive capability will ensure a full return on the investment. One of the benefits will be realized through lease sale rejection decisions. The U.S. Treasury averages a net gain

The 2005 budget includes \$1.9 million for a 3-D visualization room,



of \$1.8 million for tracts rejected in lease sales that are subsequently leased successfully.



Recreation

The President's Healthier U.S. Initiative is based on the premise that increasing personal fitness and becoming healthier is critical to achieving a better and longer life. Interior is committed to this goal through promoting recreational activity on all of its public lands.

Secretary Gale A. Norton, October 31, 2003

The Department of the Interior's lands boast scenic vistas, breathtaking landscapes, and unique natural wonders. The family vacation to these special places is an American tradition. On these lands, many patriotic symbols, battlefields, memorials, historic homes, and natural wonders tell the story of America. These special places provide Americans and visitors from around the world havens for recreation, education, reflection, and solace. To ensure that Interior's lands continue to play this important role in American life and culture, the Department fulfills its mission to maintain visitor facilities and services, preserve natural and historic resources, and enhance visitor opportunities. The Department's 2005 budget supplies the resources necessary to maintain and enhance recreational and other visitor opportunities at Interior sites.

Providing recreational activities began with the creation of Yellowstone National Park by the Congress in 1872. Today, the Bureau of Land Management, Fish and Wildlife Service, Bureau of Reclamation, and National Park Service provide a diverse array of recreational activities on federally managed lands that make up one in every five acres of the United States.

Among the most popular places in the world, these special places will host an estimated 457 million people in 2005 as visitors experience the Department's 388-unit national park system, 542-unit national wildlife refuge system, 261 million acres of public lands, and 308 Reclamation sites.

As urban growth expands toward Interior-managed lands, we experience:

- Increased recreation on Federal lands.
- Increased resource demands.
- Increased interaction between citizens and Interior's land managers.

Citizens living near Federal lands have a very personal interest in the Interior Department's management actions and decisionmaking processes. Increasing urbanization has impacted nearly every Departmental program, but has especially augmented recreation activities. These activities affect how our services are delivered and the skills our employees require when interacting with the recreating public.

RECREATION MISSION

Provide recreation opportunities for America

The Department of the Interior's 2005 budget request provides \$900.0 million toward the recreation mission. The budget proposes to:

- Fulfill the President's commitment to fully fund the Land and Water Conservation Fund.
- Provide a base increase for national parks of \$22.0 million for critical needs and new responsibilities.
- Support the Recreation One-Stop initiative to implement state-of-the-art

LAND AND WATER CONSERVATION FUND
(dollars in thousands)

The 2005 budget fulfills President Bush's commitment to provide \$900 million annually from the Land and Water Conservation Fund.

	2005 Request
DEPARTMENT OF THE INTERIOR	
Cooperative Conservation Initiative	
BLM	
Challenge Cost Share.....	21,000
FWS	
Refuge Challenge Cost Share .	12,000
Partners for Fish and Wildlife	50,000
Coastal Programs.....	13,060
Migratory Bird Joint Venture..	11,449
NPS	
Challenge Cost Share.....	20,970
DM	
Take Pride in America	<u>1,000</u>
Subtotal.....	129,479
State and Other Grant Programs	
FWS	
State/Tribal Wildlife Grants ...	80,000
Landowner Incentive Grants .	50,000
Private Stewardship Grants ...	10,000
Coop. Endg. Species Grants ...	90,000
NAWCF Grants	<u>54,000</u>
Subtotal.....	284,000
Federal Land Acquisition and State Assistance	
BLM.....	24,000
FWS.....	45,041
NPS	<u>84,295</u>
Subtotal.....	153,336
NPS	
State Assistance Grants	<u>93,829</u>
Subtotal	93,829
Subtotal, Interior	<u>660,644</u>
U.S. FOREST SERVICE	
State LWCF Programs	
Forest Legacy	100,000
Forest Stewardship	40,692
Urban and Community Forestry ..	31,961
Federal LWCF Land Acquisition ..	<u>66,885</u>
Subtotal, Forest Service.....	239,538
TOTAL	<u>900,182</u>

data-sharing technology to improve the accessibility of recreation information for the public.

- Work with Congress to establish permanent authority for the recreational fee demonstration program.
- Fulfill the President's commitment to a healthier U.S. through the promotion of recreational physical activity and volunteerism on its lands. .

**FULL FUNDING
OF THE LWCF**

These grants from the Land and Water Conservation Fund can help state and local governments – many facing budget shortfalls – invest in recreational projects so that all Americans will have access to close-to-home parks and open spaces.

Secretary Gale A. Norton, February 2, 2003

The Land and Water Conversation Fund was established in 1965 to conserve, develop, and utilize outdoor recreation resources for the benefit and enjoyment of the American people. These goals were initially achieved through land acquisition and Federal management. Today, partnerships and cooperative conservation are increasingly important tools for fulfilling LWCF goals.

The Department is meeting the President's commitment for full funding of the Land and Water Conservation Fund by enhancing its partnership approach with States, Tribes, local communities, and private citizens, and by continuing strategic Federal land acquisition. The Department's \$660.6 million Land and Water Conversation Fund proposal is an increase of \$139.3 million above the 2004 enacted level. The Interior budget request, combined with the request for the U.S. Forest Service, brings the total government-wide LWCF request to \$900.2 million.

The Land and Water Conversation Fund State grants program request of \$93.8 million continues the 2004 funding level. The Cooperative Conservation Initiative, incorporating seven partnership programs, is a key component of the 2005 budget

for LWCF with a request of \$129.5 million, \$25.5 million or 25 percent above the 2004 level. The CCI initiative is discussed in further detail in the Resource Protection chapter. The request of \$153.3 million for Federal land transactions emphasizes the use of easements and other innovative options to make the most effective and efficient use of Federal funds, promote cooperative alliances, and leave land on State tax roles.

Appraisal Reform – To ensure the integrity of Interior’s real estate appraisals, the Department reformed its appraisal function in 2004. In all of the Department’s land managing agencies, appraisals are an integral part of undertaking land transactions that help fulfill recreation and conservation missions. Going back at least as far as 1968, Interior’s Inspector General and his predecessors have called for fundamental reform of Interior’s appraisal offices to resolve two basic conflicts of interest: appraiser subordination to realty professionals and reliance on some individuals to serve as both appraisers and negotiators, sometimes on the same transaction.

The General Accounting Office and the Appraisal Foundation expressed similar concerns with Interior’s appraisal process. In response to the critiques by these institutions, third parties, and the appraisers themselves, Secretary Norton established an Office of Appraisal Services as an administrative function within the National Business Center.

In addition to these reforms, BLM, FWS, and NPS, in conjunction with the Interior Department, continue their commitment to seven unifying land transaction principles.

Federal Land Acquisition – The single largest request in Federal land acquisition is in the NPS account in the amount of \$40.0 million to acquire the mineral rights currently owned by the Collier family in the Big Cypress National Preserve. This request demonstrates the Department’s continued commitment to preventing new exploration or oil production in the Preserve, which is part of the larger Everglades ecosystem. Although the agreement between the Department and the Collier family for the acquisition of the mineral rights recently expired, the Department is prepared to continue to work with the Collier family, subject to completion of the Inspector General’s evaluation of the proposed acquisition and the completion of an appraisal consistent with the Interior Department’s guidelines and procedures for appraisals for land acquisitions and exchanges.

LAND TRANSACTION PRINCIPLES

The following principles govern Department of the Interior land transactions:

- **Integrity** Transactions shall meet the highest ethical standards and comply with all applicable laws, rules, regulations, and codes of professional conduct.
- **Good Faith** Transactions shall occur in good faith and, except in extraordinary circumstances, only with willing parties.
- **Transparency** Transactions shall be pursued transparently with appropriate opportunities for public participation.
- **Mission** Transactions shall promote fulfillment of Departmental and bureau missions.
- **Citizen Stewardship** Transactions shall be consistent with the promotion of private stewardship.
- **Innovation** Transactions shall employ easements, donations, and other alternatives to full fee title when appropriate.
- **Congressional Direction** The Department shall provide technical assistance and policy recommendations to Con-

LWCF Stateside Grants Program – Interior proposes a \$93.8 million request for funding for the LWCF State grants program, level with 2004.

During the 2005 formulation process, OMB, the Department, and NPS evaluated the Stateside Land and Water Conversation Fund program using the Performance Assessment Rating Tool and identified several areas for improvement. Interior and the Park Service will address the issues identified in the PART to make the LWCF program more performance-oriented. The Park Service has already initiated a collaborative process of working with each State and Territory to develop and implement new performance standards for 2006.

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Our park system is the crown jewel of America's recreation system. . . We want the 80 million acres of national park land to be accessible and comfortable for the American people.

President George W. Bush, August 15, 2003

PARK VISITATION

Each year, the National Park Service endeavors to promote more active and healthier communities throughout the Nation by supporting an array of recreational opportunities. In 2005 alone, nearly 260 million visitors are expected to enjoy the benefits of the 388 park units in the national park system. In order to ensure the ready availability of a full spectrum of recreational activities, NPS must properly maintain its extensive infrastructure, which includes over 16,000 administrative and public use buildings, 17,000 miles of paved and unpaved trails, 11,900 miles of roads, and 3,029 miles of scenic rivers.

Primarily funded from the park operating base, NPS's recreation mission requires performing daily maintenance activities, providing interpretive ranger programs, staffing visitor centers, protecting lives and property, promoting new recreational opportunities, building and maintaining new trails, and meeting new responsibilities for recently created parks. By funding new responsibilities, NPS is able to increase access for the public to new recreational opportunities and improve the quality of recreational experiences in existing parks. The NPS 2005 budget proposes an increase of \$22.0 million to the park operating base, with a substantial portion of the increase devoted to addressing new park responsibilities.



The park operating increase will help:

- Reduce the deferred maintenance backlog by providing \$10.0 million for park-specific repair and maintenance.
- Improve law enforcement by providing \$4.7 million to improve security at icon and border parks.

RECREATION ONE-STOP

The Recreation One-Stop partnership, comprising ten Federal agencies, is implementing cutting-edge, data-sharing technology to make recreation information accessible to the public directly and through State and local government partnerships. Recreation One-Stop will create one citizen-centered web portal for recreation opportunities throughout the Nation. Individuals planning trips will be able to make recreation-related reservations using Federal sites through one "shopping cart." The project has three distinct aspects:

- Improving the existing recreation.gov web site that was launched on June 27, 2003.
- Developing recreational data standards acceptable to the recreation community.
- Creating a single Federal system for recreation reservations.

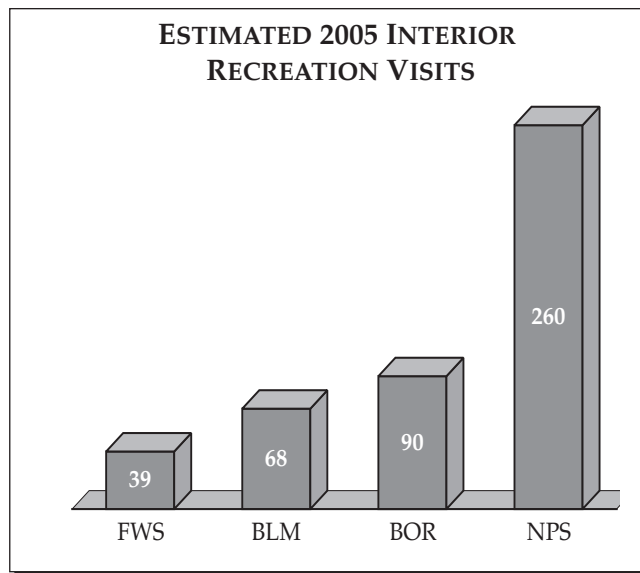
As managing partner for this trailblazing project, the Interior Department and four of its bureaus – NPS, BLM, FWS, and BOR – have significantly improved the existing Recreation One-Stop web site by:

- Adding links to State and local government websites.
- Creating a map interface to help the public plan their recreational itinerary.

As part of Recreation One-Stop, the Department is working with the U.S. Forest Service and Army Corps of Engineers to integrate two existing Federal recreation reservation systems into one user

friendly national recreation reservation system by November 2004 through the use of a performance-based contract. The new reservation system will enable individuals to access a listing of all parks, forests, lakes, museums, and other government-managed recreation sites in a given geographic location and learn about recreational activities. In addition, the new service will provide valuable information including the entrance fees for given sites, weather conditions, and links to information hosted by non-Federal recreation partners.

As part of the effort to develop a single recreation reservation system, Interior has already added 12 national park units, three BLM campgrounds, and a Reclamation campground to the existing U.S. Forest Service-Army Corps of Engineers reservation system.



RECREATIONAL FEE PROGRAM

Although recreation fees date to 1908, Congress first established broad recreation fee authority in 1965 under the Land and Water Conservation Fund Act. In enacting this authority, Congress acknowledged that the visitors to Federal lands receive some benefits that do not directly accrue to the public at large and that charging a modest fee to visitors is both equitable and fair to the general taxpayer. In 1996, Congress took that idea one step further and established the Recreational Fee Demonstration program for NPS, FWS, BLM, and the U.S. Forest Service.

During the 105th Congress, a House Appropriations committee report noted that the Recreational Fee Demonstration program was developed in direct response to Federal agency concerns over their growing backlog maintenance needs. Thus, the Recreational Fee Demonstration program allowed participating agencies to retain a majority of recreation fees at the site where collected and reinvest those fees into enhancing visitor facilities and services. This authority was deliberately broad and flexible to encourage agencies to experiment with their fee programs.

In 2003, Interior generated \$137.6 million in revenues through the Recreational Fee Demonstration program. Extended through December 2005, the Demonstration Program has allowed the Department to invest funds to reduce the national park maintenance backlog and fund deferred health and safety projects, provide improved visitor services, enhance resource protection activities, and defray the cost of future fee collections.

In 2005, the Department anticipates that \$138.2 million in revenues will be collected in fees for reinvestment in parks, refuges, and public lands where recreational activities are popular. The Administration continues to work with Congress to make the Recreational Fee Demonstration program authority permanent.

VOLUNTEER PROGRAMS

Perhaps no Federal agency has closer ties to the American people than the Department of the Interior. The many historic, cultural, and natural resources accessible throughout lands managed by the Department provide public opportunities for respite, reflection, and outdoor recreation. This connection of people to these special places provides a rich context within which to engage the public, establish partnerships, and promote volunteerism in America.

Each year Interior receives tremendous contributions as a result of long-term relationships with partners and volunteers. Through a variety of volunteer programs, individuals of all ages with differing levels of experience and educational backgrounds contribute valuable time to help the Department fulfill its recreation mission and realize new relationships to healthy lifestyles and dynamic recreational opportunities. In 2005, it is anticipated that volunteers will contribute nearly

INTERIOR VOLUNTEER PROGRAMS

	FWS	NPS	BLM	Total
Hours donated (thousands of hours)				
2003	1,229	4,590	1,500	7,319
2004	1,	4,681	1,900	7,834
2005	1,278	4,869	2,100	8,247
Value of volunteer time (dollars in millions)				
2003	20.3	77.7	24.8	122.8
2004	21.3	79.6	31.4	132.3

8.2 million hours of their time to the Department at a value of \$142.3 million.

In 2003 Interior re-launched Take Pride in America, the public lands component of the President’s USA Freedom Corps. The 2005 budget requests \$1.0 million to support Take Pride in America, a national, multi-agency partnership that empowers volunteers from every corner of America to participate in enhancing our refuges, parks, recreation areas, and cultural and historic sites. The initiative calls Americans to action and encourages them to join in voluntary stewardship efforts on our public lands. Recently, Take Pride in America initiated a 2004 volunteer pledge drive in southern California for forest fire restoration efforts, with 400,000 hours pledged in the first two weeks of the effort.

Over 100 charter partners, including major corporations, conservation groups, youth and service organizations, recreation groups, and State governments, currently participate. Take Pride in America also recognizes outstanding volunteer efforts with national annual awards and additional awards for hours dedicated to stewardship programs. Through Take Pride in America, bureaus recognize exceptional volunteer contributions. In NPS alone, over 600 volunteers donated over 4,000 hours of

service each; two-dozen volunteers donated over 15,000 hours of service.

The NPS is adept at leveraging the energy and intelligence of partners and volunteers to advance the delivery of its recreation goals. The NPS continues to build upon the success of the Volunteers-in-Parks program in requesting an overall budget increase of \$850,000 in 2005. Of the amount requested, \$600,000 will provide for the costs of training, supervising, and utilizing an anticipated four percent increase of volunteers expected from new programs such as the Master Volunteer Ranger Corps and programs targeting “senior” volunteers. This funding will also support additional volunteer projects as part of the Take Pride in America program. The remaining portion of the budget increase, \$250,000, will provide for the creation of VIP/Partnership coordinators to assist in directing and managing the steadily increasing number of volunteer and partnership projects.



One of the things that really makes our park systems go and really function well is the volunteer effort all around the country.

President George W. Bush, August 15, 2003

Take Pride in America is a national partnership that aims to inspire a new generation of volunteers to put their love of country to work to improve our national parks, wildlife refuges, public lands, cultural sites, playgrounds, and other recreation areas.

Secretary Gale A. Norton, September 3, 2003

Serving Communities



The Healthy Forests Restoration Act of 2003 gives the land management agencies new tools to help protect families and habitat from the enormous risk of devastating wildland fires through a collaborative process.

Secretary Gale A. Norton, August 28, 2003

The Department of the Interior is responsible for protecting lives, resources, and property; providing scientific information for better decision making; and fulfilling the Nation's trust or other special responsibilities to American Indians, Alaska Natives, and residents of our affiliated island communities. The Department protects communities from catastrophic wildland fires; safeguards visitors on Interior lands from illegal activities; and provides scientific information to reduce risks from earthquakes, landslides, and volcanic eruptions. The Department also provides scientific assessments on the quality and quantity of the Nation's water resources and conducts multi-purpose natural science research. The 2005 serving communities budget proposal totals \$5.3 billion.

SERVING COMMUNITIES MISSION

Safeguard lives, property and assets, advance scientific knowledge, and improve the quality of life for communities we serve

TRIBAL COMMUNITIES

The Department's 2005 budget increases funding for unified Indian trust programs by \$157.8 million. This proposed increase will fund continued improvements in trust management, support implementation of the Department's plan to conduct a historical accounting for individual Indians and Tribes, and substantially expand efforts to consolidate fractionated interests in lands. The increase also provides funding for improved computer security.

Working closely with federally recognized Tribes, Interior also promotes economic development and an improved quality of life for 1.5 million Native Americans in communities across the Nation. To support the goal of advancing quality communities for Tribes, the 2005 budget includes a total of \$2.3 billion for Indian programs, continuing the President's commitment to Indian school construction and promoting self-determination and economic development for the Tribes.

AFFILIATED ISLAND COMMUNITIES

In serving communities, the Department coordinates Federal policy for, and provides technical and financial assistance to, the territories of American Samoa, Guam, the U.S. Virgin Islands, and for the Commonwealth of the Northern Mariana Islands. The Department also oversees financial assistance to the freely associated states: the Federated States of Micronesia, the Republic of the Marshall Islands, and the Republic of Palau. The 2005 budget requests \$78.9 million in discretionary appropriations for the Office of Insular Affairs to improve the financial management practices of the insular governments, increase economic development within the insular areas, and increase Federal responsiveness

to the unique needs of the island communities. Permanent appropriations for OIA in 2005 will total \$303.0 million, including \$195.0 million for payments to the freely associated states under the recently revised and ratified Compact of Free Association.

WILDLAND FIRE

Over the past four years, the National Fire Plan has generated a more effective response to wildland fires and fostered tremendous progress to reduce fuel loads, improve forest health, and reduce risks to communities. In 2005, continued progress in fuels treatment performance to support the President's Healthy Forests Initiative will be a primary focus of the Department's wildland fire program. A second focus will be on continued improvement in the efficiency and cost-effectiveness of fire preparedness and suppression activities. The 2005 budget proposes \$743.1 million to carry out the Department of the Interior's responsibilities under the National Fire Plan, an increase of \$57.9 million.

LAW ENFORCEMENT AND SECURITY

Law enforcement and security activities of the Department are critical components for successfully managing and protecting public lands and surrounding communities. The 2005 budget requests \$576.5 million for law enforcement programs throughout the Department, which is an increase of \$39.2 million. The increase will bolster security and protection at borders, critical infrastructure, and national monuments. It will also support Departmental reforms to improve the accountability and efficiency of law enforcement programs.

SCIENCE

Science is the cornerstone for the Department's land management decisions, supporting work to achieve resource protection, resource use, recreation, and serving community goals. The 2005 budget continues science programs that generate relevant, objective information for land managers and for communities throughout the Nation. A total of \$919.8 million is requested for U.S. Geological Survey scientific leadership and partnerships with communities in information sharing, mapping, and technology and standards development.

PAYMENTS IN LIEU OF TAXES

The 2005 budget proposes \$226.0 million for PILT, a \$1.3 million increase over the 2004 enacted level. Congress passed the PILT Act in 1976 to provide payments to local governments in counties where certain Federal lands are located within their boundaries. Local governments incur costs associated with Federal lands within their boundaries, but are unable to collect taxes on the lands. These payments are made to local governments in lieu of tax revenues and to supplement other Federal land receipts shared with local governments. Local governments use PILT payments to improve local school, water, and road systems, as well as for other necessary infrastructure. As part of an ongoing commitment to improve PILT payment distributions, Interior signed a memorandum of agreement with the National Association of Counties to continue a dialogue with counties about PILT. The Department will continue to explore how to ensure that the PILT program is fair and equitable.



FULFILLING TRUST RESPONSIBILITIES

The Department has responsibility for what is surely the largest land trust in the world. The Indian trust today encompasses approximately 56 million acres of land. An estimated 10 million acres belong to individual Indians and nearly 45 million acres are held in trust for Indian Tribes. On these lands, Interior manages over 100,000 leases for individual Indians and Tribes. Leasing, use permits, land sale revenues, and interest totaling approximately \$194 million per year are collected for 260,000 open individual Indian money accounts. About \$378 million per year is collected in 1,400 tribal accounts for 300 Tribes. In addition, the trust manages approximately \$2.9 billion in tribal funds and \$400 million in individual Indian funds.

The Department recognizes the challenges of reforming the management of its Indian fiduciary trust responsibilities and has initiated changes to meet these challenges. First, to address needed changes in the Department's organizational structure to focus on its fiduciary trust duties, a reorganization of the Bureau of Indian Affairs and Office of the Special Trustee for American Indians was begun in 2003. Second, to address the exponential growth of fractionated interests in individual Indian allotted lands, the land consolidation program is being significantly expanded. Third, solutions are being sought to deal with 260,000 open individual Indian money accounts, the majority of which have balances under \$100 and annual transactions of less than \$1,000, for which the Federal government currently bears the entire cost of administration. Normal incentives found in the commercial sector for reducing unprofitable assets or paying for the management of the trust does not apply to the individual Indian monies trust. As an example, thousands of accounts must be maintained for IIM account holders that contain less than one dollar.

UNIFIED TRUST BUDGET

The 2005 budget includes significant new funding to sustain and expand work begun in prior years to reform, re-engineer, and reorganize trust programs in order to enable the Department to better fulfill its fiduciary trust responsibilities. It funds a reorganized system of delivery and administration of trust programs designed to create greater accountability to Interior's trust beneficiaries. The 2005 Unified Trust budget focuses on four critical issues:

- Strengthening on-going Indian trust reform through the continued re-engineering of trust business processes to bring about dramatic improvements in the management of fiduciary trust assets. In addition, major legacy software systems that exceed 30 years in age will be replaced with modern technology.

UNIFIED TRUST 2005 BUDGET

(\$ in Millions)

Program	2004 Enacted	2005 Budget	Change
Beneficiary Services	9.7	15.2	5.5
Ownership Information	99.4	166.3	66.9
Land & Natural Resources	127.6	123.9	-3.7
Trust Fund Assets	34.1	43.0	8.8
DOI Trust Organization	29.0	32.9	3.9
Historical Accounting	44.4	109.4	65.0
Information Technology	76.8	89.9	13.1
Records Management	20.1	21.7	1.6
Other	12.2	12.2	0.0
Total	453.4	614.4	161.1

- Continuing implementation of the trust reorganization begun in 2003 to provide a much greater emphasis on direct beneficiary services.
- Consolidating thousands of tiny fractionated interests of land resulting in enhanced economic development opportunities.
- Continuing funding for Interior's five-year historical accounting plan.

RE-ENGINEERING

In 2002, the Department began a meticulous process to develop an accurate model of its current trust business processes. The documentation of the "as-is" processes has provided Interior a comprehensive understanding of trust business operations, an opportunity to identify needs and places for improvement, and an understanding of variances of practice among geographic regions and their causes. The "to-be" re-engineering phase is a process redesign activity that will transform the current trust business processes into an efficient, consistent, integrated, and fiscally responsible business model that will better meet the needs and priorities of the beneficiaries, while addressing the duties of the Department as trustee.

After examining existing business processes, Interior is comparing these processes to an initial "to-be" model to determine what needs to be changed.

In particular, where existing business processes vary from region to region, efforts will be made to standardize processes. In addition, the "as-is" and "to-be" models will be compared to standard industry practices. Finally, Interior plans to integrate the final "to-be" model with universal support and operational functions, and document these re-engineered business processes with appropriate policies, procedures, guidelines, handbooks, and information systems designed to reflect the new processes.

The "to-be" model will be completed by May 31, 2004, and implementation will be initiated during the balance of 2004.

REBUILDING BIA'S IT INFRASTRUCTURE

In December 2001, the U.S. District Court for the District of Columbia ordered a shutdown of Interior information technology systems from access to the internet as a result of a security concern related to BIA trust program data. Since the shutdown, BIA has revamped its enterprise infrastructure and management practices. The BIA established a state-of-the-art wide-area network, network operations command center, and security operations center; and developed over 40 new IT policies and procedures that comply with the security requirements of OMB Circular A-130 and the Government Information Security Results Act. In 2003, BIA scored the highest among Interior bureaus in security compliance for the Department. It successfully closed 13 of 19 Inspector General notices-of-findings-and-recommendations and 770 of 901 audit findings. New capital planning practices produced business cases for 50 systems, up from four a year earlier.

The 2005 budget includes increases of \$29.1 million to continue the ground-up rebuilding of the BIA IT infrastructure to support trust, as well as non-trust programs. The continued rebuilding is a fundamental component of the Interior enterprise architecture and includes full business cases for proposed investments. The IT budget increase will allow BIA to continue systems life-cycle management practices in investment management, portfolio management, business case development, configuration management, asset management, ar-

chitecture development, and systems replacement for security and e-government capabilities.

TRUST ORGANIZATION

The Department began reorganizing trust functions in BIA and OST in 2003. The new organization was developed after detailed analysis of the prior organization and an extensive, year-long consultation process with tribal leaders. The new organization reflects a synthesis of the views heard during the consultation process. When fully implemented, it will meet fiduciary trust responsibilities, be more accountable at every level, and operate with people trained in the principles of fiduciary trust management.

The reorganization places a particular focus on the BIA and OST fiduciary responsibilities to individual Indian and tribal beneficiaries. For instance, land and natural resource management programs will continue to be managed in BIA due to its demonstrated expertise in this area of the trust. The OST has expanded its limited operational role for financial management and beneficiary services in addition to its statutory oversight duties. To carry out these duties, OST has developed a regional and local agency presence to ensure that fiduciary trust responsibilities are met in the management of these financial assets. This presence provides for better communication among OST, BIA, MMS, and trust beneficiaries, and provides for better financial trust asset management.

By further developing and taking advantage of the strengths of each organization, the Department will have a more cost-effective, efficient, and successful trust management system. The new organization dedicates more trained personnel to provide consolidated trust services, increases the emphasis on tribal contracting, and provides direct trust accountability.

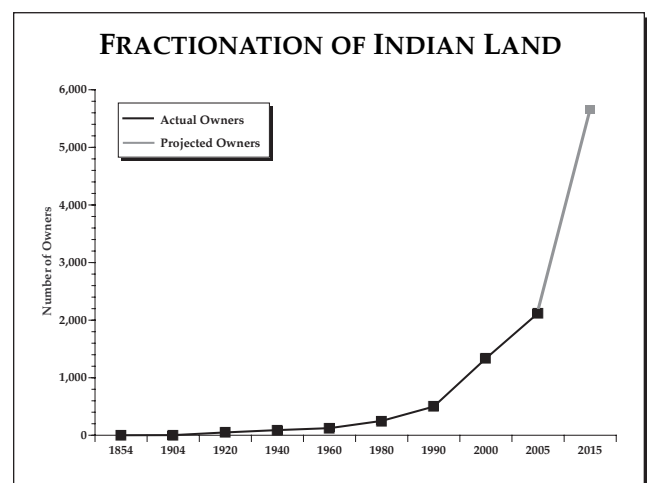
The budget provides \$7.2 million to support the new organization, including funding 85 new trust-related positions at the local level. Together with base funding available in BIA and OST, this increase will provide the resources needed for the new organization in 2005. In addition, the budget provides an increase of \$4.0 million to quicken the pace at which current probate cases are resolved.

Initially, two deputy superintendents and two trust officers were hired at the pilot BIA agencies, Anadarko and Concho, as part of the BIA and

OST reorganization effort. During 2004, OST will hire six regional trust administrators and 60 trust officers and related support staff. The BIA plans to hire 25 deputy regional directors for trust and deputy agency superintendents for trust during 2004. This additional staffing is a significant step toward implementation of trust reform. It will permit more decisions to be made at the local level, thus giving beneficiaries timely responses to questions and more efficient management of trust assets. These positions are being filled at agencies selected based on the volume of fiduciary trust work being performed, number of individual Indian money account holders, and dollar volume of business. Expansion of these efforts to other agencies will continue throughout 2004 and 2005.

Indian Land Consolidation – One of the greatest challenges facing successful fiduciary trust management is the fractionation, or continuing subdivision, of individual Indian interests in the land that the Federal government holds in trust. Because individual Indian trust lands are subject to a permanent restriction against alienation, they are primarily transferred through inheritance. With each successive generation, individual interests in the land become further divided and subdivided among heirs, each of whom holds a smaller and smaller interest in the land. The ownership of many disparate, uneconomic, small interests benefits no one in Indian Country and creates an administrative burden that drains resources away from other Indian programs.

Managing all of these fractionated individual interests is expensive. Individual owners often see little benefit because their interests are so small. Most often it is difficult, if not impossible, to put



the land to its best economic use because there are so many ownership interests involved.

As the number of ownership interests grows, the cost to the Federal government for accounting and managing those interests also grows. In many cases, the cost to account for and probate highly fractionated tracts far exceeds either the owners' receipts or the value of the underlying property. In 2004, BIA and OST will spend an estimated \$220 million on activities related to these interests. Costs are expected to grow six-fold in 20 years, to almost \$1.2 billion. Cumulatively, over the 20-year period, an estimated \$12.3 billion of the Interior Indian budget will be spent on managing fractionated interests, if changes are not implemented.

The Indian Land Consolidation program, which acquires small ownership shares in allotted land from willing sellers, is a key component in trust reform and management. Once interests are purchased, title can be transferred to the Tribe. Purchase of fractional interests increases the likelihood of more productive economic use of the land, reduces record keeping and large numbers of small dollar financial transactions, and decreases the number of interests subject to probate.

As a pilot, the program has been conducted in four states on seven reservations. As of December 31, 2003, program funds purchased 68,938 individual interests representing 42,075 acres. As reflected in a 2004 Program Assessment Rating Tool review, the pilot has also taught valuable lessons about the need to target purchases to maximize return of land to productive use and allow closure of IIM accounts associated with these interests.

The 2005 budget proposes an unprecedented amount of \$75.0 million for Indian land consolidation, an increase of \$53.3 million. This funding will provide for a nationwide program utilizing contractual arrangements with Tribes or private entities to purchase individual interests on behalf of the Department. This unprecedented level of funding, when coupled with meaningful probate reform, should begin to significantly address this longstanding and growing problem. The 2004 budget, together with carryover, will provide an estimated \$32.3 million to put in place the necessary infrastructure and contractual arrangements needed to implement a major expansion of the program in 2005.

This new vision and commitment to end frac-

tionation will also require legislative initiatives to provide for workable probate reform, disposal of unclaimed property, and partition of land. The Department will continue to work with Congress to find constructive and meaningful solutions to these issues. Interior has also begun to identify potential alternative methods for program financing, including tribal and private sources, based on economic trade-offs and long-term public benefits.

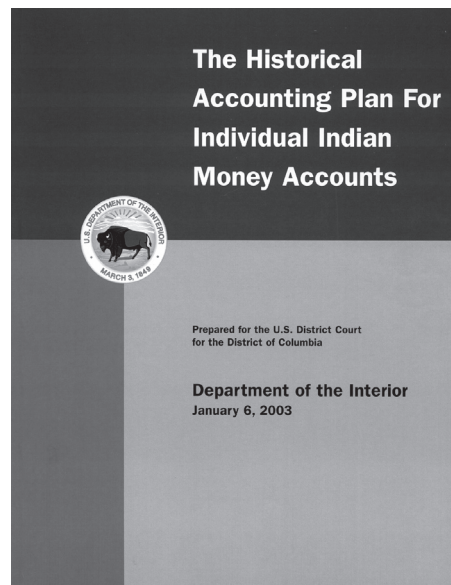
Historical Accounting – In 1994, Congress passed the American Indian Trust Fund Management Reform Act. This Act requires the Secretary of the Interior to “account” for “the daily and annual balance of all funds held in trust by the United States for the benefit of an Indian Tribe or an individual Indian which are deposited or invested pursuant to the Act of June 24, 1938 (25 U.S.C. 162a).” The

Department is currently involved in a major class action lawsuit *Cobell v. Norton*, and 25 tribal lawsuits associated with the Department's management of Indian trust funds.

On January 6, 2003, as ordered by the court in the Cobell litigation, the De-

partment filed *The Historical Accounting Plan for Individual Indian Money Accounts*. The Department's accounting plan provides for a historical accounting for about 260,000 IIM accounts over a five-year period at a cost of approximately \$335 million. The accuracy of the transactions is to be verified by reviewing support documentation on a transaction-by-transaction basis for all transactions over \$5,000 and by statistically sampling transactions under \$5,000. The sampling methodology would be designed to provide a 99 percent confidence level of any error rate. (See box following this section for details on the status of the historical accounting plan.)

The 2005 budget of \$109.4 million for the Office of



Historical Trust Accounting includes an increase of \$65.0 million over the enacted 2004 appropriation. This amount will provide \$80.0 million for IIM accounting. The request will also provide \$29.4 million for tribal accounting.

The 2005 budget for IIM accounting is based on an estimate of the Department's costs to begin full implementation of the *Historical Accounting Plan for Individual Indian Money Accounts* after December 31, 2004. This amount may be revised depending on how the Court of Appeals for the District of Columbia Circuit rules with regards to the structural injunction in the *Cobell* case and on whether Congressional action is taken to delineate the specific historical accounting obligations of the Department as suggested in the 2004 Interior Appropriations Act. The Department will continue to work with Congress and trust beneficiaries to reach a settlement on the historical accounting and related issues.

The 2005 request for IIM accounting will continue efforts described in the plan and reconcile 200,000 transactions in land-based IIM accounts. It will also resolve the proper ownership of approximately \$8 million of residual funds in special deposit accounts, distributing funds to the appropriate owners and closing these administrative accounts. In addition, OHTA plans to image approximately five million pages of trust records and code more than one million documents.

As of December 31, 2003, OHTA had reconciled more than 17,600 judgment accounts with balances totaling over \$50 million and reconciled over 130,000 transactions worth over \$183 million in per capita accounts. The OHTA also resolved residual balances in over 3,500 special deposit accounts, identifying the proper ownership of more than \$15 million belonging to individual Indians, Tribes, and private entities. In support of both

IIM and tribal accounting efforts, OHTA imaged more than 1.5 million pages of trust records and coded nearly 100,000 documents. Also, OHTA completed its accounting reconciliation tool and began using the tool to reconcile land-based IIM transactions.

By the end of 2004, OHTA expects to resolve the proper ownership of approximately \$30 million in residual special deposit account balances, complete the reconciliation of judgment accounts, and complete the reconciliation of per capita accounts and per capita transactions in land-based accounts. As part of litigation support, OHTA will reconcile several thousand land-based IIM account transactions.

The 2005 request for tribal accounting will support work by OHTA on potential settlement negotiations with Tribes. It will also provide funding to conduct historical accountings for Tribes, administer settlements, and present tribal briefings, as requested. In 2005, OHTA expects to complete reconciliation for trust fund accounts of five tribes, image an additional three million pages of tribal documents, and code 1.3 million tribal documents.

In 2004, OHTA will work on the 20 tribal lawsuits. It has already conducted a number of briefings for Tribes and tribal organizations. These briefings will be a first step in OHTA's administrative process to address unresolved or additional accounting issues, and are a prelude to anticipated discussions and negotiations with Tribes to develop Tribe-specific work plans to resolve outstanding accounting issues and the litigation. Working with Interior's Office of the Solicitor and the Department of Justice, OHTA has already started implementing a settlement with one Tribe, provided briefings to five Tribes on the results of the 1972-1992 tribal reconciliation, and developed three tribal historical accounting plans.

HISTORICAL ACCOUNTING PLAN

The historical accounting described in the January 6, 2003 historical accounting plan for individual Indian money accounts covers all IIM accounts that were open during the October 25, 1994, to December 31, 2000, period. At the end of the historical accounting process, the Department intends to be in a position, subject to approval of the court in the *Cobell* case, to provide each IIM account holder with a historical statement of account. The Department plans to provide information on how much money was credited to each account, from what sources, the amount of interest credited to each account, and the disbursements made from the account.

The Department intends to provide its assessment of the accuracy of the account transaction history. This information will assist IIM account holders in ascertaining whether their money has been properly accounted for. The Department also intends to be in a position, subject to approval of the Cobell court, to provide IIM account holders with information regarding land assets as of December 31, 2000. The information on assets will be prepared by the BIA land title and records offices as a separate part of the package to be provided to IIM account holders.

On September 25, 2003, the U.S. District Court ordered a far more expansive accounting with more constrained time lines than Interior's plan. The court-issued structural injunction specified what must be included in the accounting and when it must be done. The court decided that the accounting must provide a complete history of all financial transactions and all land ownership transactions in the trust since 1887. To understand the significance of the court order, it is useful to compare it to the historical accounting plan that the Department prepared, but which, in large part, the court rejected. See summary chart that follows.

The structural injunction would require the review and documentation of approximately 61 million financial transactions and supporting land ownership records. The Department currently holds approximately 500-600 million Indian trust pages. The injunction appears to necessitate the indexing and electronic imaging of a large percentage of these pages.

In addition, the court would require the Department to obtain additional records from third parties, which may include State and county record offices, energy companies, timber companies, other former and current lessees, Tribes, and individual Indians.

The court has ordered that the bulk of the accounting be completed in three years. In addition to the historical accounting, the court ordered the Department to fully implement a plan for trust reform by May 31, 2005. This would accelerate Interior's schedule by several years, and would have significant budget implications in both 2004 and 2005.

On November 12, 2003, the Court of Appeals for the District of Columbia Circuit stayed the District court's structural injunction order until the Court of Appeals could hear the case on appeal.

In addition, as a result of the court injunction, Congress included limitations and directions in the 2004 Interior and Related Agencies Appropriations Act affecting historical accounting activities during 2004. Congress placed a temporary limit on the scope of activities for historical accounting, until either Congress amends the American Indian Trust Fund Management Reform Act of 1994 to delineate the specific historical accounting obligations of the Department of the Interior with respect to the individual Indian money trust, or December 31, 2004. Congress provided funds not to exceed \$45 million in 2004 for records collection and indexing, imaging and coding, accounting for per capita and judgment accounts, accounting for tribal accounts, reviewing and distributing funds from special deposit accounts, and program management of the Office of Historical Trust Accounting, including litigation support.

The 2005 budget for IIM accounting is based on an estimate of the Department's costs to begin full implementation of the Historical Accounting Plan for Individual Indian Money Accounts after December 31, 2004. This amount may be revised depending on how the Court of Appeals for the District of Columbia Circuit rules with regards to the structural injunction in the *Cobell* case and on whether congressional action is taken to delineate the specific historical accounting obligations of the Department as suggested in the 2004 Interior and Related Agencies Appropriations Act. The Department will continue to work with Congress and trust beneficiaries to reach a settlement on the historical accounting and related issues.

	INTERIOR'S PLAN	STRUCTURAL INJUNCTION
Estimated Cost	\$335 million	\$6-13 billion ¹
Time to Complete	5 years	3 years for most accounting ²
Verification Approach	Verify all transactions over \$5,000 by review of supporting documents. Verification by statistical sampling of transactions under \$5,000.	Verify all transactions by review of supporting documents.
Trust Asset Accounting	Describe trust assets owned by each IIM account holder as of December 31, 2000.	Describe all trust assets ever owned by current IIM account holders or their predecessors in interest from 1887 to the present.
Deceased IIM Account Holders	No accounting for beneficiaries who died prior to October 25, 1994; probate considered final.	Full accounting for all IIM accounts since 1887.
Closed IIM Accounts	No accounting for IIM accounts closed prior to October 25, 1994.	Full accounting for all IIM accounts since 1887, including all direct pay transactions.
Direct Pay (rents and royalties paid directly to Indians at their request and never held in trust)	No accounting.	Full accounting for all IIM accounts since 1887; including all direct pay transactions.
Time Frame	Accounts that were open between October 25, 1994, and December 31, 2000, reconciled back to 1938.	Accountings back to 1887.

¹ Estimate is very preliminary.

² Even though the order gives until September 30, 2007, to complete the Special Deposit accounts, it requires all accountings for individual Indians to be completed by September 30, 2006.

SERVING TRIBAL COMMUNITIES



We celebrate the rich cultural traditions and proud ancestry of American Indians and Alaska Natives, and we recognize the vital contributions these groups have made to the strength and diversity of our society.

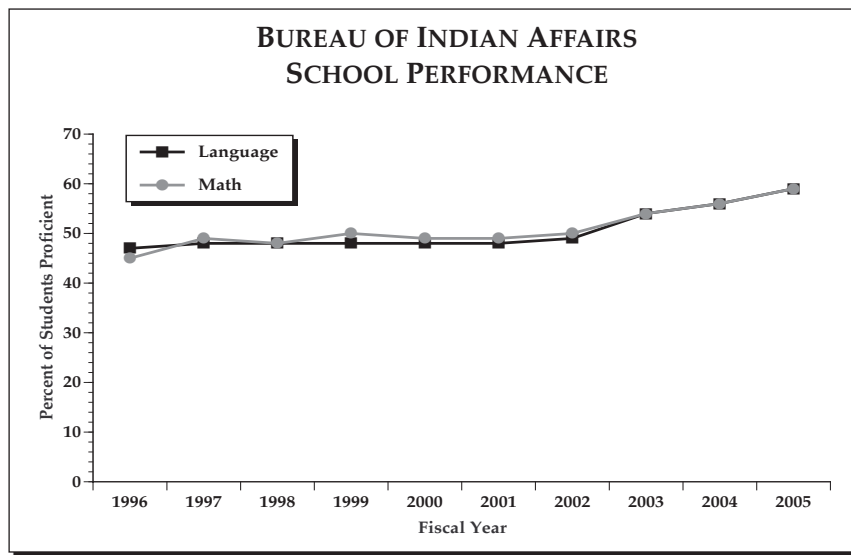
President George W. Bush, November 1, 2002

INDIAN EDUCATION

One of the BIA strategic goals is to provide quality educational opportunities from early childhood through adulthood, instilling a desire for life-long learning to keep pace with an ever-changing world. Education is the cornerstone of a viable and prosperous future for tribal governments and Native Americans. Almost 48,000 students in 23 States attend the 183 elementary and secondary schools that form the BIA school system. The BIA directly operates one-third of these schools. The other two-thirds are operated under contracts or grants to Tribes or other tribal organizations. In addition to primary and secondary education, the BIA budget also supports higher education in Indian country.

The 2005 elementary and secondary school operations request is \$522.4 million. This funding will maintain the President's commitment to improve student achievement at BIA schools. In January 2002, the President signed into law the No Child

Left Behind Act of 2001, a landmark education bill that will help strengthen BIA-funded schools through several components, such as a provision that extends funding eligibility for Department of Education reading programs to the BIA school system. The BIA is working in partnership with tribal representatives to fully implement the No Child Left Behind Act, with the goals of increased accountability and student achievement.



The request includes an increase of \$500,000 to expand the highly successful FOCUS program to five additional schools. The program provides targeted assistance to schools to help them raise their level of instruction and improve student achievement,

through means such as upgrading the education skills of teachers. The FOCUS program has demonstrated results with four of five past participants, with one school raising its academic scores by over 20 percent.

Funding for tribal colleges and universities totals \$43.4 million in the 2005 budget. The request in-

cludes an increase to support two tribally controlled colleges—Tohono O’odham Community College in Arizona and Saginaw Chippewa Tribal College in Michigan—that have recently met statutory requirements for BIA support.

The budget also requests \$250,000 for a student loan repayment program, within special higher education scholarships, specifically targeted to students who agree to a term of employment with BIA. This program will improve BIA’s ability to recruit highly qualified new employees.

BUILDING SAFER SCHOOLS IN INDIAN COUNTRY

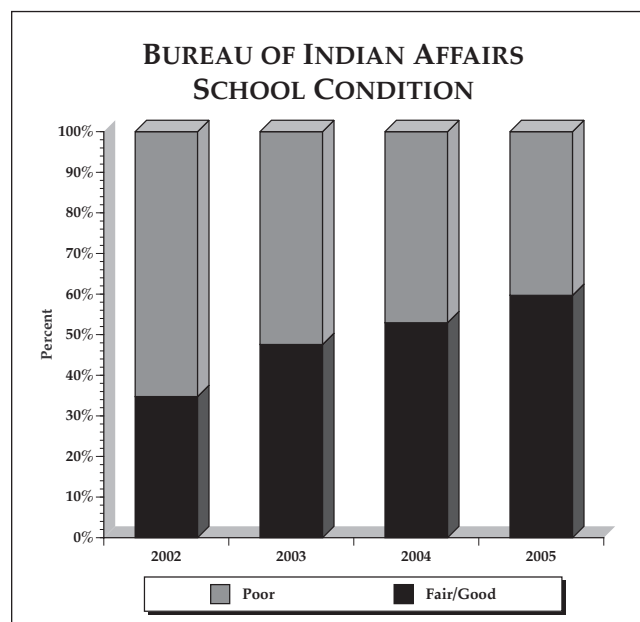
During the 2000 presidential campaign, President Bush promised to provide safe and structurally sound schools for Indian students. Many schools have serious deficiencies that could pose serious threats to the students’ health and safety and which adversely impact their school environment and hinder learning. Deficiencies include leaking roofs, overcrowded classrooms, and inadequate heating, cooling, and ventilation. Dilapidated dormitories, small and poorly ventilated portable classrooms, and a lack of modern facilities, such as computer and science labs and libraries, make it difficult for Indian children to get the quality education that they need to succeed in today’s economy.

The \$881.3 million provided in the President’s first three budgets is beginning to make a dramatic improvement in the quality of Indian schools, provid-

ing an increasing number of students with a school environment that is safe, healthy, and conducive to educational achievement. With funding provided through 2004, the facilities condition index scale for BIA schools will reach 0.124, a significant reduction from 0.266 in 2001. A score of 0.100 is the threshold for fair/good condition. The funding request for 2005 will reduce the overall score for the BIA portfolio to 0.113, with 60 percent of schools having an FCI of 0.100 or less.



The 2005 budget for education construction continues the President’s initiative, with a request for \$68.5 million to replace buildings at the remaining five schools on the 2003 priority-ranking list for education facilities construction. This funding will provide replacement schools and dormitories for Bread Springs Day School, Ojo Encino Day School, and Beclabito Day School in New Mexico, Leupp Boarding School in Arizona, and Chemawa Indian School Dormitory in Oregon.



The budget also includes \$9.9 million for the tribal school construction demonstration program, which provides incentives for Tribes to match the Federal government funds to build replacement schools. Project selection criteria and eligibility for the demonstration program will be developed and announced in 2004.

The education facilities improvement and repair program is funded at \$137.5 million. The 2005 request will fund deferred and annual maintenance needs, and major and minor repair projects to address critical health and safety concerns, non-compliance with code standards, and program deficiencies at existing education facilities. Funding for annual maintenance has been increased by \$21.0 million to prevent growth in the deferred maintenance backlog.

Overall school construction reflects a decrease of \$65.9 million below the 2004 level. The funding level has been reduced in order to allow the program to focus on building the schools already funded for construction. From 2001 to 2004, funding was appropriated for 25 replacement schools. Of these 25 schools, 21 are in the planning and design process or under construction. Four of these schools have been completed and are operating. Another three are expected to be completed in 2004.



The BIA is making a concerted effort to improve the management of its construction programs. The BIA is in the process of reviewing the size of several schools funded for construction. The BIA has developed interim guidelines on enrollment projections and will begin negotiated rulemaking on enrollment projections, as required by the No Child Left Behind Act, later this year. In addition, since Tribes contract for the majority of funding for construction, the 2005 budget proposes to require Tribes to begin construction of schools within 18 months of funds being available for construction. If construction has not started, BIA may assume responsibility for the project.

INDIAN SELF-DETERMINATION

The 2005 budget supports self-governance and self-determination by encouraging more Tribes to contract for services currently operated by BIA. The budget includes \$1.0 million for the Indian self-determination fund to provide 100 percent of indirect costs to first-time and expanded contracts. In addition, the budget includes funding for six newly acknowledged Tribes to help them establish day-to-day tribal government operations and support tribal contracting of programs.

ECONOMIC DEVELOPMENT

High unemployment rates on reservations are one of the greatest challenges facing Indian Country. The 2005 budget includes an increase of \$1.0 million to help Tribes develop uniform business codes. A codified standard would ensure equitable business treatment for commercial operations in Indian country. This increase supports Indian economic development and the BIA performance goal to reduce unemployment on Indian reservations.

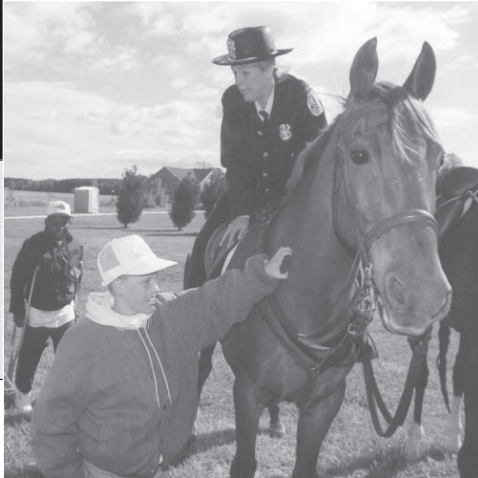
RESOLVING LAND AND WATER CLAIMS

The budget includes \$34.8 million for payment of authorized Indian land and water claim settlements in Oklahoma, Nevada, Colorado, New Mexico, and New York. These settlements resolve long-standing claims to water and lands by Indian Tribes. They are the result of negotiations between the Tribes, the Federal government, and other interested parties. While the specific provisions of each settlement differ, most contain multi-year funding commitments. Once an agreement has been reached, the Tribes depend on appropriated funds to implement the agreements, often beginning new water development projects or other economic development initiatives with those funds. Failure to provide funding for a settlement agreement can result in increased costs over time and the payment of interest penalties by the Federal government.

The 2005 request for settlements reflects a net decrease of \$25.1 million from the 2004 funding level primarily because the Federal commitment was completed in 2004 for the Santo Domingo and Ute Indian settlements. The BIA budget request includes funding for two new settlements: \$14.0 million for Zuni Pueblo water claims and \$1.8 million for Seneca Nation land claims at Cuba Lake in New York. The total settlement of \$19.3 million for the Zuni water claims settlement will be paid over two years. The settlement for Cuba Lake land claims by the Seneca Nation is a one-time payment. The budget includes \$10.0 million for the second of four payments for the Cherokee, Choctaw, and Chickasaw settlement in Oklahoma. The budget also includes \$8.0 million for the Colorado Ute/Animas La Plata settlement.

Funding of \$52.0 million for construction activities associated with the Colorado Ute settlement is included in the BOR budget. The budget proposes to fund the Quinault settlement in the FWS rather than in BIA.

PROTECTING LIVES, RESOURCES, AND PROPERTY



WILDLAND FIRE

Under the leadership of this Administration, and with the support of Congress, Federal wildland fire agencies have made significant strides in improving their ability to protect lives, resources, and property. For example, the Department of the Interior had a 97 percent success rate for containing unwanted wildfires on initial attack during the 2003 fire season. The 2005 budget for Wildland Fire Management builds on past successes by proposing targeted preparedness increases primarily aimed at maintaining this initial attack capability and improving the cost-effectiveness of the fire program, especially in emergency fire suppression.

While satisfied with the rate at which fires are contained on initial attack, the Department will continue to pursue management and operational improvements to enhance the cost-effectiveness of the fire program. The budget request includes increases of \$2.9 million to continue development and implementation of the fire program analysis system and \$3.7 million to develop the LANDFIRE technology for vegetation imaging and mapping. Among other things, these tools will provide managers with scientific information to develop more

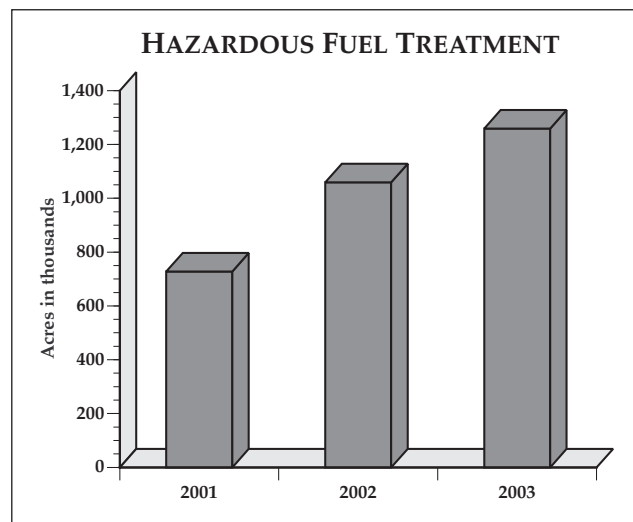
cost-effective strategies for positioning readiness resources and for prioritizing hazardous fuels reduction projects.

The 2005 budget funds suppression operations at \$221.5 million, the 10-year average. The relatively few wildland fires that escape initial attack and grow into large fires consume the preponderance of suppression funds. During 2004, the Wildland Fire Management program will continue to study suppression strategies and tactics to gain a better understanding of cost drivers and to explore opportunities for better constraining these costs.

HEALTHY FORESTS INITIATIVE

One key to reducing fire risks costs over the long term is to reduce the build up of hazardous fuels in forests and on rangelands. Through implementation of the Collaborative Approach for Reducing Wildland Fire Risks to Communities and to Environment

10-year Comprehensive Strategy, with its emphasis on collaboration and improved program and financial management, the productivity of the Department's hazardous fuels reduction program has increased significantly. In 2003, the Department's wildland fire agencies reduced



fuels on nearly 1.3 million acres, as compared to 728,112 acres in 2001. Treatments in the wildland urban interface were 480,110 acres, up from 164,337 acres in 2001.

However, the scope of the hazardous fuels problem demands an even more aggressive response, as



called for in the President's Healthy Forests Initiative. Years of buildup of brush and unnaturally dense tree stands, coupled with drought, insect infestation, and disease, have left 190 million acres of Federal forests and rangelands highly vulnerable to catastrophic fires. On December 3, 2003, after months of working with a bipartisan coalition of members of Congress, President Bush signed into law the Healthy Forests Restoration Act of 2003 to



reduce the threat of destructive wildfires, restore forest and rangeland health, and to encourage public participation in decisionmaking, including project selection and implementation.

The 2005 budget for the Department's wildland fire program includes \$209.3 million for hazardous fuels funding, a program increase of \$25.0 mil-

lion to enable the fire program to treat additional high-priority acres in the wildland urban interface in 2005. An important new monitoring program to determine the effectiveness of hazardous fuel reduction projects in achieving program goals will help Interior to further improve the cost-efficient management of both the fuels program and the wildland fire program as a whole. Results from project monitoring will be shared among fuels reduction project managers, giving them scientific information they need for planning effective treatments on other lands.

Fuels treatment efforts by the wildland fire program will be complemented by forest and range improvement activities by the Department's three land management agencies and BIA. For example, the Bureau of Land Management's range management program will spend an estimated \$7.0 million on range improvements, including the removal of highly combustible invasive weeds, that will reduce fuel loads.

The hazardous fuels funding in the wildland fire program, together with funds for forest and range improvement in resource programs, will provide a total of approximately \$300 million in 2005 to reduce the build-up of hazardous fuels in the Nation's forests and rangelands.

LAW ENFORCEMENT

The 2005 budget requests \$577.5 million for law enforcement and security, an increase of \$40.1 million over the 2004 enacted budget. Priorities include full funding at major facilities during Threat Level Yellow; improving protection at international border areas for employees, visitors, natural resources and facilities; and improving the accountability and effectiveness of Interior's law enforcement programs.

The Department must operate critical infrastructure, monuments, and icons at Threat Level Yellow, providing the safety and security for employees, visitors, and facilities in accordance with procedures developed in conjunction with the Department of Homeland Security. For 2005, the Bureau of Reclamation budget includes \$43.2 million, an increase of \$15.4 million over 2004, to continue security modifications at priority dam locations. The 2005 budget proposes program increases of \$1.7 million and \$2.0 million for the National Park Service and U.S. Park Police, respectively, to pro-

vide additional personnel for security at major NPS monuments and icons. An additional \$2.0 million in construction funding is requested to construct the security fencing and screening modifications at Independence Hall in Philadelphia.

Department of the Interior bureaus manage long stretches of land along this Nation's borders. Lands managed by the Department comprise 39 percent of the southwest border, 31 percent of the southeast border (Texas to Florida coastline) and 14 percent of the Canadian border. Many areas administered by the Department face significant adverse impacts to natural resources and safety risks associated with continuing illegal activity along the border.

While primary responsibility for border security rests with the Department of Homeland Security, Interior agencies have an obligation to protect employees, visitors, natural resources, and agency facilities. The 2005 budget contains increases of \$1.4 million for the Fish and Wildlife Service, of which \$900,000 will be used for staffing along the southern border and \$454,000 will be used at the Vieques National Wildlife Refuge; \$2.9 million for NPS for increased staffing at the most seriously affected national parks, primarily along the southern border; \$1.4 million for BIA at the Tohono O'odham border reservation; and \$92,000 for BLM law enforcement along the southwest border. Funding in the Office of the Secretary of \$450,000 will support border coordinator positions to work with Interior agencies, the Department of Homeland Security, and other partners to better coordinate efforts along the borders.

The Secretary has directed 25 law enforcement reforms recommended by the Office of Inspector

General to improve accountability and efficiency. A key reform is acquisition of an off-the-shelf incident management analysis, and reporting system for all law enforcement incidents Department-wide. Increases totaling \$5.2 million are requested by the land managing agencies and BIA

for this new system, which will become the backbone of the Department's law enforcement program.

The budget also includes an increase of \$1.0 million for FWS to continue the implementation of its law enforcement zone system; \$300,000 for NPS and \$254,000 for FWS for final implementation of line authority and staffing changes; and \$1.2 million for NPS to establish a regional field criminal investigation capacity. A request of \$100,000 for the Office of Law Enforcement and Security will fund an intelligence officer position for more timely analysis of data drawing from patterns and trends reported by bureaus; closer coordina-

tion with other Federal, State, and local agencies for the purpose of data gathering and analysis; and for analytical reporting on possible threats and potential criminal or terrorist activity.

The 2005 BIA budget includes an increase of \$7.8 million to provide operational funding at eight new detention facilities serving Indian populations that will be completed by the end of 2005. A joint initiative between the Departments of the Interior and Justice provided funding over the past several years to construct 20 detention centers. Ten projects provide new detention facilities, seven replace older facilities, and three are expansions of existing detention centers. The new construction meets current detention standards and alleviates conditions such as severe overcrowding and the mixing of juvenile and adult detainees.



ONGOING COOPERATIVE EFFORTS TO IMPROVE WILDLAND FIRE MANAGEMENT

In April 2002, the Secretaries of the Departments of the Interior and Agriculture formed the Wildland Fire Leadership Council, a board of directors dedicated to achieving consistent implementation of the goals, actions, and policies of the National Fire Plan, the 10-Year Comprehensive Strategy Implementation Plan, the Federal Wildland Fire Management Policy, and the President's Healthy Forest Initiative. The heads of the five wildland fire management agencies resolved several key issues such as common performance measures, common fire cost accounting protocols, and seamless direction for an effective hazardous fuels reduction program. Other cooperative efforts and strategic initiatives completed in 2003 to improve wildland fire management include:

- Finalized the formal memorandum of understanding between the States, Interior, and U.S. Forest Service that sets priorities for hazardous fuels reduction projects.
- Joined with the Federal Emergency Management Agency and National Association of State Foresters in an agreement to improve and standardize grant administration and application review process for awards to local, rural, and volunteer fire departments for equipment, training, and prevention.
- Implemented the Healthy Forests initiative designed to reduce the amount of time necessary to plan and conduct hazardous fuels reduction projects.
- Standardized accounting practices for firefighter base pay costs.
- Developed a new fire incident cost-coding system to capture and aggregate the firefighting costs of all agencies related to specific wildfires in a consistent and comparable manner.
- Standardized definitions and accounting practices for emergency stabilization and rehabilitation among Interior bureaus and the Forest Service.

Other cooperative efforts and strategic initiatives being pursued in 2004 to improve wildland fire management include:

- Completing an interagency cohesive fuels strategy to help guide hazardous fuels reduction projects and priority setting.
- Developing a strategic plan for managing aircraft resources and improving aircraft operations based on the report of a blue ribbon panel.
- Developing a new interagency fire preparedness planning process to determine optimal, cost-effective fire readiness levels.
- Developing strategies to recruit and retain qualified firefighters, especially for key field leadership positions.

NATIONAL FIRE PLAN PROGRESS

Among other successes in 2003 the five agencies:

- Accelerated and required the selection of budget year fuels reduction projects by May 1 of each year using a new, collaborative prioritization process.
- Completed a charter for an interagency Interior-Forest Service fuels coordination committee to provide senior staff leadership and guidance to ensure seamless delivery of the hazardous fuels treatment program.
- Hired, maintained, and trained a wildland fire management workforce of 15,798 personnel.
- Supported a fleet of 1,776 engines, 138 helicopters, 164 bulldozers, and 44 water-foam tenders.
- Performed maintenance and construction projects at 171 fire facilities.
- Treated 2.7 million acres of hazardous fuels on Federal land – 454,700 more acres than 2002.
- Treated 719,624 acres of wildland fuels on Federal lands through wildland fire use.
- Treated 1.2 million burned acres through rehabilitation and restoration.
- Assisted 7,731 rural and volunteer fire departments through grants, technical assistance, training, supplies, equipment, and public education support.
- Funded 6,800 mitigation and education campaigns, nearly 1,200 community plans, 4,500 hazardous mitigation projects, and trained 13,000 firefighters through the State fire assistance program.
- Conducted 14 national and 500 community Firewise workshops for more than 1,800 people.



SCIENCE FOR COMMUNITIES

Dedicated and highly skilled geologists, geophysicists, and other scientists are working to protect and preserve our natural resources and environment, keeping us safe from natural disasters and promote our appreciation for the beauty and grandeur of nature.

President George W. Bush, April 2002

Scientific research provides information critical to better understanding many of the complex issues faced by the Department. The ability of land managers to address a broad range of issues depends on accessible data, information, and associated tools and technologies. The Department sets priorities for these science needs using an integrated approach to science that encompasses the research, monitoring, assessment, and coordination needs of all the bureaus within the Department.

The U.S. Geological Survey is the Department's primary source of scientific research, earth sciences data, and other geologic information. The USGS conducts research on earth and biological processes, including natural resources and natural hazards. These studies are responsive to the needs of Interior partners and may address either long-term research questions or short-term tactical science applications. Research results, in the form of publications, analyses, maps, decision support systems, web pages, and other media, provide systematic information to other Interior bureaus and the Nation for use in land and resource decision-making. Scientists in other bureaus rely on USGS for objective scientific results and well-designed application programs to translate the information to specific land or resource use questions.

The 2005 USGS budget request of \$919.8 million continues the Department's science program, advancing the goal of maintaining scientific leadership as described in the Interior's strategic plan, as well as supporting resource protection and resource use goals.

KLAMATH STUDIES

During the 20th century, nutrient levels supporting diverse plant and animal life in the Upper Klamath Lake in southern Oregon became high enough to cause annual, extensive blue-green algae blooms that coincide with water quality problems that can cause extensive fish kills. Degraded water quality may contribute to the decline of the populations of the short-nose sucker and the Lost River sucker, both of which are listed as federally endangered species.

Currently, USGS conducts research on the Klamath River basin focused on population dynamics and behavioral ecology of lake suckers and on the causes for change in the trophic status of Upper Klamath Lake. The 2005 budget requests an increase of \$2.7 million for USGS to conduct additional research in these areas, with \$1.3 million dedicated to improving the quality and quantity of water entering Agency and Upper Klamath Lakes through a pilot project with the Klamath Basin Rangeland Trust and \$1.4 million to focus on the ecology of the suckers.

SCIENCE ON INTERIOR LANDS

The Department is increasingly emphasizing the USGS role in providing science to Interior bureaus to improve the effectiveness of Federal resource management decision-making and to avoid duplication of science among the bureaus. Department bureaus rely on USGS to provide science information and technical assistance to meet their management goals. The 2005 budget requests an increase of \$1.2 million for science on the Interior landscape to address priority bureau science needs.

EXCELLENCE IN BUSINESS AND TECHNOLOGY

The strength of USGS science lies in its ability to interact with its customers and partners. The science must be built on accurate and timely financial information to ensure best performance and the highest measure of accountability. To improve the USGS information base, information management, and technical assistance, one of the top priorities is to improve USGS financial management practices in response to recent audit reports. The 2005 budget includes \$2.7 million to address material weaknesses cited in these audit reports and to improve the overall financial management function of in bureau.

Additionally, the 2005 budget proposes \$1.8 million to modernize and centrally support certain key information technology management practices within USGS at the bureau level to enhance service to its scientists and customers. This increased funding will eliminate critical deficiencies in the USGS IT security infrastructure and will strengthen the overall IT security program.

GEOGRAPHY

Land managers, policy and decisionmakers, researchers, and the public depend on a common set of current, accurate and consistent basic data that describe the Earth's land surface and its dynam-

ics. In the past, USGS played a primary role in the collection of these data. Today, the most current, highest resolution, continuously maintained, basic geospatial datasets often reside with State and local governments, private entities, and other Federal agencies.

As the ability to produce topographic maps has become fairly common and the demand for more technologically current, seamless, and flexible data and information has grown, USGS is moving away from its role as primary data collector to a role that focuses on partnerships, standards, base data themes, archiving, science and applications, and products and services. The vision for the future of the National Map is based on the availability of continuously maintained, nationally consistent basic geospatial data and applications. The National Map will integrate these data on a national scale and make them publicly available.



Revitalizing the program starts with workforce restructuring. In 2004, the USGS offered a buyout to its geography employees. One hundred and fifty persons accepted the buyout. The USGS will fill one-fifth of these resultant vacancies focusing on new needed skill sets. An estimated savings of \$9.0 million will be available in 2005. The President's budget requests the use of these savings to address Landsat 7 needs; establish new

partnerships to further the National Map; develop the science and applications needed to promote geographic integration and analysis; and provide access to tools for specific applications and modeling. The redirection of this funding is in line with both a PART review and National Research Council recommendations for the National Map.

HAZARDS

Earthquakes, volcanic eruptions, landslides, coastal storms, erosion, and flooding pose threats to lives and property and undermine local and national economic health. The Department is working to enhance the quality and timeliness

of information provided to communities so they can improve their warning systems, planning processes, response efforts, community education, and building modifications.

The USGS has begun using Interferometric Synthetic Aperture Radar to monitor the ground deformation at several of the 65 active and potentially active volcanoes in the United States, as part of a pilot project, to assist in predicting future volcanic events. The USGS, in partnership with NASA and the National Science Foundation, has shown that InSAR can be used to monitor the ground deformation that precedes volcanic eruptions and that accompanies large earthquakes and groundwater withdrawals. The 2005 budget requests an increase of \$800,000 to expand current InSAR investigations past the pilot stage toward a national monitoring capability, with increased tracking of the behavior of priority volcanoes, including Yellowstone Caldera in Yellowstone National Park,

Three Sisters volcano in Oregon, and four to six Alaskan volcanoes.

The 2005 budget also maintains the 2004 funding of \$4.4 million for the Advanced National Seismic System. During 2005, USGS will continue to upgrade and install new ANSS seismic monitoring stations. Information from ANSS stations will support real-time earthquake shake maps for emergency response in five metropolitan areas.



As part of the 2005 budget process, the USGS hazards program underwent a review using the Program Assessment Rating Tool. The hazards programs received a rating of moderately effective, demonstrating a generally successful program that has a clear purpose and can demonstrate progress toward long-term goals. The review found that USGS should work with partners to determine the effectiveness of Federal efforts to reduce the loss of life and property due to geologic hazards.

Management Excellence



The Department's enhanced citizen focus is reflected in our governance and our ongoing commitments to become more responsive and cost effective.

Secretary Gale A. Norton, January 30, 2003

Good management sets the foundation upon which agencies can successfully meet their responsibilities to the American public. These responsibilities require that the Department of the Interior deploy its resources efficiently and effectively. To meet these responsibilities, the Department must strive for management excellence demonstrated by increased accountability for results, more effective leveraging of available resources, and continued process and technology improvements.

The Department's journey toward management excellence is guided by the President's management agenda and the Secretary's four key business principles: customer value, accountability, integration, and modernization.

The 2005 budget includes investments that foster management excellence, including:

- Strategic investments to migrate to a new financial and business management system.
- Strengthened law enforcement and security capability.
- An integrated, Department-wide Enterprise Services Network.
- Full funding for third-party audits of consolidated and bureau financial statements.
- Key investments in e-government initiatives.
- Targeted savings from improvements in the management of vehicle fleets.

STRATEGIC PLAN

The linchpin of the Department's efforts in management excellence is an overarching strategic plan. Finalized in September 2003, the plan organizes strategic goals and Department-level performance measures into four mission areas: resource protection, resource use, recreation, and serving communities. Management, partnerships, and science support these four mission areas. The plan focuses on

Management improvement is an ongoing, iterative process. Through continuous improvement, we can achieve the high performance necessary to fulfill our critical mission goals.

Assistant Secretary P. Lynn Scarlett, January 30, 2003

outcomes; progress will be verified based on the plan's intermediate and end outcome goals. The plan replaces eight distinct bureau plans with a single, cohesive framework.

The plan guided formulation of the 2005 budget by providing a framework for establishing priorities. In addition, Program Assessment Rating Tool reviews, as well as Office of Inspector General, General Accounting Office, and other programmatic assessments provide valuable information used in shaping goals and performance measures, management and organizational changes, and budget requirements for a broad array of programs.

CUSTOMER VALUE

Interior strives to ensure all of its activities are customer-centered, designed to add value for citizens, partners, users of public lands, other agencies, Tribes, States, and local governments. The Department focuses on efficiency through the application of best practices in competitive reviews and human capital management.

COMPETITIVE SOURCING

Competitive sourcing is an important tool for exercising management vigilance, helping ensure that Interior is carrying out its business in the most effective manner possible to create value for the public. About 30 percent of Interior's workforce is involved in commercial activities. Of these 20,000 positions, the Department plans to study 5,000 FTE by the end of 2004 and approximately 7,000 by the end of 2005 to explore opportunities for management improvements.

The Department developed an express review and simplified cost-comparison of service options—tools generally incorporated into the 2003 revision to OMB Circular A-76, *Performance of Commercial Activities*. These innovations result in actions that are fair to employees, offer promise of efficiency and improved service for the public, and increase the likelihood that competitive reviews will generate real savings that the agency can reinvest in its mission.

By the end of 2003, the Department had completed

analyses involving 2,483 FTEs. Competitive sourcing has produced value at Interior and can be beneficial to employees. The National Park Service recently finished a simplified and streamlined cost comparison competition of an archeology center

Customer Value – ensuring that activities add value and ensure the effective use of resources

Accountability – establishing clear performance measures and holding managers and employees accountable for results

Modernization – using technology to work smarter and provide single points of access

Integration – identifying opportunities to avoid duplication and achieve economies to enhance customer service and efficiency

in the south-east, which was won by NPS employees. The center will generate \$850,000 in annual savings that NPS will reinvest in mission delivery. In the case of a number of seasonal employees who were NPS lifeguards in Florida, the winning contractor hired the employees and was able

to give them more work and more pay than they were earning as NPS seasonal employees. To date, not a single permanent employee has been involuntarily separated from the Department, although 1,515 positions have been contracted through the competitive review process.

Interior is pursuing competitive sourcing in a way that reflects bureau workforce plans and complements Departmental participation in e-government initiatives and other areas of the President's management agenda.

For a one-time investment of \$2.1 million in competitive sourcing studies, the Department is generating projected annual savings of \$2.4 million. The 2005 budget includes an estimated \$5.3 million for competitive reviews, an increase of \$1.2 million over 2004.

STRATEGIC MANAGEMENT OF HUMAN CAPITAL

To meet its goal for citizen-centered governance, Interior needs an organization with a results-oriented, skilled, and diverse workforce. The Department's September 2002 *Strategic Human Capital Management Plan—FY 2003-2007* establishes the link between its human resources and its mis-

sion, and identifies common challenges that are shaping the kinds of skills, training, and professions needed throughout the Department. Key challenges include increased urbanization; rising security demands; an aging infrastructure; and expectations by citizens for greater transparency, accountability, and efficiency. Four programmatic and management areas were identified as needing special attention—wildland fire management, Indian trust management, financial management, and information technology.

Among the many steps underway to implement the plan are: 1) the development of a common template against which to evaluate financial management capacity in each bureau; 2) a partnerships team to identify best practices, barriers, and training needs to improve human resource capacity to engage in mediation, cooperative problem solving, and partnerships with interested organizations and communities; 3) an e-government solution to wildland firefighter hiring; 4) a reorganization of the entire Indian trust management structure and human resources capacity; 5) revised structures and practices for law enforcement across all Interior bureaus; 6) enhanced training and investment in tools to improve facilities management and improve leadership development and diversity programs; and 7) an employee performance management system that better relates performance to mission goals and differentiates between levels of performance.

The Interior bureaus have completed workforce plans that align with the Department's human capital plan. These human capital plans include a number of strategies, including: implementing technology that will streamline hiring and classification processes; a Department-wide learning management system to manage employee competencies and training; and intra-departmental recruitment strategies with coordinated recruiting visits, recruiter training, and strategic use of flexibilities. These efforts will also be coordinated with

related e-government initiatives to take advantage of government-wide opportunities.

ACCOUNTABILITY

Accountability requires clear performance measures for managers and employees. To excel, managers and employees require accurate, timely, and integrated financial, budget, and performance information.

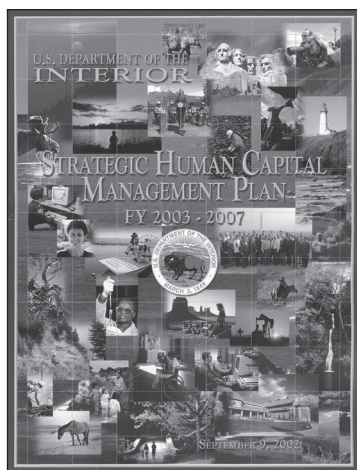
BUDGET AND PERFORMANCE INTEGRATION

Budget and performance integration, highlighted by the President's management agenda, lies at the heart of ensuring both the strategic allocation of funds and their efficient use. The Department's approach to this integration extends beyond the cyclic budget-formulation process to include establishing cost and performance information systems that allow employees, managers, and the public to better understand unit costs of performing specific activities, as well as the relationship of those activities to achieving measurable goals and opportunities for greater efficiency and effectiveness. The Department is using strengthened capital asset planning and control processes to ensure its capital investments further mission goals. The Department is also improving budget and performance integration through internal management evaluations, including evaluations using the Administration's Program Assessment Rating Tool.

On October 1, 2003, Interior began implementation of a new, uniform, activity-based cost management system that includes both a cost and performance module. ABC/M breaks work into specific activities, allowing measurement and comparison of unit costs and performance by dollars spent and actions undertaken. This information allows Interior Department employees to make better decisions in allocating financial and human resources.

In 2004, all Departmental employees began to code their time and purchases to activities that describe the work of the Department. In 2005, the ABC/M system will be configured to accommodate bureau ABC/M activities, allowing bureaus to retire legacy bureau cost and performance systems.

For 2005, the Department completed the evaluation of an additional 15 programs under the



PROGRAM ASSESSMENT RATING TOOL

For the 2004 Budget, approximately 20 percent of programs were assessed using the Administration's Program Assessment Rating Tool. PART was developed in 2002 with advice from the President's Management Council subgroup on Budget and Performance Integration and has been improved based on agency and public feedback. For the 2005 Budget, an additional 20 percent of programs were assessed. The goal of the PART is to evaluate program performance, determine the causes for strong or weak performance, and take action to remedy deficiencies and achieve better results. The Interior programs reviewed for 2004 and 2005 budgets include:

2004 BUDGET

Wildland Firefighting
BLM Restoration Programs
MMS Environmental Studies
OSM Abandoned Mine Lands
USGS National Mapping
BOR Hydropower
BOR Title XVI Water Reuse
BOR Rural Water Projects
FWS Fish Hatcheries
FWS Partners for Fish and Wildlife
NPS Deferred Maintenance Backlog
NPS Natural Resource Challenge
BIA School Operations
BIA School Construction
BIA Tribal Land Consolidation

2005 BUDGET

BLM Energy & Minerals Management
BLM Recreation Management
MMS Mineral Revenue Management
OSM Regulation of Surface Coal Mining
USGS Energy Resource Assessments
USGS Geological Hazards Research
USGS Mineral Resource Assessments
BOR Science and Technology
FWS National Wildlife Refuge System
NPS Land & Water Conservation Fund Grants
NPS National Historic Preservation Programs
NPS Natural Resource Stewardship
BIA Indian Forestry Program
BIA Law Enforcement
BIA Tribal Courts

For a full presentation of all PART evaluations, see the *Performance and Management Assessments* volume of the President's budget.

Administration's PART covering \$1.4 billion in annual spending and developed a five-year plan to examine all programs by 2008. The results of PART, described throughout this publication, vary by program.

SENIOR EXECUTIVE SERVICE

The Department revised its SES performance appraisal system to emphasize strategic plan goals through the performance of each executive. Individual performance plans now clearly link executive performance requirements to mission outcomes. Interior is using performance results as a basis for pay, awards, development, retention, removal, and other personnel decisions. A mandatory performance element for all SES members directly supports the President's management agenda and the Secretary's strategic vision of achieving Departmental goals through partnerships and cooperation.

FINANCIAL MANAGEMENT IMPROVEMENTS

In early 2003, Interior Department launched a comprehensive program aimed at transforming its financial management functions. The goal is to create a world-class financial management structure that links planning and budgeting with performance results; performs efficient and reliable transaction processing; recruits, trains, and rewards top financial management talent; and focuses on analysis to improve the business information available to program managers. The cornerstone of the Department's plan to transform financial management is the Financial and Business Management System, discussed below. The transformation effort also includes strengthening internal controls and standardizing the process for preparing financial statements; accelerating financial reporting; and developing a workforce plan for financial management.

In compliance with the Chief Financial Officers Act of 1990, the Department's consolidated financial statement and individual bureau financial statements are audited annually. Interior obtained its seventh unqualified audit opinion on the consolidated financial statements in 2003. The 2003 performance and accountability report was completed on November 28, 2003, three months earlier than for 2002. Beginning in 2002, the Department, with oversight by the Inspector General, contracted with an outside audit firm to conduct the annual financial audit, and, as a result, has gained from the additional insights and independent views. The Department will continue to contract on a Department-wide basis for these audit services. However, in order to improve the transparency of the budget, beginning in 2005, the budget for each bureau will include the base financial statement audit costs previously funded in part by the Office of Inspector General.

MODERNIZATION

Modernization of technology and practices will improve the delivery of services and optimize the use of resources throughout the Interior Department. The Department's efforts in modernization include the simplification of processes and systems that support them, achievement of more consistent practices, and elimination of redundancy and reengineering of business practices to improve efficiency and effectiveness. Modernization can help Interior use technology to work smarter and provide single points of access to services.

The Department's proposed spending on information technology in 2005 is \$799.1 million. The 2005 request reflects a maturing of Interior's approach to managing the IT investment portfolio guided by a new e-government strategy linked to the GPRA strategic plan, consistent organizational and management structures, enterprise architecture, and collaboratively developed projects and metrics to gauge performance.

INTERIOR ENTERPRISE ARCHITECTURE

Key to the Department's modernization efforts is the enterprise architecture—high-level modernization blueprints for key business areas that enable Interior to integrate processes and systems and reduce redundancies, thereby more effectively managing information technology resources. Expanded descriptions of Interior business processes, data,

systems, and technology will enable more thorough analysis of opportunities for collaboration and integration as well as cost-saving opportunities. In 2003, the Department completed an "as-is" business architecture for its financial management line of business, facilitating implementation of FBMS. In 2004, the Department is completing "as-is" business architectures for four additional lines of business: wildland fire, law enforcement, Indian trust, and recreation.

The 2005 budget includes a net increase of \$800,000 to further develop and manage the enterprise architecture, including increases of \$1.2 million for Department-wide efforts and \$750,000 for NPS, and a decrease of \$1.2 million for the Office of the Special Trustee for American Indians. In 2005, Interior will develop modernization blueprints for three additional lines of business at the Departmental level and one modernization blueprint for each bureau.

ENTERPRISE SERVICES NETWORK

Much like the overall organization of the Department, the current information technology architecture is large, widely dispersed, and complex. The ESN is an ambitious effort to integrate and consolidate the Department's existing networks, systems, and computing environments to provide secure and robust telecommunications throughout Interior. Enterprise Services Network will consolidate the Department's core IT infrastructure, including help desks, voice and data networks, desktop environment, and data centers and web servers. It will provide a secured, single network infrastructure that is centrally managed. The potential benefits gained by migrating to a single enterprise network include standardized and efficient network operations, enhanced accountability for network performance, a uniformly high level of security, the reduction of risks associated with the loss of knowledge capital due to high projected turnover rates for skilled staff, and improved technical support for network managers.

Enterprise Services Network will be implemented in two phases. Phase 1, which will begin in 2004, will establish a Department-wide intranet; consolidate all internet connections across Interior; and implement a network operations and security center to manage the network and provide customer support. Significant cost savings related to phase 1 result from establishing a single network operations and security center and consolidating

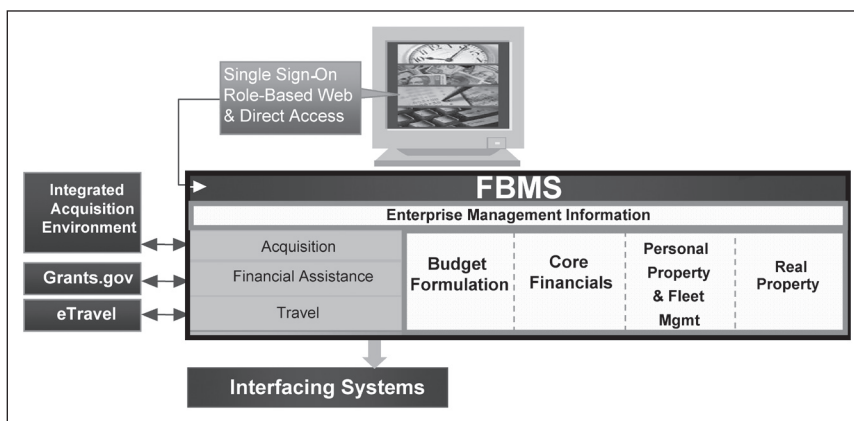
32 internet connections to four. Phase 2 will encompass the secure connection to the ESN of the approximately 150 bureau hubs or sites located primarily in cities, as well as their approximately 1,500 remaining smaller sites. Significant cost savings in phase 2 result from consolidating 13 wide-area networks to one.

The 2005 budget includes an increase of \$8.0 million for ESN implementation; an additional \$6.0 million is estimated to be available through efficiencies gained from implementing ESN and other integration and enterprise approaches. Funding in 2005 will support continuation of the first phase and planning for implementation of phase 2.

FINANCIAL AND BUSINESS MANAGEMENT SYSTEM

Interior's FBMS is a major enterprise management initiative to modernize and integrate financial management, acquisition, property management, grants administration, and other subsidiary systems. The system will revamp administrative processes throughout the Department.

In January 2004, the Department selected its solution provider to implement FBMS. The FBMS will replace a combination of government-wide systems, Departmental systems, and bureau-managed systems for processing financial and related transactions and meeting needs for business management information. Some of these existing systems are old, and certain commercial vendors that Interior relies on may not support the old systems in the future. Most of the existing Departmental business systems do not take advantage of new technology and are not integrated in a manner that facilitates effective and efficient transfer of data and streamlining of processes necessary to support the Department in the future. Implementation of FBMS will also facilitate the Department's participation in several e-government initiatives, including e-Travel and Grants.



gov, and the government-wide financial line of business efforts.

The 2005 budget includes a total of \$18.5 million for FBMS, an increase of \$7.0 million over 2004.

IT SECURITY

Interior continues to place a high priority on assuring its technology infrastructure protects mission information and has increased its efforts to meet the challenges of securing its information in an increasingly vulnerable environment. The Department takes a holistic approach to improving its IT security, monitoring performance using a monthly scorecard containing major performance elements, such as network hardening, training and awareness, and incident handling.

The Department has established management, operations, and technical security controls to safeguard its most critical IT assets. Interior established an operational network security profile that reduced potential vulnerabilities; conducts ongoing wide-area networks testing to ensure that it has effective perimeter defenses in place; established a 24 x 7 computer security incident response center; and trained over 70,000 individual users using a training module developed by the Defense Information Systems Agency.

The Department began an aggressive certification and accreditation program in 2003, conducting an inventory of systems and developing a schedule that will guide a multi-year C&A program. The 2005 budget includes \$12.5 million to continue dedicated efforts to complete certification and accreditation of legacy systems by the end of 2006, about the same level as 2004. The Department's schedule for C&A requires that bureaus

conduct C&A on their legacy IT systems using a risk-based approach, concentrating on the high-risk systems first. All high-risk systems currently have interim approvals to operate and by the end of

2004 will be fully accredited. Lower risk systems will receive full accreditation by 2006.

GOVERNMENT-WIDE E-GOV INITIATIVES

As a result of its broad mission, Interior participates actively in the Administration's e-government initiatives, participating in all four project portfolios: Government to Citizen, Government to Business, Government to Government, and Internal Efficiency and Effectiveness. These initiatives strive to eliminate redundant systems and significantly improve the government's quality of customer service for citizens and businesses. The Department manages two government-wide e-government initiatives: Geospatial One-Stop and Recreation One-Stop. It also is a principal partner in the Office of Personnel Management's e-Payroll initiative that is consolidating Federal civilian personnel payroll processing.

The budget includes \$6.9 million in development costs to support e-government projects.

MESSAGING

During 2004, the Department began migrating to a single e-mail/messaging system. This project entails the migration of approximately 70,000 employees using e-mail via 100,000 mailboxes and 553 mail servers. Currently, three e-mail programs are in use, Lotus Notes, Microsoft Exchange, and Novell Groupwise.

WILDLAND FIRE

Wildland fire program system investments are developed, maintained, and operated jointly among four Interior bureaus and the U.S. Forest Service. The Department, in concert with the Forest Service, will continue to develop the LANDFIRE vegetative imaging and mapping technology, a tool that will assist the fire program in identifying and prioritizing lands most in need of hazardous fuels treatments. The LANDFIRE will provide consistent geospatial data on fire fuels, risks, and ecosystem status nationwide and at all scales (local, regional, and national). These data are critical for Federal land managers to plan, prioritize, and allocate resources needed to accomplish the Nation's fire management objectives. The LANDFIRE data will be used to guide hazardous fuel reduction, ecosystem rehabilitation and restoration, and firefighting safety program decisions. The Interior share for

GEOSPATIAL ONE-STOP

The Geospatial One-Stop initiative will promote coordination and alignment of geospatial data collection and maintenance among all levels of government. The goals of the initiative are to:

- Develop a portal for seamless access to geospatial information.
- Provide standards and models for geospatial data.
- Create an interactive index to geospatial data holdings at Federal and non-federal levels.
- Encourage greater coordination among Federal, State, and local agencies about existing and planned geospatial data collections.

By making it easier for government officials at all levels to coordinate the collection and sharing of geospatial data, Geospatial One-Stop will help to improve decisionmaking and the delivery of government services. Geospatial One-Stop will also accelerate cost efficiencies while reducing duplication as governments better allocate their data resources.

LANDFIRE in 2005 will be \$4.5 million, an increase of \$3.7 million over 2004.

The fire program analysis system will be used to analyze and determine the appropriate levels and allocation of fire suppression resources needed to protect and manage the Nation's forest, rangeland, and aquatic ecosystems. This system will integrate ecological, economic, and social factors in evaluating appropriate levels of wildfire protection for the wildland-urban interface. The system also replaces a variety of different systems currently in use by the four Interior bureaus and the Forest Service. Fire program analysis will enable the agencies to determine resource allocation to maximize program effectiveness at a given budget level. The 2005 budget for this system is \$4.4 million, an increase of \$2.9 million over 2004.

INTEGRATION

The complementary and overlapping nature of many of Interior's responsibilities, coupled with efficiencies that accompany coordination, are driving the Department toward more integrated approaches to defining its goals and managing its resources. The Department's integration goal focuses on identifying opportunities to avoid duplication and achieve economies to enhance customer service and efficiency through human and technological solutions. In 2003 Interior completed its e-government strategy, which was adopted in 2004. The strategy provides a common framework to identify and adopt common technology solutions to support shared business needs across the bureaus, promoting standardization, consistency, and greater efficiency through reducing duplication and achieving economies of scale.

OFFICE OF INSPECTOR GENERAL

The Office of Inspector General's independent and objective reviews of Interior's programs and operations support achievement of all four strategic mission goals. The OIG's recommendations and advice on areas of risk and vulnerabilities that could directly impact mission accomplishment assist the Department in achieving greater accountability, integrity in administration, and more effective programs. The OIG has assisted Interior by providing input into a number of integration efforts, including appraisal reform, the Secretary's law enforcement reforms, and fleet management.

The OIG continues to provide leadership in the oversight of audits of the Department's consolidated and bureau financial statements. Beginning in 2002, Interior, with oversight by OIG, contracted with a third party accounting firm to audit the statements. This effort has provided valuable, independent reviews of Interior's financial integrity. The 2005 budget proposes to fund the costs of the audit in the bureaus; costs were previously funded through the OIG budget and with credit card rebates.

The 2005 budget request for the OIG is \$39.4 million, an increase of \$1.1 million over 2004. The budget proposes increased funding for OIG to: 1) obtain additional staff with the specialized skills and experience required to better address the diverse challenges and emerging issues for the Department; 2) support a new On TARGET initiative to strengthen and expand efforts in veri-

fying the Department's implementation of audit recommendations and to strengthen and provide more emphasis on Investigations' management advisories; 3) acquire information technology security enhancements and upgrades; 4) procure critical law enforcement equipment; and 5) conduct specialized technical training.

All entrepreneurship involves a constant search for ways to add value by reducing costs and improving services in new ways.

*Assistant Secretary P. Lynn Scarlett,
April 2002*

APPRAISAL REFORM

To ensure the integrity and independence of the real estate appraisal process, Interior is consolidating real estate appraisal functions within the Department. The Secretary's June 19, 2003 decision to consolidate appraisal functions addresses several long-standing concerns documented over several decades by the Inspector General, General Accounting Office, and, recently, the Appraisal Foundation. The consolidation is improving the integrity of the appraisal process through coordination and consistency and appraiser independence that fosters neutral valuation services that meet professional standards. The new organization is located in the National Business Center, which is continuing an uninterrupted high level of service to bureau programs delivered through regional and field appraisal offices. While the consolidation may improve efficiency, its primary purpose is to secure the independence and integrity of the appraisal process. The 2005 budget includes \$8.1 million for the personnel services costs of the consolidated function.

LAW ENFORCEMENT REFORMS

Responding to the Inspector General's January 2002 observation that Interior law enforcement activities were in a "disquieting state of disarray," the Office of Law Enforcement and Security provides leadership in the integration of law enforcement programs and implementation of 25 law enforcement reforms. Review of the Department's law enforcement programs by the OIG, Secretary's law enforcement review panel, and others led to

25 Secretarial directives, strategic investments in law enforcement and security, improved oversight of budgets, greater accountability, and effective performance goals and measures. The 2005 budget reflects the results of a Department-wide, strategic review of law enforcement and security programs and budgets. Interior's 2005 law enforcement and security request includes an increase of \$39.2 million targeted to highest priority needs based on the results of these and other reviews and consultation with law enforcement officials. For example, the budget request responds to the Secretary's directives and the results of a recent PART review of the Bureau of Indian Affairs law enforcement program and a review of the Fish and Wildlife Service refuge law enforcement program by the International Association of Chiefs of Police.

In a collaborative effort, Interior's law enforcement program is implementing performance measures to consistently measure performance and planning and is deploying an incident management, analysis, and reporting system to integrate incident information collection and reporting of performance. The 2005 budget includes \$6.4 million for deployment of IMARS, the incident management, analysis and reporting system, hosted by NPS and utilized by all Interior bureaus and offices with law enforcement responsibilities. This system will record and manage information relating to all law enforcement incidents on Interior lands. The development of the concept for IMARS was based on a needs assessment completed in September 2002. The need for an incident reporting system was identified in a BIA PART analysis and a 2003 General Accounting Office study of firearms control.

FEDERAL VEHICLE FLEET

Among Federal civilian agencies Interior has the third-largest motor vehicle fleet. Interior employees and authorized volunteers use vehicles to support multiple mission activities, many in remote areas. In some locations, government vehicles are provided to support service contractors. Over 4,000 vehicles are used seasonally (*i.e.*, only in winter or summer), or for special purposes, such as law enforcement or firefighting. Nearly 90 percent of the fleet vehicles are trucks, vans,

buses, and ambulances, and 10 percent are sedans and station wagons.

Incorporating the recommendations of the Inspector General, the Department and the bureaus began a collaborative effort in 2004 to improve the management of vehicle fleets, including examination of the infrastructure for fleet management within each bureau, the identification of best practices that could be used Department-wide, and the development of action plans to improve fleet management and realize cost savings. The 2005 budget includes an \$8.0 million decrease for anticipated savings for improved fleet management. Savings will be achieved by: 1) reducing the size of the fleet; 2) employing energy saving practices by fleet operators; 3) acquiring more efficient vehicles; 4) acquiring the minimum-sized vehicle to accomplish the mission; 5) disposing of under-utilized vehicles; 6) freezing the acquisition of vehicles from the General Services Administration excess vehicle program; and 7) exploring and developing the use of inter-bureau motor pools.

OFFICE OF THE SOLICITOR

The Office of the Solicitor's efforts advance all four of the Department's mission goals by providing legal counsel and support to all bureaus and offices. The Solicitor's input is essential to ensure that programs are carried out in a manner consistent with laws and regulations and in an advisory capacity to achieve a high level of compliance with legislative and administrative requirements. The Solicitor's input to the development of legislation, regulations, and other legal instruments is vital to the development and implementation of key presidential and other high-priority initiatives, such as trust reform, Indian education, and the management of natural resources.

The Solicitor's 2005 budget request is \$53.4 million, an increase of \$3.7 million over the 2004 enacted level to fund computer upgrades that will make the office compliant with Departmental and Federal security requirements; paralegal and support staff to improve the efficiency of office operations; an expanded ethics program; training; and funding for professional liability insurance.

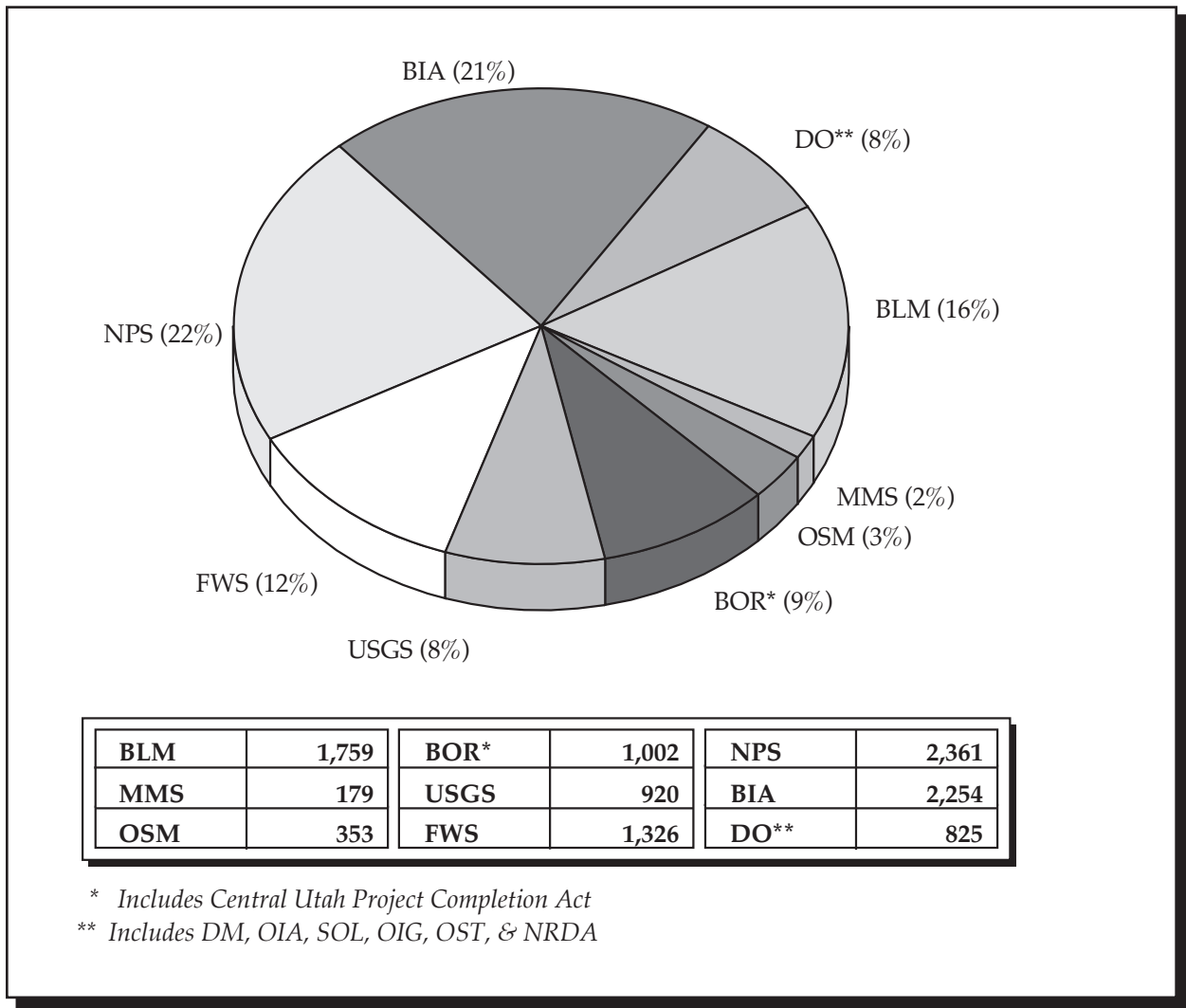
A grayscale photograph of a forest path. The path is a dirt road that curves through a dense forest of tall, thin trees. Sunlight filters through the canopy, creating dappled shadows on the ground. A black rectangular box is overlaid on the upper portion of the image, containing the text "BUREAU HIGHLIGHTS" in white, serif, all-caps font.

BUREAU HIGHLIGHTS

BUREAU HIGHLIGHTS

This section summarizes the budget requests of the Bureaus and Offices of the Department, comparing the 2005 request to the 2004 enacted budget. The graph below and the table on the following page show the allocation of the proposed 2005 budget authority to the Bureaus and Offices. Additional details on the Department's budget authority can be found in Appendix A.

FISCAL YEAR 2005 CURRENT APPROPRIATIONS



BUDGET AUTHORITY BY BUREAU

(in millions of dollars)

<u>Bureau</u>	2003 <u>Actual</u>	2004 <u>Enacted</u>	2005 <u>Request</u>	<u>Change</u>
<i>Current Budget Authority</i>				
Bureau of Land Management.....	1,887	1,793	1,759	-34
Minerals Management Service.....	170	170	179	+8
Office of Surface Mining Reclamation and Enforcement.....	329	296	353	+57
U.S. Geological Survey.....	919	938	920	-18
Fish and Wildlife Service.....	1,264	1,303	1,326	+23
National Park Service.....	2,242	2,259	2,361	+102
Bureau of Indian Affairs.....	2,267	2,306	2,254	-52
Departmental Offices				
Departmental Management.....	291	298	325	+27
Insular Affairs.....	97	82	79	-3
Office of the Solicitor.....	48	50	54	+4
Office of the Inspector General.....	35	38	39	+1
Office of the Special Trustee for American Indians.....	148	209	323	+114
Natural Resource Damage Assessment and Restoration....	6	6	6	0
<i>Subtotal, Departmental Offices</i>	625	683	825	+143
National Indian Gaming Commission.....	0	0	0	0
Bureau of Reclamation.....	937	943	956	+14
Central Utah Project Completion Act.....	36	38	46	+8
Total Current BA	10,675	10,729	10,979	+250
<i>Adjustments for Mandatory Current Accounts</i>	-65	-52	-52	0
<i>Adjustment for Discretionary Offsets</i>	-38	-31	-76	-46
Total Net Discretionary BA	10,572	10,646	10,850	+205
<i>Total Budget Authority</i>				
Bureau of Land Management.....	2,349	2,395	3,000	+604
Minerals Management Service.....	1,125	1,274	1,307	+33
Office of Surface Mining Reclamation and Enforcement.....	385	311	387	+76
U.S. Geological Survey.....	920	939	921	-18
Fish and Wildlife Service.....	1,924	1,972	2,032	+60
National Park Service.....	2,518	2,555	2,672	+117
Bureau of Indian Affairs.....	2,354	2,396	2,345	-52
Departmental Offices				
Departmental Management.....	291	298	325	+27
Insular Affairs.....	337	384	382	-2
Office of the Solicitor.....	48	50	54	+4
Office of the Inspector General.....	35	38	39	+1
Office of the Special Trustee for American Indians.....	506	594	724	+130
Natural Resource Damage Assessment and Restoration....	31	44	42	-2
<i>Subtotal, Departmental Offices</i>	1,248	1,407	1,565	+158
National Indian Gaming Commission.....	8	11	12	+1
Bureau of Reclamation.....	1,009	1,027	1,047	+20
Central Utah Project Completion Act.....	41	38	46	+8
Total Budget Authority	13,881	14,325	15,334	+1,009

Note: Numbers may not add due to rounding.



BUREAU OF LAND MANAGEMENT

Mission – The Bureau of Land Management’s mission is to sustain the health, diversity, and productivity of the public lands for the use and enjoyment of present and future generations.

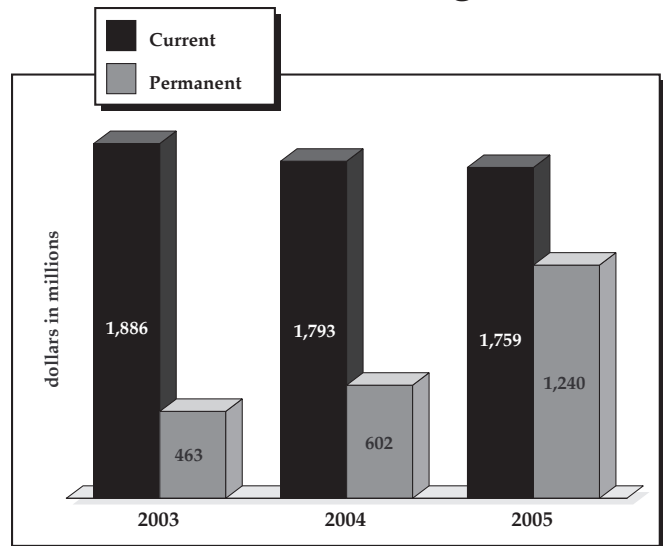
Program Overview – As the Nation’s largest land manager, BLM is responsible for 261 million acres of public land—nearly one-eighth of all land in the United States. This year marks the 28th anniversary of the Federal Land Policy and Management Act, which gave BLM its comprehensive mission to manage the public lands for a variety of uses so as to benefit present and future generations. The BLM accomplishes this by managing for outdoor recreation, livestock grazing, and energy and mineral development, and by conserving natural, historical, cultural, and other resources on the public lands.

Most of the country’s BLM-managed public land is located in 12 western States, including Alaska. These lands, once remote, now provide the growing communities of the West with open space that gives the region much of its character. The Bureau, which has a budget of nearly \$1.8 billion in current appropriations and a workforce of over 11,000 employees, also administers 700 million acres of onshore Federal mineral estate throughout the Nation.

The BLM customers are as diverse as the natural resources the Bureau manages. Public lands support an increasing number of visitors. In 2005, 68 million visitors are expected to participate in recreational activities such as wildlife watching, hiking, camping, hunting, and white-water rafting. In addition, BLM’s programs support the mineral industry, utility companies, ranchers, the timber industry, conservation groups, and research scientists. The BLM management activities benefit recreational and traditional land users while contributing to the viability of State and local economies. In 2005, public lands will generate an estimated \$2.1 billion in revenues from energy development and commodity sales. Nearly one-half of these receipts are provided directly to States and counties to support roads, schools, and other community needs.

Management Excellence – In 2005, BLM will continue active implementation of the President’s management

BLM Funding



agenda for improving management and performance of the Federal government and practicing the Secretary’s vision for citizen-centered management excellence.

In 2005, BLM is requesting funding to continue its strategy for e-government. Investments under this strategy will provide for web-based permit application, payment, and status services to BLM customers using the LR2000 system as the foundation. Also under the strategy is BLM’s ePlanning, a project that will help citizens participate in the land use planning process by providing on-line, timely access to interactive maps and related text. The BLM is a leader in the use of cost management information within the Department. The Bureau has used this information to understand the relationship between cost and workload, to forecast costs based on workload, to estimate accomplishments at different budget levels, to optimize operations by realigning workloads according to economies-of-scale, to understand what drives costs in the BLM and why, and to compare the cost of alternative actions. The Bureau will continue to work to improve budget and performance integration to facilitate the evaluation of program effectiveness and performance.

The BLM energy and minerals program and recreation program were assessed during formulation of the 2005 budget using the Administration's Program Assessment Rating Tool. The 2005 budget request for energy and minerals assumes an additional \$4.0 million in cost recovery in response to a PART finding that the program does not adequately charge identifiable users for costs incurred on their behalf.

Budget Overview – The BLM request is \$1.8 billion in current appropriations, an increase of \$33.9.5 million from the 2004 enacted level. Major changes from 2004 enacted levels include a \$57.9 million increase in Wildland Fire Management and a net increase of \$8.3 million in BLM's main operating accounts that will allow BLM to address its highest priority needs and commitments.

Forest Health and Timber Production – The 2005 BLM budget request includes a significant boost in funding for improving forest health and increasing timber production, building on and complementing steps taken in 2004, to revitalize and increase capacity in BLM's forest management programs.

For the public domain forestry program, the request includes a \$1.0 million increase to build BLM expertise and capability and for utilizing its relatively new stewardship contracting authority, a promising, cost-effective tool for thinning and conducting other health treatments on non-commercially-viable timber stands. The increase will support restoration of 1,500 acres. In addition to improving forest health, the projects will expand job opportunities in local communities and should help stimulate the development of markets for the small diameter wood byproducts and the nascent biomass industry.

Within the Jobs-in-the-Woods budget, \$3.7 million will be used to prepare and contract out thinnings in younger stands to protect and restore late successional habitat. This will meet the terms of the settlement agreement in the lawsuit *American Forest Resource Council v. Clarke*, which commits BLM to fully fund the sale of the allowable sustainable quantity under the Northwest Forest Plan. An additional \$788,000 in new funding in the Oregon and California forest management program, for a total of \$4.5 million, is requested to meet the \$4.5 million cost of the settlement agreement. The Jobs-in-the-Woods program will also support forest health treatments in 2005 with \$500,000 that will be targeted to precommercial thinning in late successional reserves. To support the sale of the full ASQ under the settlement agreement, BLM must revise six resource management plans in western Oregon. The 2005 budget request for the O&C resource management planning program includes \$7.0 million to begin the process of revising these plans.

The BLM budget request also includes \$2.5 million to begin repaying \$12.3 million owed to the Judgment Fund. The U.S. Treasury paid this amount during 2001 and 2002 to settle 12 timber sales contracts in western Oregon under the Contract Disputes Act. These sales were delayed for one year following the litigation surrounding the northern spotted owl in 1994 and 1995.

Public Lands Restoration – The 2005 budget reflects a major effort by BLM to accelerate implementation of its strategy for sage grouse habitat conservation and restoration to curb continuing declines in sage grouse populations and avert its listing under the Endangered Species Act. The BLM lands represent a significant share of the sage grouse's shrinking habitat. The potential listing of the sage grouse poses a direct and serious threat to BLM's multiple use mandate, and demands an aggressive response. Listing would severely restrict the Bureau's ability to authorize energy development, mining, grazing, and even recreation activities over a wide swath of public lands, with devastating economic consequences. The budget includes an increase of \$3.2 million for implementation of BLM's sage grouse habitat conservation strategy. Implementation of this strategy will also benefit a multitude of other at-risk species that depend on a healthy sagebrush habitat.

In 2005, BLM also plans to expand and accelerate its ongoing efforts in support of Columbia River salmon fisheries restoration. The BLM is an active participant in the basinwide salmon recovery strategy, an interagency effort designed to implement actions identified in the Columbia River hydropower system biological opinion's reasonable and prudent alternative. The BLM manages hundreds of miles of anadromous fisheries streams in the Columbia basin, which combined with acreage managed by the Forest Service, represent some of the best remaining spawning and rearing habitat for salmon and steelhead. The budget includes an increase of \$1.0 million that will enable BLM to restore an additional 25 miles of riparian habitat in the tributaries of the Columbia River basin.

Public Lands Monitoring – The ability of BLM to effectively manage and protect the vast expanse of natural and cultural resources under its purview is inextricably tied to the extent and availability of data on the baseline conditions of these resources, and how these conditions change over time. The Program Assessment Rating Tool review of BLM's restoration programs during formulation of the 2004 budget concluded that insufficient monitoring was being conducted by BLM to support management decisions and to assess the impacts of restoration activities. A modest increase in funding for monitoring was requested and appropriated in 2004 to strengthen BLM's monitoring capabilities. The 2005 budget proposes an increase

of \$4.0 million to continue building BLM's monitoring capability. The BLM will target the increased funding to priority sub-basins and land use planning areas to collect baseline data and conduct monitoring to ensure land use plans are being implemented correctly and are having their intended effect.

Wild Horses and Burros – Another facet of protecting the Nation's public lands is managing the wild horse and burro population at ecologically-sustainable levels, known as appropriate management levels. Currently, 39,000 wild horses and burros live on the open range, 14,000 more than the AML. An additional 21,000 live in short and long-term holding facilities. Continuing the program at these population levels is neither ecologically nor financially sustainable over the long haul. The situation will only worsen if immediate steps are not taken to achieve AML. The 2005 BLM budget request includes an increase of \$10.5 million in appropriations, offset by decreases in other programs, to implement a long-term strategy developed by BLM to reach the AML in the next two to three years and maintain that level thereafter. The offsetting decreases are targeted to programs that will benefit from the achievement of the AML and to lower priority programs.

The long-term strategy involves increased funding as well as management improvements and efficiencies. The total annual cost of implementing the strategy is \$12.8 million. The budget assumes that the remaining \$2.3 million will be derived through enactment of a legislative proposal included in the budget to amend the Southern Nevada Public Land Management Act to allow funding allocated for conservation initiatives in Clark County, Nevada to be used for wild horse and burro management operations throughout the State of Nevada.

Sustainable management of wild horses and burros at AML will require several years funding at the 2005 request level, but funding needs will decrease after achievement of AML and as natural mortality occurs in long-term holding facilities. The 2005 budget assumes BLM will begin implementing this long-term strategy in 2004.

Cooperative Conservation Initiative—Challenge Cost Share – Consistent with Secretary Norton's Four C's vision, BLM increasingly emphasizes collaboration with stakeholders and building partnerships to achieve its land management goals. The challenge cost share program is a valuable tool for building these partnerships and leveraging funding, allowing BLM to initiate and complete many more on-the-ground resource protection and restoration projects, and recreation enhancement projects, than would otherwise be possible. The BLM's challenge cost share program has been extremely success-

ful in leveraging millions of dollars of private and State funding for conservation efforts that benefit resources on BLM-administered lands.

The number of potential partners for challenge cost share projects continues to grow. Approximately 900 projects totaling over \$30 million were submitted by BLM States, centers, and field offices for 2004 funding. The 2005 budget includes \$10.0 million for the Cooperative Conservation Initiative funded in BLM, a \$2.6 million increase over the 2004 enacted level. The Cooperative Conservation Initiative is a vital part of the cooperative conservation vision and awards grants for land restoration and conservation projects that leverage Federal dollars through partnerships and is an important component of the fully funded Land and Water Conservation Fund budget request. This is in addition to the traditional challenge cost share program which is increased by \$2.2 million to a total of \$11.0 million.

National Energy Plan – In 2005, BLM will continue to play a major role in implementing the President's National Energy Policy, especially its goal of improving access to the abundant energy resources located on public lands, while continuing to assure the safe, environmentally-sound development of these resources. The BLM energy and minerals program has received significant funding increases in recent years in response to the increasing demand for natural gas, and in particular, coalbed natural gas, including increases for processing applications for permits to drill and for inspection and enforcement activities. The 2005 budget maintains total budgetary resources for the energy and minerals program at the 2004 enacted level through a combination of appropriated funds and cost recovery. The BLM will implement regulations to increase current user fees, primarily for leasing-related actions, to reflect the total cost of the service provided, which is estimated to raise an additional \$4.0 million in revenues. The budget reduces the request for appropriations by this amount. Implementing full cost recovery will improve the efficiency and effectiveness of this component of the energy and minerals program, enabling it to be more timely in its responsiveness to industry demand and workload.

The President's National Energy Policy has also charged the Bureau with facilitating and promoting the development of renewable energy resources on public lands, and funding for BLM activities that support renewable energy development has also increased in recent years. The 2005 budget request proposes an increase of \$800,000 in the land and realty management program that will be used for permitting renewable energy development and processing rights-of-ways for both renewable and non-renewable energy resources.

Wildland Fire Management – The 2005 budget request proposes \$743.1 million to support the fire preparedness, suppression, fuels reduction, and burned area rehabilitation needs of the Department. This represents a \$57.9 million increase over the 2004 enacted level, excluding 2004 fire repayment appropriations.

The request reflects the Administration's continued commitment to implementing the National Fire Plan and reducing the loss of life and property and environmental damage caused by unwanted wildland fires. The budget also demonstrates the Administration's commitment to implementing the Healthy Forest Initiative to address a primary cause of catastrophic wildfires, the excessive buildup of hazardous fuel loads in our forests and rangelands. The fire budget proposes a program increase of \$25.0 million for the hazardous fuels reduction program. The increase will fund fuels reduction projects in the wildland-urban interface and improve performance and efficiencies in the fuels program by institutionalizing systematic monitoring of projects.

The Department, in concert with the U.S. Forest Service, will continue development of the LANDFIRE vegetative imaging and mapping technology, a tool that will assist the fire program in identifying and prioritizing lands most in need of hazardous fuels treatments. For Interior, the HFI request includes \$3.7 million for LANDFIRE. By identifying with more precision landscapes at highest risk from wildfire, the LANDFIRE imaging system will also help managers develop more cost-effective strategies for positioning readiness and suppression resources.

For 2005, the budget seeks to maintain Interior's high rate of success for containing wildfires at initial attack and ensure firefighter and public safety continue to be the highest priority of the fire program. The request for preparedness includes an increase of \$3.3 million to help implement the recommendations of a blue ribbon aviation safety panel. The preparedness request also includes an increase of \$2.9 million for the Department to continue joint development and implementation of the fire program analysis system with the Forest Service. This data analysis and modeling tool will assist fire managers in identifying the most appropriate mix of fire preparedness and suppression resources, and the optimal positioning of these resources.

The 2005 fire budget includes a \$28.6 million increase to fully fund suppression operations at the 10-year average, providing increased assurance that Interior has readily available the necessary resources to effectively respond to an average fire season. The budget proposes to reduce the rural fire assistance program by \$4.9 million in recognition of the significant expansion of the Federal

Emergency Management Agency's local fire assistance program in recent years.

Construction and Maintenance – The 2005 budget includes \$6.5 million for BLM's construction program, a decrease of \$7.3 million below the 2004 enacted level. The request will support 16 construction projects in nine States, covering improvements to such facilities and infrastructure as administrative buildings, sanitation systems, roads, bridges, and campgrounds. Site and facility priorities are determined through an aggressive evaluation of applicable health and safety issues, resource protection needs, mission support objectives, and public service goals.

The 2005 request provides \$76.5 million in BLM's main operating account to address critical maintenance needs, including \$11.0 million for deferred maintenance and \$28.2 million for infrastructure improvement. Funding for these projects is prioritized based on the critical health and safety or critical resource protection needs in accordance with the Department's five-year deferred maintenance and capital improvement plan. A total of \$37.2 million is requested for annual maintenance and operations.

Land Acquisition – The 2005 budget proposes \$24.0 million for BLM land acquisition, an increase of \$5.6 million over the 2004 enacted level. The request includes \$19.0 million for line-item projects that will support 14 projects in nine States. The BLM acquisition strategy continues to emphasize the input and participation of affected local communities and stakeholders in projects, and the use of alternative and innovative conservation tools such as easements and purchases of development rights.

Central Hazardous Materials Fund – The 2005 budget request continues funding for the Central Hazardous Materials Fund at the 2004 enacted level of \$9.9 million. Appropriated funds are supplemented by recoveries obtained from potentially responsible parties. The Department will continue to allocate funds to the highest priority eligible sites across the Department.

The 2005 budget proposes appropriations language to transfer \$13.5 million in unobligated balances from the Fund to the Environmental Protection Agency as reimbursement for costs incurred by EPA at the Denver radium site, to fully satisfy the Department of the Interior's obligations under a 1988 memorandum of agreement between the former Bureau of Mines and the EPA regarding this site.

Legislative Proposals – As discussed above, the budget proposal for the wild horse and burro program includes a legislative proposal to amend the Southern Nevada

Public Land Management Act. The 2005 budget is also accompanied by a legislative proposal to amend the Federal Land Transaction Facilitation Act. The FLTFA amendments will make technical changes in the Act, which will provide additional receipts for land acquisition and resource protection and restoration.

Uncontrollable Costs – Uncontrollable cost increases total \$24.6 million, of which \$11.5 million are budgeted and \$13.1 million are absorbed.

Other Program Changes – The request includes a decrease of \$1.2 million for anticipated savings from improved fleet management and a \$570,000 increase to fully fund financial statement audit costs previously funded in part by the OIG. The request includes increases of \$513,000 to support implementation of the Administration's high-payoff e-government initiatives to integrate agency operations and information technology investments. These initiatives eliminate redundant systems and significantly improve

the government's quality of customer service for citizens and businesses. The 2005 budget also includes an increase of \$1.0 million for implementing a Department-wide Enterprise Services Network, a modern, integrated network backbone that will provide the infrastructure to integrate enterprise processes and technologies Department-wide. The request includes an increase of \$570,000 for competitive sourcing reviews. In addition to the offsetting reductions associated with the wild horse and burro strategy and the energy and minerals cost recovery proposal, the budget request proposes \$22.4 million of other reductions that are made possible by funding programs at levels comparable to those proposed in the 2004 request, including \$9.0 million for the Alaska conveyance program and \$2.9 million for the cadastral survey program.

Administrative Initiatives – In 2005, BLM will raise the mining claim maintenance fee from \$100 to \$126, consistent with the statutory requirement that the fee be adjusted to reflect changes in the Consumer Price Index.

SUMMARY OF BUREAU APPROPRIATIONS
(all dollar amounts in thousands)

Comparison of 2005 Request with 2004 Enacted:

	2004 Enacted		2005 Request		Change from 2004	
	FTE	Amount	FTE	Amount	FTE	Amount
Appropriations						
Management of Lands and Resources	6,580	839,843	6,552	837,462	-28	-2,381
Wildland Fire Management (FTE BLM only).....	2,712	783,593	2,716	743,099	+4	-40,494
Central Hazardous Materials Fund.....	3	9,855	3	9,855	0	0
Construction	16	13,804	16	6,476	0	-7,328
Land Acquisition.....	39	18,371	39	24,000	0	+5,629
Oregon & California Grant Lands	1,002	105,358	1,002	116,058	0	+10,700
Range Improvements	64	10,000	64	10,000	0	0
Service Charges, Deposits & Forfeitures (SCDF)....	91	19,490	98	24,490	+7	+5,000
Minus SCDF Offset	0	-19,490	0	-24,490	0	-5,000
Miscellaneous Trust Funds (Indefinite)	73	12,405	73	12,405	0	0
Subtotal, Appropriations (<i>without fire</i>)	10,580	1,793,229	10,563	1,759,355	-17	-33,874
Fire Repayment	0	-127,470	0	0	0	+127,470
Subtotal, Appropriations (<i>with fire</i>)	10,580	1,665,758	10,563	1,759,355	-17	+93,596
Permanents and Trusts						
Miscellaneous Trust Funds (Mandatory).....	12	1,595	12	1,595	0	0
Miscellaneous Permanent Appropriations.....	23	184,063	23	290,928	0	+106,865
Permanent Operating Funds						
Operations & Main. of Quarters	3	383	3	383	0	0
Recreation Fee Collections	2	0	2	0	0	0
Recreation Fee Demonstration	86	10,800	86	11,200	0	+400
Forest Ecosystems Health & Recovery.....	56	6,237	56	8,237	0	+2,000
Expenses, Road Maintenance Deposits	9	1,800	9	1,800	0	0
Timber Sale Pipeline Restoration Fund	54	5,000	54	8,000	0	+3,000
Southern Nevada Land Sales	25	337,960	25	845,750	0	+507,790
Southern Nevada Earnings on Investments.....	0	3,906	0	14,075	0	+10,169
Land Sales, Deshutes County.....	0	0	0	0	0	0
Lincoln County Land Sales.....	0	3,600	0	7,000	0	+3,400
Interest, Lincoln County Land Sales Act	0	46	0	170	0	+124
Commercial Film & Photography Fees.....	0	500	0	500	0	0
White River Oil Shale Mine (Utah Sale)	0	0	0	0	0	0
Naval Oil Shale.....	0	12,500	0	16,400	0	+3,900
Federal Land Disposal Account.....	2	33,600	2	34,128	0	+528
Subtotal, Perm. Operating Funds	237	416,332	237	947,643	0	+531,311
Helium Fund.....	55	57,000	47	49,000	-8	-8,000
Offsetting Collection.....	0	-57,000	0	-49,000	0	+8,000
Working Capital Fund.....	24	31,000	24	32,000	0	+1,000
Offsetting Collection.....	0	-31,000	0	-32,000	0	-1,000
Subtotal, Permanents and Trusts	351	601,990	343	1,240,166	-8	+638,176
Reimbursable & Other FTE.....	294	0	291	0	-3	0
TOTAL, BUREAU OF LAND MGT (<i>without fire</i>)	11,225	2,395,219	11,197	2,999,521	-28	+604,302
TOTAL, BUREAU OF LAND MGT (<i>with fire</i>)	11,225	2,267,749	11,197	2,999,521	-28	+731,772

HIGHLIGHTS OF BUDGET CHANGES
By Appropriation Activity/Subactivity

APPROPRIATION: Management of Land and Resources

	<u>2003 Actual</u>	<u>2004 Enacted</u>	<u>2005 Request</u>	<u>Change from 2004 Enacted</u>
Land Resources				
Soil, Water, & Air Management.....	35,824	36,038	34,238	-1,800
Range Management	72,256	72,459	68,204	-4,255
Forestry Management.....	7,188	8,093	9,025	+932
Riparian Management.....	21,967	22,015	21,540	-475
Cultural Resources Management.....	15,257	15,479	15,142	-337
Wild Horse & Burro Management.....	29,524	29,051	39,612	+10,561
Subtotal, Land Resources.....	182,016	183,135	187,761	+4,626
Wildlife & Fisheries				
Wildlife Management	22,201	22,387	25,428	+3,041
Fisheries Management	11,593	11,711	12,456	+745
Subtotal, Wildlife & Fisheries.....	33,794	34,098	37,884	+3,786
Threatened & Endangered Species.....	21,532	21,940	21,452	-488
Recreation Management				
Wilderness Management	17,374	17,673	16,677	-996
Recreation Resources Management.....	41,472	44,603	43,209	-1,394
Recreation Operations (fees)	994	0	0	0
Subtotal, Recreation Management....	59,840	62,276	59,886	-2,390
Energy & Minerals				
Oil & Gas	86,122	88,195	85,625	-2,570
Coal Management	9,526	9,390	8,944	-446
Other Mineral Resources.....	10,250	10,294	9,854	-440
Subtotal, Energy & Minerals	105,898	107,879	104,423	-3,456
Alaska Minerals.....	2,484	2,453	2,232	-221
Realty & Ownership Management				
Alaska Conveyance.....	36,826	41,920	33,068	-8,852
Cadastral Survey	15,024	16,691	13,768	-2,923
Land & Realty Management.....	36,770	34,635	35,563	+928
Subtotal, Realty & Owner Mgmt.	88,620	93,246	82,399	-10,847
Resource Protection & Maintenance				
Resource Management Planning	47,242	48,510	50,056	+1,546
Resource Protection & Law Enfrmt. ...	14,318	16,283	15,042	-1,241
Hazardous Materials Management.....	16,705	16,497	16,080	-417
Subtotal, Resource Protection.....	78,265	81,290	81,178	-112
Transportation & Facilities Maintenance				
Operations.....	6,386	6,311	6,151	-160
Annual Maintenance	31,974	31,846	31,045	-801
Deferred Maintenance	13,600	12,349	11,036	-1,313
Infrastructure Improvement.....	30,826	31,027	28,236	-2,791
Subtotal, Trans. & Fac. Main.....	82,786	81,533	76,468	-5,065
Land & Resource Information System	19,215	18,757	18,317	-440

	2003 Actual	2004 Enacted	2005 Request	Change from 2004 Enacted
Mining Law Administration				
Administration	32,696	32,696	32,696	0
Fee Collection	0	0	0	0
Offsetting Fees	-26,963	-32,696	-32,696	0
Subtotal, Mining Law Admin.....	5,733	0	0	0
Workforce & Organizational Support				
Information Systems Operations	16,342	18,527	19,928	+1,401
Administrative Support	49,786	49,203	50,878	+1,675
Bureauwide Fixed Costs	65,885	69,330	73,656	+4,326
Subtotal, Support	132,013	137,060	144,462	+7,402
Communication Site Management				
Communications Site Management	2,000	2,000	2,000	0
Offsetting Fees	-2,000	-2,000	-2,000	0
Subtotal, Comm. Site Mgmt.	0	0	0	0
Grasshoppers & Mormon Crickets.....	0	0	0	0
Challenge Cost Share.....	8,882	8,769	11,000	+2,231
Cooperative Conservation Initiative	5,000	7,407	10,000	+2,593
Subtotal, Challenge Cost Share	13,882	16,176	21,000	+4,824
TOTAL APPROPRIATION	826,078	839,843	837,462	-2,381

Highlights of Budget Changes

Uncontrollable Costs Amount
[+15,116]

Land Resources +4,626

Soil, Water, and Air Management: Uncontrollable costs total \$476 of which \$172 are budgeted and \$304 are absorbed. The budget discontinues BLM funding for the San Pedro partnership (-\$988). The budget includes a reduction of \$948 to meet the Bureau's urgent need to address the significant resource degradation caused by wild horse and burro populations on the public lands. A reduction of \$36 in vehicle expenses will be achieved by a decrease in fleet size and improved fleet management.

Rangeland Management: The decrease from the 2004 enacted level includes reductions for the following non-essential increases provided in 2004: \$1,185 for range monitoring and permitting; \$988 from the Center for Invasive Plant Management which is now capable of independent operation; and \$494 from the Idaho Cooperative Weed Management Program, which will continue under State leadership. Rangeland funding will be directed on a priority basis to assure that funding is made available to protect the Bureau's most important range resource priorities. Uncontrollable costs total \$1,248 of which \$451 are budgeted and \$797 are absorbed. The budget includes a reduction of \$1,907 to meet the Bureau's urgent need to address the significant resource degradation caused by wild horse and burro populations on the public lands. A reduction of \$132 in vehicle expenses will be achieved by a decrease in fleet size and improved fleet management.

Public Domain Forest Management: An increase of \$1,000 will provide for treating 1,500 acres of forest and woodlands. Uncontrollable costs total \$136 of which \$49 are budgeted and \$87 are absorbed. The budget also includes a reduction of \$106 to meet the Bureau's urgent need to address the significant resource degradation caused by wild horse and burro populations on the public lands. A reduction of \$11 in vehicle expenses will be achieved by a decrease in fleet size and improved fleet management.

Riparian Management: Uncontrollable costs total \$379 of which \$137 are budgeted and \$242 are absorbed. The budget includes a reduction of \$579 to meet the Bureau's urgent need to address the significant resource degradation caused by wild horse and burro populations on the public lands. A reduction of \$33 in vehicle expenses will be achieved by a decrease in fleet size and improved fleet management.

Cultural Resources Management: Uncontrollable costs total \$269 of which \$97 are budgeted and \$172 are absorbed. The budget includes a reduction of \$407 to meet the Bureau's urgent need to address the significant resource degradation caused by wild horse and burro populations on the public lands. A reduction of \$27 in vehicle expenses will be achieved by a decrease in fleet size and improved fleet management.

Wild Horse and Burro Management: Managing the Wild Horse and Burro program to reach and maintain the appropriate management level of animal populations supports the Administration's priorities to provide for sustainable, multiple-use of the public lands. An increase of \$10,500 will allow the BLM to bring the wild horse and burro populations to the Appropriate Management Level to address the significant resource degradation caused by excess wild horse and burro populations on the public lands. The BLM will also propose a legislative change to the Southern Nevada Public Lands Management Act, which will allow use of \$2,300 in funding from this account for wild horse and burro management on Federal lands in Nevada for a total increase of \$12,800. Uncontrollable costs total \$385 of which \$139 are budgeted and \$246 are absorbed. A reduction of \$78 in vehicle expenses will be achieved by a decrease in fleet size and improved fleet management.

Wildlife and Fisheries

+3,786

Wildlife Management: An increase of \$3,235 will allow the Bureau to aggressively address the loss of sagebrush habitat and associated impacts to the sage grouse and other dependent wildlife. This effort will help preclude the Federal listing of this species as threatened or endangered. Uncontrollable costs total \$374 of which \$135 are budgeted and \$239 are absorbed. The budget includes a reduction of \$295 to meet the Bureau's urgent need to address the significant resource degradation caused by wild horse and burro populations on public lands. A reduction of \$34 in vehicle expenses will be achieved by a decrease in fleet size and improved fleet management.

Fisheries Management: An increase of \$1,000 will allow the Bureau to address the loss of habitat in the Columbia Basin by implementing the Federal Hydropower System Basinwide Salmon Recovery Plan. The goals of this plan are to improve management of federally listed fish species through coordinated efforts with Federal, State, and local natural resource agencies and to restore fish habitat, fish passage, and restore in-stream structures. Uncontrollable costs total \$180 of which \$65 are budgeted and \$115 are absorbed. The budget includes a reduction of \$308 to meet the Bureau's urgent need to address the significant resource degradation caused by wild horse and burro populations on the public lands. A reduction of \$12 in vehicle expenses will be achieved by a decrease in fleet size and improved fleet management.

Threatened and Endangered Species

-488

Threatened and Endangered Species Management: Uncontrollable costs total \$343 of which \$124 are budgeted and \$219 are absorbed. The budget includes a reduction of \$576 to meet the Bureau's urgent need to address the significant resource degradation caused by wild horse and burro populations on the public lands. A reduction of \$36 in vehicle expenses will be achieved by a decrease in fleet size and improved fleet management.

Recreation Management

-2,390

Wilderness Management: A reduction of \$106 will be accomplished by reducing the scope of current inventory methods to the minimum necessary to complete land use planning requirements. In addition, BLM will work with partners and volunteers to monitor WSAs. The budget also includes a reduction of \$494 from the 2004 level for the Otay Mountain Wilderness. Uncontrollable costs total \$313 of which \$113 are budgeted and \$200 are absorbed. The budget includes a reduction of \$465 to meet the Bureau's urgent need to address the significant resource degradation caused by wild horse and burro populations on the public lands. A reduction of \$44 in vehicle expenses will be achieved by a decrease in fleet size and improved fleet management.

Recreation Resources Management: Funding for the Undaunted Stewardship Program is reduced by \$988 from the 2004 enacted level. BLM will continue to focus available resources on the highest priority needs of the Lewis and Clark six-year project plan. Uncontrollable costs total \$709 of which \$256 are budgeted and \$453 are absorbed. The budget includes a reduction of \$574 to meet the Bureau's urgent need to address the significant resource degradation caused by wild horse and burro populations on the public lands. A reduction of \$88 in vehicle expenses will be achieved by a decrease in fleet size and improved fleet management.

Energy and Minerals

The budget maintains the BLM energy and minerals programs at the 2004 enacted level through a combination of appropriated funds and \$4.0 million in additional user fees to be derived from a proposed rulemaking that increases the rates for existing fees to a level that more closely reflects the full cost of providing these services.

Oil and Gas Management: The program will continue to implement the President's Energy Policy by expediting the review and approval of Applications for Permit to Drill, monitoring subsequent well operations through the end of a well's life and performing compliance reviews and inspections. Uncontrollable costs total \$1,428 of which \$516 are budgeted and \$912 are absorbed. A reduction of \$86 in vehicle expenses will be achieved by a decrease in fleet size and improved fleet management.

Coal Management: Emphasis will be directed to implement the President's Energy Policy and increasing responsiveness to industry needs for post-lease actions. High priority energy tasks include identification of opportunities to effectively resolve the conflicts between coalbed methane and coal development; reviewing leasing processes to expedite coal leasing; and reviewing and revising of the royalty rate guidelines to streamline the approval process. Uncontrollable costs total \$163 of which \$59 are budgeted and \$104 are absorbed. A reduction of \$5 in vehicle expenses will be achieved by a decrease in fleet size and improved fleet management.

Other Mineral Resources Management: Uncontrollable costs total \$197 of which \$71 are budgeted and \$126 are absorbed. A reduction of \$11 in vehicle expenses will be achieved by a decrease in fleet size and improved fleet management.

Alaska Minerals

-221

Alaska Minerals: The reduction of \$231 from the 2004 enacted funding level will result in eight fewer assessments being conducted in 2005. The BLM will continue to meet its responsibilities to assess the mineral potential of all public lands in the State of Alaska. Uncontrollable costs total \$28 of which \$10 are budgeted and \$18 are absorbed.

Realty and Ownership

-10,847

Alaska Conveyance and Lands: The requested decrease of \$8,977 will enable BLM to manage the conveyance program at the pace assumed in the 2004 budget request level. The BLM will continue to make progress in transferring Federal land to other ownerships, patenting 500,000 acres to the Alaska Native Corporations and 500,000 acres to the State of Alaska. Priorities will also include resolving 600 pending applications for Alaska Native allotment parcels, and assisting certified veterans of the Vietnam War to file for Alaska Native allotments. Uncontrollable costs total \$376 of which \$136 are budgeted and \$240 are absorbed. The budget includes a reduction of \$11 in vehicle expenses will be achieved by a decrease in fleet size and improved fleet management.

Cadastral Survey: A program decrease of \$2,939 will eliminate BLM funding for a GIS and Recordable Disclaimer of Interest project in Utah (-\$988), a survey project at Spirit and Twin Lakes in Idaho (-\$222), the Alaska Public Lands Database (-\$741), and the Recordable Disclaimer of Interest project in Alaska (-\$988). Uncontrollable costs total \$224 of which \$81 are budgeted and \$143 are absorbed. The budget includes a reduction of \$39 to meet the Bureau's urgent need to address the significant resource degradation caused by wild horse and burro populations on the public lands. A reduction of \$26 in vehicle expenses will be achieved by a decrease in fleet size and improved fleet management.

Land and Realty Management: The request includes an increase of \$800,000 for permitting renewable energy development and processing rights-of-ways for both renewable and non-renewable energy resources; an additional 145 non-renewable energy-related right-of-ways will be authorized and studies conducted that will assist and expedite future right-of-way processing. Uncontrollable costs total \$734 of which \$265 are budgeted and \$469 are absorbed. The budget includes a reduction of \$105 to meet the Bureau's urgent need to address the significant resource degradation caused by wild horse and burro populations on the public lands. A reduction of \$32 in vehicle expenses will be achieved by a decrease in fleet size and improved fleet management.

Resource Protection and Maintenance

Resource Management Planning: The budget increases funding for monitoring in 2005 by \$4,000 to improve baseline data and understanding of the resource conditions on BLM lands. The increase in monitoring is funded in part by a redirection of \$988 from the Mojave Desert plan and \$1,012 from lower priority projects in 11 States. Uncontrollable costs total \$551 of which \$199 are budgeted and \$352 are absorbed. The budget includes a reduction of \$638 to meet the Bureau's urgent need to address the significant resource degradation caused by wild horse and burro populations on the public lands. A reduction of \$15 in vehicle expenses will be achieved by a decrease in fleet size and improved fleet management.

Resource Protection and Law Enforcement: The net program decrease of \$1,313 includes funding increases of \$508 for development of the Departmental Incident Management and Reporting System and \$92 to maintain the capabilities for security and law enforcement requirements along the southwestern border region. The request eliminates funding increases provided in 2004 for California desert rangers (-\$395), Imperial Sand Dunes (-\$494), and environmental degradation along the southwest border (-\$790). Uncontrollable costs total \$199 of which \$72 are budgeted and \$127 are absorbed. The budget includes a reduction of \$192 to meet the Bureau's urgent need to address the significant resource degradation caused by wild horse and burro populations on the public lands. A reduction of \$42 in vehicle expenses will be achieved by a decrease in fleet size and improved fleet management.

Hazard Management and Resource Restoration: Uncontrollable costs total \$238 of which \$86 are budgeted and \$152 are absorbed. The budget includes a reduction of \$479 to meet the Bureau's urgent need to address the significant resource degradation caused by wild horse and burro populations on the public lands. A reduction of \$24 in vehicle expenses will be achieved by a decrease in fleet size and improved fleet management.

Transportation and Facilities Maintenance

-5,065

Operations Maintenance: Uncontrollable costs total \$94 of which \$34 are budgeted and \$60 are absorbed. The budget includes a reduction of \$166 to meet the Bureau's urgent need to address the significant resource degradation caused by wild horse and burro populations on the public lands. A reduction of \$28 in vehicle expenses will be achieved by a decrease in fleet size and improved fleet management.

Annual Maintenance: Uncontrollable costs total \$468 of which \$169 are budgeted and \$299 are absorbed. The budget includes a reduction of \$838 to meet the Bureau's urgent need to address the significant resource degradation caused by wild horse and burro populations on the public lands. A reduction of \$132 in vehicle expenses will be achieved by a decrease in fleet size and improved fleet management.

Deferred Maintenance: A decrease of \$988 eliminates funding for well-capping in the NPR-A. The budget also includes a reduction of \$325 to meet the Bureau's urgent need to address the significant resource degradation caused by wild horse and burro populations on the public lands.

Infrastructure Improvements: The budget includes a decrease of \$1,975 for removing fish barriers. The budget also includes a reduction of \$816 to meet the Bureau's urgent need to address the significant resource degradation caused by wild horse and burro populations on the public lands.

Challenge Cost Share

+4,824

Challenge Cost Share: A \$2,231 increase in BLM's traditional Challenge Cost Share program will improve the health of watersheds and landscapes, sustain biological communities, and protect cultural and heritage resources by allowing the BLM to expand partnership opportunities and leverage funds.

Cooperative Conservation Initiative: The budget request also includes an increase of \$2,592 for BLM's Cooperative Conservation Initiative. The program promotes conservation of habitat through on-the-ground projects that restore natural resources and establish or expand wildlife habitat.

Amount

Land and Resources Information System -440

Land and Resources Information System: Uncontrollable costs total \$149 of which \$54 are budgeted and \$95 are absorbed. The budget includes a reduction of \$493 to meet the Bureau's urgent need to address the significant resource degradation caused by wild horse and burro populations on the public lands. A reduction of \$1 in vehicle expenses will be achieved by a decrease in fleet size and improved fleet management.

Workforce and Organizational Support +7,402

Information Systems Operations: In 2005, the BLM will increase funding for e-gov projects by \$583 for a total of \$1,920. This will allow the Bureau to continue the customer-driven e-forms and e-planning projects, and to expand LR2000 additional BLM business lines, and participate in the Department of the Interior e-government initiative of the quicksilver projects. The budget includes an additional \$1,001 for the Enterprise Network System. Uncontrollable costs total \$174 of which \$63 are budgeted and \$111 are absorbed. The budget includes a reduction of \$244 to meet the Bureau's urgent need to address the significant resource degradation caused by wild horse and burro populations on the public lands. A reduction of \$2 in vehicle expenses will be achieved by a decrease in fleet size and improved fleet management.

Administrative Support: The BLM will use increased funding of \$1,348 to provide for conduct of audit requirements (\$570), competitive sourcing needs (\$570), and actions to implement Quick-hire (\$208). Uncontrollable costs total \$955 of which \$345 are budgeted and \$610 are absorbed. A reduction of \$18 in vehicle expenses will be achieved by a decrease in fleet size and improved fleet management.

Bureauwide Fixed Costs: Uncontrollable costs totaling \$4,326, all of which are budgeted.

APPROPRIATION: Wildland Fire Management

	<u>2003 Actual</u>	<u>2004 Enacted</u>	<u>2005 Request</u>	<u>Change from 2004 Enacted</u>
Wildland Fire Preparedness				
Readiness.....	255,169	254,180	262,644	+8,464
Facilities.....	12,294	12,222	12,374	+152
Fire Research and Technology.....	7,948	7,901	8,000	+99
Subtotal, Preparedness.....	275,411	274,303	283,018	8,715
Wildland Fire Suppression Operations....	159,309	192,903	221,523	+28,620
Hazardous Fuels Reduction				
Wildland-Urban Interface Fuels	111,178	109,884	135,116	+25,232
Non-WUI Fuels Reduction	74,449	74,012	74,166	+154
Subtotal, Hazzs Fuels Reduction	185,627	183,896	209,282	25,386
Burned Area Rehabilitation	19,870	24,198	24,276	+78
State and Local Assistance				
Rural Fire Assistance	9,935	9,877	5,000	-4,877
Subtotal.....	650,152	685,177	743,099	57,922
Funding Appropriated for Repayments..	225,000	98,416	0	-98,416
TOTAL APPROP (without transfers).....	875,152	783,593	743,099	-40,494
Net Transfers.....	-24,500	-134,416	0	+134,416
TOTAL APPROP (with transfers)	850,652	649,177	743,099	+93,922

Highlights of Budget Changes

	<u>Amount</u>
Uncontrollable Costs	[+7,819]
Fire Preparedness	+8,715
<p>The focus of this program is to provide safe, cost-effective fire management through appropriate planning, staffing, training, and equipment. Fires are suppressed at minimum costs while considering firefighter and public safety, benefits, and values to be protected, consistent with resource objectives. An increase of \$2,900 is requested to continue development of the Fire Program Analysis system, and an increase of \$252 will fund facilities and fire science at the 2004 request level. An additional \$3,336 is requested to help implement the recommendations of a blue ribbon aviation safety panel. Uncontrollable costs total \$6,320 of which \$2,227 are budgeted and \$4,093 are absorbed.</p>	
Fire Suppression Operations	+28,620
<p>This activity funds the development and implementation of the Department's Wildland Fire Suppression Program and emergency stabilization of lands after fire containment. An increase of \$28,620 will be available for emergency suppression operations. This increase will fund wildland firefighting efforts at the 10-year average cost, as adjusted for inflation.</p>	
Hazardous Fuels Reduction	+25,386
<p>An increase of \$25,000 supports the President's Healthy Forests Initiative and the Healthy Forests Restoration Act of 2003. Uncontrollable costs total \$1,284 of which \$386 are budgeted and \$898 are absorbed.</p>	
Burned Area Rehabilitation	+78
<p>Uncontrollable costs total \$215 of which \$78 are budgeted and \$137 are absorbed.</p>	
Rural Fire Assistance	-4,877
<p>A program reduction of \$4,877 is proposed for 2005.</p>	

APPROPRIATION: Central Hazardous Materials Fund

	<u>2003 Actual</u>	<u>2004 Enacted</u>	<u>2005 Request</u>	<u>Change from 2004 Enacted</u>
TOTAL APPROPRIATION	9,913	9,855	9,855	0

APPROPRIATION: Construction

	<u>2003 Actual</u>	<u>2004 Enacted</u>	<u>2005 Request</u>	<u>Change from 2004 Enacted</u>
TOTAL APPROPRIATION <i>(without fire)</i> ..	11,898	13,804	6,476	-7,328
Fire Transfer	-4,300	0	0	0
Fire Repayment	3,938	3,514	0	-3,514
TOTAL APPROPRIATION <i>(with fire)</i>	11,536	17,318	6,476	-10,842

Highlights of Budget Changes

	<u>Amount</u>
Construction	-7,328
<p>The current funding request includes 16 high priority construction projects to meet the BLM's need for managing outdoor recreation, reducing threats to public health and safety, and protecting the public's economic investments. Funds will be used for construction of facilities that are essential to BLM's mission and to replace or reconstruct existing roads, trails, bridges, recreation and administrative facilities, and buildings.</p>	

APPROPRIATION: Land Acquisition

	<u>2003 Actual</u>	<u>2004 Enacted</u>	<u>2005 Request</u>	<u>Change from 2004 Enacted</u>
Acquisitions	27,272	13,432	19,000	+5,568
Emergencies and Hardships.....	1,490	988	1,500	+512
Land Exchange Equalization Payments ..	497	494	500	+6
Acquisition Management.....	3,974	3,457	3,000	-457
TOTAL APPROPRIATION (<i>without fire</i>)..	33,233	18,371	24,000	+5,629
Fire Transfer	-4,200	0	0	0
Fire Repayment	4,725	3,432	0	-3,432
TOTAL APPROPRIATION (<i>with fire</i>)	33,758	21,803	24,000	2,197

Highlights of Budget Changes

	<u>Amount</u>
Land Acquisition	+5,629
<p><i>Land Acquisition:</i> BLM will acquire only the most significant or threatened properties in the most sensitive areas on BLM-managed lands within projects in States.</p>	
<p><i>Land Acquisition Management:</i> The BLM anticipates lower expenses due to fewer tracts of land purchased in 2005; therefore the acquisition management funds have been reduced.</p>	

APPROPRIATION: Oregon and California Grant Lands

	<u>2003 Actual</u>	<u>2004 Enacted</u>	<u>2005 Request</u>	<u>Change from 2004 Enacted</u>
W. Oregon Resources Management	85,793	86,376	97,059	+10,683
W. Oregon Info. & Resources Data Sys. ...	2,192	2,175	2,181	+6
W. Oregon Facilities Maintenance	0	0	0	0
W. Oregon Trans. & Facilities Maint.....	10,887	10,777	10,782	+5
W. Oregon Construction & Acquisition ...	297	293	295	+2
Jobs-in-the-Woods	5,777	5,736	5,741	+5
TOTAL APPROPRIATION	104,946	105,358	116,058	+10,700

Highlights of Budget Changes

	<u>Amount</u>
Uncontrollable Costs	[+1,665]
Western Oregon Resources Management	+10,683
<p><i>Forest Management:</i> Top priority of the program is offering for sale the Allowable Sale Quantity set by the Northwest Forest Plan. An increase of \$788 in new funds in concert with \$3,700 in Jobs-in-the-Woods funding will support thinning on 3,000 acres of O&C lands to accelerate old growth characteristics. This will yield five million additional board feet of wood products for public use and meet the terms of the Settlement Agreement in the lawsuit American Forest Resource Council et al v. Clarke. An increase of \$2,500 will initiate repayment to the Department of Treasury for payments made during 2001 and 2002 to settle timber sale contracts in western Oregon under the contract disputes Act. Uncontrollable costs total \$457 of which \$167 are budgeted and \$290 are absorbed. A reduction of \$40 in vehicle expenses will be achieved by a decrease in fleet size and improved fleet management.</p>	
<p><i>Reforestation and Forest Development:</i> Treatments are planned where needed to sustain current production levels, treat high priority risk areas, and accelerate the development of old growth habitat characteristics. Uncontrollable costs total \$315 of which \$115 are budgeted and \$200 are absorbed. A reduction of \$43 in vehicle expenses will be achieved by a decrease in fleet size and improved fleet management.</p>	

Other Forest Resources: Emphasis is on implementing the Survey and Management requirements of the Northwest Forest Plan. Uncontrollable costs total \$613 of which \$224 are budgeted and \$389 are absorbed. A reduction of \$51 in vehicle expenses will be achieved by a decrease in fleet size and improved fleet management.

Resource Management Planning: A \$7 million increase in 2005 will be used to revise the six RMPs covering the O&C lands in western Oregon, including the formal public scoping process, efforts to identify and solicit potential project cooperators, the complete Land Use Plan Scoping Report(s), development of timelines for ESA consultation with USFWS and NMFS in cooperation with those agencies, data preparation and analysis, synthesis of new science information and monitoring data, and preparation and publication of the Analysis of the Management Situation. Uncontrollable costs total \$74 of which \$27 are budgeted and \$47 are absorbed. A reduction of \$6 in vehicle expenses will be achieved by a decrease in fleet size and improved fleet management.

Western Oregon Information and Data System +6

Information System Operations and Maintenance: Focus is on information systems needed to implement the Northwest Forest Plan, including aquatic/ riparian management, survey and management requirements, forest road impacts, and effectiveness monitoring. Uncontrollable costs total \$16 of which \$6 are budgeted and \$10 are absorbed.

Western Oregon Transportation and Facilities Maintenance +5

Operations: Uncontrollable costs total \$33 of which \$12 are budgeted and \$21 are absorbed. A reduction of \$8 in vehicle expenses will be achieved by a decrease in fleet size and improved fleet management.

Annual Maintenance: Uncontrollable costs total \$126 of which \$46 are budgeted and \$80 are absorbed. A reduction of \$45 in vehicle expenses will be achieved by a decrease in fleet size and improved fleet management.

Western Oregon Construction and Acquisition +2

Acquisition: Uncontrollable costs total \$5 of which \$2 are budgeted and \$3 are absorbed.

Jobs-in-the-Woods +5

Jobs-in-the-Woods: In 2005, the program will emphasize restoration activities within the Late Successional Reserves, using \$3,700 of base funding for the preparation and contracting out of thinning in younger stands to protect and restore late successional habitat, and \$500 for pre-commercial thinning in LSRs. This program will also continue to fund projects that focus on restoration activities in key watersheds and projects supporting the State of Oregon's Plan for Salmon and Watersheds. Uncontrollable costs total \$25 of which \$9 are budgeted and \$16 are absorbed. A reduction of \$4 in vehicle expenses will be achieved by a decrease in fleet size and improved fleet management.

APPROPRIATION: Range Improvements

	<u>2003 Actual</u>	<u>2004 Enacted</u>	<u>2005 Request</u>	<u>Change from 2004 Enacted</u>
Improvements to Public Lands	7,873	7,873	7,873	0
Farm Tenant Act Lands	1,527	1,527	1,527	0
Administrative Expenses	600	600	600	0
TOTAL APPROPRIATION	10,000	10,000	10,000	0

APPROPRIATION: Service Charges, Deposit, and Forfeitures

	<u>2003 Actual</u>	<u>2004 Enacted</u>	<u>2005 Request</u>	<u>Change from 2004 Enacted</u>
Rights-of-Way Processing	8,550	9,500	14,500	+5,000
Adopt-a-Horse Program	811	1,225	1,225	0
Repair of Damaged Lands	2,785	5,000	5,000	0
Cost Recoverable Realty Cases	657	515	515	0
Timber Purchaser Expenses.....	66	50	50	0
Copy Fees	3,012	3,200	3,200	0
APPROPRIATION	15,881	19,490	24,490	+5,000
OFFSETS	-15,881	-19,490	-24,490	-5,000
TOTAL APPROPRIATION	0	0	0	0

APPROPRIATION: Miscellaneous Trust Funds

	<u>2003 Actual</u>	<u>2004 Enacted</u>	<u>2005 Request</u>	<u>Change from 2004 Enacted</u>
TOTAL APPROPRIATION	14,787	12,405	12,405	0



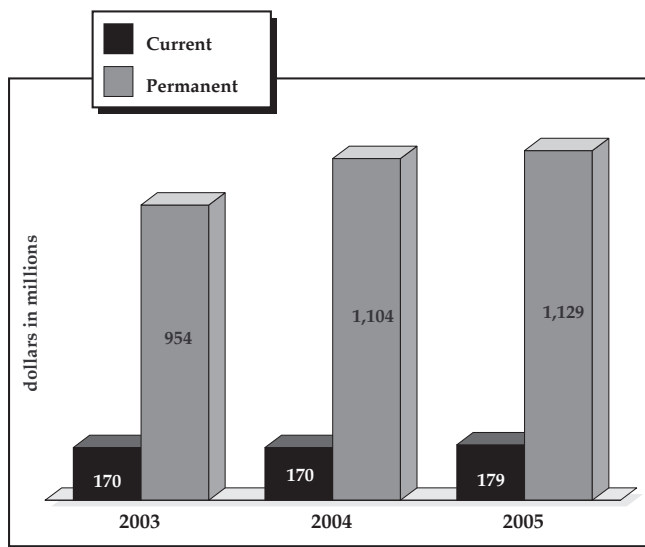
MINERALS MANAGEMENT SERVICE

Mission – The Minerals Management Service was formed by Secretarial Order in 1982 to facilitate the Nation’s mineral revenue collection efforts and the management of its Outer Continental Shelf offshore lands. The MMS has two major responsibilities: management of energy and mineral resources on the Nation’s OCS in an environmentally sound and safe manner; and timely and accurate collection, distribution, accounting for, and auditing of revenues owed by holders of mineral leases on Federal onshore and offshore and Indian lands.

Program Overview – The MMS programs are vitally important, contributing significantly to the Nation’s economic well-being and energy security. Energy production from the OCS helps to limit dependence on imported energy. The natural gas produced from the OCS will continue to play a key role in providing the Nation a reliable clean-burning energy source. In 2005, the MMS programs will collect \$7.1 billion in revenues from minerals produced from offshore and onshore Federal and Indian lands. This income contributes to the funding of other Federal programs. In addition to Federal and tribal interests, MMS also supports States and local governments through revenue sharing and by providing OCS sand and gravel for beach nourishment projects. Since 1994, increasing OCS rental revenues have permitted MMS to use receipts to cover over \$776 million in previously appropriated activities, releasing the equivalent amount of limited discretionary budget authority to address other Federal high-priority programs. The 2005 budget request will add another \$103.7 million to that total.

To ensure OCS development is carried out in an environmentally responsible manner, MMS inspects all offshore facilities, reviews plans of exploration and development, analyzes statements of financial responsibility, and funds scientific and engineering research related to OCS mineral development. The MMS also utilizes a broad range of financial services, and pursues a comprehensive compliance strategy that includes an automated compliance verification program to validate the accuracy and timeliness of revenues paid and an audit program staffed by MMS, State, and tribal auditors to ensure proper revenues are collected and disbursed.

MMS Funding



Management Excellence – The MMS continues to follow the President’s management agenda for improving management and performance of the Federal government, practicing the Secretary’s vision for citizen-centered management excellence. The budget proposal supports the Department’s new strategic plan, specifically in relation to the goals of managing energy resources to enhance public benefit, promoting responsible use of the Nation’s resources, protecting lives and the environment in offshore operations, and ensuring that taxpayers receive optimal value for the development of those resources.

In 2003 MMS began implementing activity-based cost management. For 2005, MMS will continue to refine the ABC/M reporting capabilities to assure that managers will be able to receive effective and informative data from the system. As part of 2005 budget formulation, a Program Assessment Rating Tool evaluation was conducted on the MMS Minerals Revenue Management program. The assessment found that the program has a clear purpose. Based upon the evaluation, MMS and MRM are designing a new performance architecture that will be based upon organizational processes and their contributions

linking the Department strategic plan to the MMS budget structure. The MMS has also implemented the Inspector General's recommendation to conduct an external quality control peer review on MRM audit activities. The MMS is awaiting the final external report.

Budget Overview – The 2005 budget request for MMS is \$282.4 million in current appropriations and offsetting receipts. Three permanent appropriations totaling \$1.1 billion will provide States with their statutory shares of mineral leasing revenues generated on Federal lands.

Offsetting receipts are estimated to be \$103.7 million, an increase of \$3.5 million over 2004. The request for direct appropriations is \$178.7 million, which is an increase of \$8.4 million over the 2004 enacted budget. This increase will enable MMS to continue development of the e-government initiative in the Offshore Minerals Management program; perform gas hydrates studies; update Gulf of Mexico resource evaluation technologies to keep pace with the private sector; and allow MMS to continue improvements in areas of Indian trust. Within the additional funding is \$3.7 million for uncontrollable costs.

OCS Program – The goal of the OCS program is to provide for safe and environmentally sound energy and mineral development on the OCS and to ensure that the public receives fair market value for these resources. The MMS OCS activities contribute to the Nation's economic well-being and energy security. To carry out this goal, MMS's activities include review of new exploration and development plans, examination of pipeline right-of-way applications, environmental assessments, and safety inspections of mineral extraction operations on-site. The 2005 budget requests \$146.1 million for OCS program activities, a net increase of \$6.8 million above the 2004 enacted budget.

The 2005 budget request includes an increase of \$1.9 million to support of Gulf of Mexico technologies. In order to ensure that MMS is receiving optimal value on lease permits, it must keep pace with the private sector, which has embraced and developed new technologies to meet the increasing challenge of competition in exploring for petroleum resources. Geological interpretive tools allow MMS to maintain technological parity with industry to ensure accurate evaluations. The improved quality of interpretation allows for better evaluations and estimates through reducing uncertainties, thus optimizing value achieved through leasing activities. The GIT proposal includes a 3-D visualization room, which will allow a more accurate interpretation of seismic data. The request also includes additional GIT training, workstation-ready well logs, and seismic data management. These technologies are routinely used by the private sector in making fair market value determinations.

The demand for natural gas is expected to increase significantly in response to conversion of electric power plants from coal to cleaner burning natural gas, and other industrial and domestic needs. Domestic production from conventional sources cannot keep pace with the increase in demand. An alternate domestic source of natural gas to meet the projected demand may be methane hydrates. The Methane Hydrate Research and Development Act of 2000 directs MMS to commence basic and applied research to identify, explore, assess, and develop methane hydrates. The MMS is the only agency with specific responsibility for the environmentally responsible extraction of gas hydrates. The 2005 budget proposes a \$600,000 methane hydrates increase to build upon the program begun in 2004. In 2005, MMS will spend \$200,000 to begin a tract-specific hydrate assessment to determine fair market value once production is practical. In addition, MMS will dedicate \$400,000 to complete phase one of a two-year study to examine the potential environmental impacts of the recovery of this energy source, a necessity before the recovery of gas hydrates becomes economically viable. This gas hydrates initiative supports the National Energy Policy, which focuses on increasing and diversifying the Nation's sources of traditional and alternative fuels.

As a result of its expanding workload in offshore mineral development, MMS is faced with an exponential increase in the volume of data it handles and the need for optimal data integrity and management. The needs of the organization have outpaced the business practices under current technology. In 2003, MMS began the first phase of a multi-year plan to develop an e-government transformation initiative, an innovative web-based management information system. In 2005, MMS requests an increase of \$4.3 million to launch the third phase of OCS Connect, which includes expanding the development of electronic document and records management systems capabilities. Increased resources will allow more of the private sector's required processes to be completed online with a lesser burden of information collection, and will allow MMS to analyze and act on industry requests more quickly. The long-term result is that offshore oil and gas resources will be available more quickly. Total 2005 funding for the project is \$16.0 million.

Minerals Revenue Management – In 2005, the total MRM program is funded at \$81.9 million, an increase of \$2.2 million from the 2004 enacted budget. The goal of the MRM program is to ensure that revenue from Federal and Indian mineral leases are effectively, efficiently, and accurately collected, accounted for, and disbursed to recipients. These revenues, which have historically averaged over \$6 billion per year, are distributed and disbursed to 38 states, 41 Indian Tribes, some 20,000 Indian mineral royalty owners, and to U.S. Treasury accounts.

The 2005 request includes a \$941,000 Indian trust initiative. One component of this initiative is to fully fund tribal cooperative audit partners. The additional funds would partially cover the cost-of-living increases for the eight Indian Tribes currently in the program, and start-up costs of a new cooperative agreement with the Chippewa Cree Tribe in 2005. The second component of the Indian trust initiative is expanding outreach to Tribes and individual Indian mineral owners. The outreach will allow MMS to continue its objective of providing the highest possible Indian trust service in its role in collecting and disbursing royalties from Indian lands. The final component of the initiative is a proposal to safeguard Indian records by creating the capability in MMS systems to separate Indian and Federal records.

Section 205 of the Federal Oil and Gas Royalty Management Act of 1982 authorizes the Secretary of the Interior to delegate audit, inspection, and investigations to any State. In 2005, MMS is requesting \$305,000 to partially cover cost-of-living increases for the ten States currently in the program and for a newly delegated agreement with the State of Alaska.

Oil Spill Research Program – This program supports oil pollution research and other duties related to oil spill prevention, as authorized by the Oil Spill Pollution Act of 1990. The MMS requests total funding of \$7.1 million in 2005, an increase of \$88,000 over 2004. The additional funding will allow MMS to continue a four-year phased

replacement of equipment and increased operational costs at the National Oil Spill Response Test Facility. The only one of its type in the world, the facility is a critical tool in the development of oil spill response technology by providing full-scale equipment and methodology testing in a safe, controlled environment.

Other Program Changes – The 2005 MMS budget request includes a decrease of \$14,000 for anticipated savings related to improved vehicle fleet management, and a \$776,000 increase to fully fund financial statement audit costs previously funded in part by the OIG. The request also includes increases of \$256,000 to support implementation of the Administration's high-payoff e-Government initiatives to integrate agency operations and information technology investments. These initiatives eliminate redundant systems and significantly improve the government's quality of customer service for citizens and businesses. The 2005 budget also includes a reduction of \$318,000 for IT security and accreditation. The budget includes an increase of \$602,000 for implementing the Department-wide Enterprise Services Network, a modern, integrated network backbone that will provide the infrastructure to integrate enterprise processes and technologies Department-wide. The MMS budget includes \$180,000 for competitive sourcing studies.

Uncontrollable Costs - Uncontrollable cost increases total \$4.6 million of which \$3.7 million are budgeted and \$832,000 are absorbed.

SUMMARY OF BUREAU APPROPRIATIONS
(all dollar amounts in thousands)

Comparison of 2005 Request with 2004 Enacted:

	2004 Enacted		2005 Request		Change from 2004	
	FTE	Amount	FTE	Amount	FTE	Amount
Appropriations						
Royalty and Offshore Minerals Management*	1,551	163,279	1,582	171,575	+31	+8,296
Oil Spill Research	22	7,017	22	7,105	0	+88
Subtotal, Direct Appropriations.....	1,573	170,296	1,604	178,680	+31	+8,384
Offsetting Collections	138	100,230	138	103,730	0	+3,500
Subtotal, Appropriations.....	1,711	270,526	1,742	282,410	+31	+11,884
Permanents and Trusts						
Mineral Leasing and Associated Payments	0	1,098,906	0	1,123,715	0	+24,809
Leases of Lands Acquired for Flood Control, Navigation, and Allied Purposes.....	0	1,472	0	1,505	0	+33
Nat'l. Forests Funds, Payments to States.....	0	3,440	0	3,442	0	+2
Subtotal, Permanents and Trusts	0	1,103,818	0	1,128,662	0	+24,844
TOTAL, MINERALS MANAGEMENT SERVICE ..	1,711	1,374,344	1,742	1,411,072	+31	+36,728

* FTE totals include numbers for both appropriations and the Interior Franchise Fund.

HIGHLIGHTS OF BUDGET CHANGES
By Appropriation Activity/Subactivity

APPROPRIATION: Royalty and Offshore Minerals Management

	2003 Actual	2004 Enacted	2005 Request	Change from 2004 Enacted
Outer Continental Shelf Lands				
Leasing & Environmental Program				
Appropriation.....	17,186	16,701	17,127	+426
Offsetting Collections	20,335	20,335	20,335	0
Total, Leasing & Environ Prog	37,521	37,036	37,462	+426
Resource Evaluation Program				
Appropriation.....	17,928	18,178	19,154	+976
Offsetting Collections	8,903	8,903	8,903	0
Total, Resource Evaluation Prog.	26,831	27,081	28,057	+976
Regulatory Program				
Appropriation.....	36,330	35,022	35,995	+973
Offsetting Collections	14,443	14,443	14,443	0
Total, Regulatory Program.....	50,773	49,465	50,438	+973
Information Management Program				
Appropriation.....	8,942	11,657	12,598	+941
Offsetting Collections	14,049	14,049	17,549	+3,500
Total, Info Mgmt Program	22,991	25,706	30,147	+4,441
OCS Appropriation.....	80,386	81,558	84,874	+3,316
OCS Offsetting Collections	57,730	57,730	61,230	+3,500
Subtotal, OCS Lands.....	138,116	139,288	146,104	+6,816

	2003 Actual	2004 Enacted	2005 Request	Change from 2004 Enacted
Minerals Revenue Management				
Compliance & Asset Management				
Appropriation.....	35,258	32,622	34,514	+1,892
Offsetting Collections	13,235	13,235	13,235	0
Total, Valuation & Operations.....	48,493	45,857	47,749	+1,892
Revenue & Operations				
Appropriation.....	21,157	20,610	20,892	+282
Offsetting Collections	13,250	13,250	13,250	0
Total, Compliance	34,407	33,860	34,142	+282
Indian Allottee Refunds				
Appropriation.....	0	0	0	0
Offsetting Collections	15	15	15	0
Total, Indian Allottee Refunds	15	15	15	0
RM Appropriation	56,415	53,232	55,406	+2,174
RM Offsetting Collections.....	26,500	26,500	26,500	0
Subtotal, Royalty Management.....	82,915	79,732	81,906	+2,174
General Administration				
Executive Direction				
Appropriation.....	1,023	1,049	1,072	+23
Offsetting Collections	1,000	1,000	1,000	0
Total, Executive Direction	2,023	2,049	2,072	+23
Policy & Management Improvement				
Appropriation.....	3,075	3,111	3,176	+65
Offsetting Collections	1,000	1,000	1,000	0
Total, Policy & Mgmt Improve.....	4,075	4,111	4,176	+65
Administrative Operations				
Appropriation.....	14,985	15,084	15,626	+542
Offsetting Collections	1,555	1,555	1,555	0
Total, Admin Operations.....	16,540	16,639	17,181	+542
General Support Services				
Appropriation.....	8,362	9,245	11,421	+2,176
Offsetting Collections	12,445	12,445	12,445	0
Total, General Support Services	20,807	21,690	23,866	+2,176
GA Appropriation.....	27,445	28,489	31,295	+2,806
GA Offsetting Collections	16,000	16,000	16,000	0
Subtotal, General Administration.....	43,445	44,489	47,295	+2,806
TOTAL APPROPRIATION	264,476	263,509	275,305	+11,796
Total Appropriation	164,246	163,279	171,575	+8,296
Total Offsetting Collections	100,230	100,230	103,730	+3,500

Highlights of Budget Changes

	<u>Amount</u>
Uncontrollable Costs	[+4,575]
Outer Continental Shelf Lands	
Leasing & Environmental	+426
Uncontrollable costs total \$552 of which \$426 are budgeted and \$126 are absorbed.	
Resource Evaluation	+976
An increase of +\$1,943 is proposed for Gulf of Mexico Interpretive Technologies and +\$200 is requested for methane hydrates. A redirection of \$400 is proposed from within the Environmental Studies program to pursue methane hydrates research. Decreases of -\$790 are proposed for Center for Marine Resources and Environmental Technology, and -\$790 for Marine Minerals Technology Center. Uncontrollable costs total \$535 of which \$413 are budgeted and \$122 are absorbed.	
Regulatory	+973
An increase of +\$494 is proposed for offshore inspections. Uncontrollable costs total \$621 of which \$479 are budgeted and \$142 are absorbed.	
Information Management	+4,441
An increase of \$4,321 is proposed for the multi-year e-government initiative. Uncontrollable costs total \$156 of which \$120 are budgeted and \$36 are absorbed.	
Minerals Revenue Management	
Compliance and Asset Management	+1,892
An increase of +\$245 is proposed for the Tribal 202 Cooperative Audit program, +\$196 for expanded outreach to Tribes and individual Indians, +500 for safeguarding Indian records, and +\$305 is requested for the State 205 Cooperative Audit program. Uncontrollable costs total \$836 of which \$646 are budgeted and \$190 are absorbed.	
Revenue & Operations	+282
Uncontrollable costs total \$365 of which \$282 are budgeted and \$83 are absorbed.	
General Administration	
Executive Direction	+23
Uncontrollable costs total \$30 of which \$23 are budgeted and \$7 are absorbed.	
Policy & Management Improvement	+65
Uncontrollable costs total \$85 of which \$65 are budgeted and \$20 are absorbed.	
Administrative Operations	+542
An increase of +\$180 will support competitive sourcing studies. Uncontrollable costs total \$468 of which \$362 are budgeted and \$106 are absorbed.	
General Support Services	+2,176
An increase of +\$776 is proposed for Audit, +\$602 for the Enterprise Services Network, and +\$256 for Quicksilver e-gov projects. A Decrease of -\$318 is proposed for IT Security, -\$43 for Department Working Capital Fund technical changes, -\$14 for fleet reduction, and -\$10 for GSS base. Uncontrollable costs total \$927, all of which are budgeted.	

APPROPRIATION: Oil Spill Research

	<u>2003 Actual</u>	<u>2004 Enacted</u>	<u>2005 Request</u>	<u>Change from 2004 Enacted</u>
TOTAL APPROPRIATION	6,065	7,017	7,105	+88

Highlights of Budget Changes

Oil Spill Research

An increase of +\$88 is proposed for the replacement of equipment and increased operational costs at the National Oil Spill Response Test Facility.

Amount

+88



OFFICE OF SURFACE MINING RECLAMATION AND ENFORCEMENT

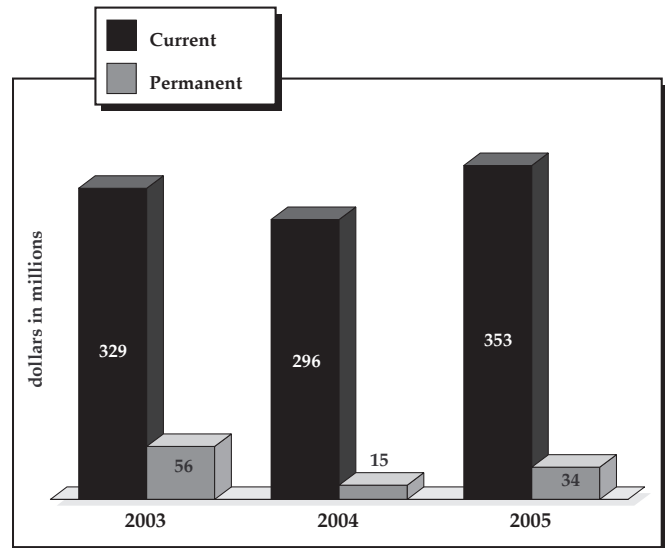
Mission – The Office of Surface Mining Reclamation and Enforcement was established in 1977 to carry out the requirements of the Surface Mining Control and Reclamation Act in cooperation with States and Indian Tribes. The OSM’s primary objectives are to ensure that coal mining activities are conducted in a manner that protects citizens and the environment during mining, ensure that the land is restored to beneficial use following mining, and mitigate the effects of past mining by aggressively pursuing reclamation of abandoned coal mines.

Program Overview – The OSM carries out its mandates by providing grants to primacy States and Tribes to carry out their own regulatory and reclamation programs consistent with OSM standards. The OSM also administers regulatory and reclamation programs on Federal and tribal lands and in non-primacy States. The OSM works closely with States and Tribes to implement its results-oriented regulatory oversight system and provides technical information and tools to help States and tribal partners to develop sufficient knowledge, expertise, and capability to meet their responsibilities under SMCRA.

In the last few years, OSM has focused on innovative approaches to implementing SMCRA and has shifted its approach to State programs from direct oversight and review to measuring on-the-ground results and performance. To maximize reclamation from available funding, OSM implemented creative approaches and incentives to encourage reclamation of abandoned mine sites. Efforts to address acid mine drainage in the Appalachian coal region, encourage re-mining, and enhance abandoned mine lands reclamation have been successful in enabling OSM to leverage and stretch its resources to reclaim lands and waters that otherwise might never be restored. The reclamation projects funded in 2005 will increase the number of health and safety hazards mitigated. Continued Clean Streams grant funding will allow OSM to transfer responsibility to States and Tribes for restoration and improvement of water quality of streams affected by acid mine drainage.

Management Excellence – The OSM continues to follow the President’s management agenda for improving man-

OSM Funding



agement and performance of the Federal government, practicing the Secretary’s vision for citizen-centered management excellence. The OSM programs have worked extensively to step down from the goals in Interior’s new unified strategic plan. The OSM has developed an activity-based cost management system that allows managers to more specifically identify costs of outputs, and is continuing its workforce analysis to determine the human capital competencies required to achieve performance improvements. The OSM has also continued to expand its e-government capabilities. The budget proposal supports the Department’s new strategic plan specifically in relation to the goals for serving communities by protecting the lives and property of the citizens living in proximity to the coal fields; it also protects our Nation’s resources by improving the health of its watersheds and landscapes that are affected by current and past mining practices.

As part of the 2005 budget formulation process, OSM’s regulation of surface coal mining activities was evaluated using the Program Assessment Rating Tool developed by OMB. The principal findings indicated that the purpose of the regulatory program is clear, as articulated in

SMCRA, and that States and Tribes are annually assessing the program through meetings and conferences held throughout the year.

Budget Overview – The 2005 request for OSM is \$352.8 million, a net increase of \$56.8 million above the 2004 enacted budget, and includes funds to support the Administration’s proposal to reauthorize the Abandoned Mine Lands program.

AML Reauthorization – Section 402(a) of SMCRA establishes a per tonnage fee for mined coal. These fees are placed in the Abandoned Mine Reclamation Fund, and are used to finance reclamation of abandoned mine lands in the United States. Interest accrues on the unused portion of the collected fees and becomes part of the Fund to be used for reclamation. A portion of the interest is transferred to the United Mine Workers of America Combined Benefit Fund in order to help finance health benefits.

The authority to collect the mine reclamation fee expires on September 30, 2004. Approximately \$3 billion worth of listed health and safety goal problems still remain, along with \$3.6 billion worth of identified high-priority coal problems affecting the general welfare of individuals living in coalfield areas. To protect lives and improve public safety, the Administration is proposing legislation to reduce and extend the coal fee and to modify SMCRA to direct dollars to the most serious problems.

In 2005, OSM will continue its commitment to environmental restoration while protecting the public by reclaiming lands disturbed by pre-SMCRA mining but not yet reclaimed. The 2005 AML request of \$243.9 million is an increase of \$53.3 million above the 2004 enacted level. The funding will support OSM’s abandoned mine land reclamation activities, which include State and tribal reclamation grants and high-priority Federal reclamation efforts, as well as the Administration’s proposal to reauthorize SMCRA.

The reauthorization proposal will provide for \$53.0 million a year, over a period of ten years, for the payment of unappropriated balances in the AML fund that were not appropriated as of September 30, 2004, to States and Tribes that have been certified as having completed the reclamation of their coal mining-related abandoned mine sites. Under this proposal, future coal fees will be allocated to non-certified States and Tribes to abate their highest priority coal problems. Furthermore, the proposal will also address the transfer of interest to the United Mine Workers of America Combined Benefit Fund for the use of unassigned beneficiaries. The 2005 budget request includes \$53.0 million for the first year of payments to the certified States and Tribes.

The budget funds state reclamation grants at \$149.6 million. States and Tribes use these grant funds to address degraded land and water resources as a result of past mining operations. These funds are provided to the States and Tribes through a formula that considers the amount of reclamation fees collected in each State or reservation and the amount of pre-SMCRA coal production that occurred in each State or reservation. The reauthorization proposal will adjust the allocation formula to direct dollars to the most serious problems, with the majority of collections going to States with historically high coal production. The proposal authorizes OSM to collect AML fees for another 14 years. Under the current authorization for AML, it would take on average 47 years to reclaim all of the most dangerous abandoned coal mines. Allocations to States under the new proposal will allow States to eliminate existing health and safety problems within 25 years, removing 142,000 people from risk annually, and will reclaim 8,200 acres of disturbed land annually.

The 2004 request did not include funding for the Federal AML emergency program due to availability of unobligated carryover balances. The OSM has exhausted those carryover balances and is requesting an increase of \$9.4 million to address emergencies in States and for Tribes that do not have approved emergency programs.

The proposed budget continues available funding for the successful Clean Streams program up to \$10.0 million to empower partners in affected communities to address important local acid mine drainage pollution. Acid mine drainage from abandoned coal mines continues to be a major source of water pollution nationwide, and in Appalachia acid mine drainage is the leading cause of aquatic habitat destruction impacting many native species, such as the brook trout. The Clean Streams initiative has been particularly effective in fostering community partnerships and maximizing efficiency in the use of local resources in restoring water resources damaged by acid mine drainage.

The 2005 OSM budget request includes a one-time reduction of \$2.7 million in watershed cooperative agreements. Watershed cooperative agreements are made with private nonprofit agencies, such as small watershed organizations, to undertake local acid mine drainage reclamation projects. There is sufficient carryover to fund this program in 2005. The 2005 budget request also includes a one-time reduction of \$1.1 million for high-priority Federal abandoned mine land projects. The OSM carries out the high-priority project program for States that have not assumed responsibility for carrying out their own reclamation programs. The OSM is able to offer this reduction because there will be sufficient prior year carryover to fund this program in 2005.

Regulation and Technology – The goal of the Regulation and Technology program is to implement Title V of SMCRA by providing oversight and technical support for the regulation of active mining. Total funding requested for the regulatory program is \$108.9 million, an increase of \$3.5 million from the 2004 enacted budget.

Twenty-four States have approved permanent regulatory programs for the regulation of coal mining activities. These primacy States receive Federal-matching grants to fund 50 percent of their administration of State regulatory programs under SMCRA. State regulatory grants will be funded at \$58.0 million in 2005, an increase of \$1.2 million over 2004. This funding increase, which will help States meet their uncontrollable cost increases, will allow the States and Tribes to minimize off-site impacts of current coal mining operations and prevent 93 percent of mine sites from causing offsite impacts to people and the environment. It will also allow for the release 100,000 acres from phase one and two performance bonds. The 2005 budget also includes a decrease of \$173,000 for civil penalty authority to better reflect civil penalty revenues.

Other Program Changes – The request includes a decrease of \$42,000 for savings related to improved fleet management, and a \$332,400 increase to fully fund financial statement audit costs previously funded in part by the OIG. The budget includes an increase of \$33,000 to support implementation of the Administration's high-payoff e-government initiatives to integrate agency operations and information technology investments. These initiatives eliminate redundant systems and improve the government's quality of customer service. The budget also includes an increase of \$398,400 for implementing a Department-wide Enterprise Services Network, a modern, integrated network backbone that will provide the infrastructure to integrate enterprise processes and technologies. The OSM is requesting \$400,000 for the National Technical Training program, \$300,000 for applied science activities, and \$400,000 for the Technical Innovation and Professional Services program.

Uncontrollable Costs – Uncontrollable cost increases total \$2.5 million of which \$2.1 million are budgeted and \$372,000 are absorbed.

SUMMARY OF BUREAU APPROPRIATIONS
(all dollar amounts in thousands)

Comparison of 2005 Request with 2004 Enacted:

	2004 Enacted		2005 Request		Change from 2004	
	FTE	Amount	FTE	Amount	FTE	Amount
Appropriations						
Regulation and Technology	397	105,384	387	108,905	-10	+3,521
Abandoned Mine Reclamation Fund	213	190,592	208	243,863	-5	+53,271
Subtotal, Appropriations.....	610	295,976	595	352,768	-15	+56,792
Permanents and Trusts						
Abandoned Mine Reclamation Fund Transfer	0	14,967	0	34,000	0	+19,033
Subtotal, Permanents and Trusts	0	14,967	0	34,000	0	+19,033
TOTAL, OFFICE OF SURFACE MINING	610	310,943	595	386,768	-15	+75,825

HIGHLIGHTS OF BUDGET CHANGES
By Appropriation Activity/Subactivity

APPROPRIATION: Regulation and Technology

	2003 Actual	2004 Enacted	2005 Request	Change from 2004 Enacted
Environmental Restoration.....	256	432	261	-171
Environmental Protection.....	78,644	78,481	79,953	+1,472
Technology Development & Transfer	12,511	12,593	13,487	+894
Financial Management	482	485	492	+7
Executive Direction & Administration.....	12,610	13,393	14,712	+1,319
TOTAL APPROPRIATION	104,503	105,384	108,905	+3,521

Highlights of Budget Changes

	<u>Amount</u>
Uncontrollable Costs	[+1,616]
Environmental Restoration	-171
A \$173 decrease reflects a reduction in Civil Penalty collections. Uncontrollable costs total \$3 of which \$2 are budgeted and \$1 are absorbed.	
Environmental Protection	+1,472
A \$1,150 increase is proposed for State and Tribal funding. A \$19 decrease reflects savings resulting from improved fleet management. Uncontrollable costs total \$468, of which \$341 are budgeted and \$127 are absorbed.	
Technology Development and Transfer	+894
A \$260 increase is proposed for the National Technical Training Program. A \$260 increase is proposed for TIPS. A \$195 increase is proposed for applied sciences. Uncontrollable costs total \$245 of which \$179 are budgeted and \$66 are absorbed.	
Financial Management	+7
Uncontrollable costs total \$10, of which \$7 are budgeted and \$3 are absorbed.	
Executive Direction	+1,319
An increase of \$259 is proposed for the enterprise services network. An increase of \$216 is proposed for the annual financial audit. A \$36 increase is proposed for the Department e-gov quicksilver projects. A \$33 decrease is proposed for technical changes. A \$7 decrease reflects savings resulting from improved fleet management. Uncontrollable costs total \$890, of which \$848 are budgeted and \$42 are absorbed.	

APPROPRIATION: Abandoned Mine Reclamation Fund

	2003 Actual	2004 Enacted	2005 Request	Change from 2004 Enacted
Environmental Restoration.....	173,561	173,467	223,229	+49,762
Technology Development & Transfer	4,137	4,133	4,542	+409
Financial Management	6,139	6,183	8,565	+2,382
Executive Direction & Administration.....	6,661	6,809	7,527	+718
TOTAL APPROPRIATION	190,498	190,592	243,863	+53,271

Highlights of Budget Changes

	<u>Amount</u>
Uncontrollable Costs	[+870]
Environmental Restoration	+49,762
<p>An increase of \$53,000 is proposed to pay certified States and Tribes owed balances from the AML fund. A \$9,000 increase will fund federally managed State emergency projects. A \$410 increase will fund emergency projects in non-primacy states. A \$9,000 decrease is proposed for State and Tribal AML grants. A \$1,092 decrease is proposed for federally administered projects. A \$2,710 decrease is proposed for watershed cooperative agreements. An \$8 decrease reflects savings resulting from improved fleet management. Uncontrollable costs total \$228, of which \$162 are budgeted and \$66 are absorbed.</p>	
Technology Development and Transfer	+409
<p>A \$140 increase is proposed for the National Technical Training Program. A \$140 increase is proposed for TIPS. A \$105 increase is proposed for applied sciences. Uncontrollable costs total \$34 of which \$24 are budgeted and \$10 are absorbed.</p>	
Financial Management	+2,382
<p>An increase of \$2,300 is proposed for the Fee Compliance program. A \$5 decrease reflects savings resulting from improved fleet management. Uncontrollable costs total \$122, of which \$87 are budgeted and \$35 are absorbed.</p>	
Executive Direction and Administration	+718
<p>An increase of \$139 is proposed for the enterprise services network. An increase of \$116 is proposed for the annual financial audit. A \$20 increase is proposed for the Department e-gov quicksilver projects. A \$18 decrease is proposed for technical changes. A \$3 decrease reflects savings resulting from improved fleet management. Uncontrollable costs total \$486, of which \$464 are budgeted and \$22 are absorbed.</p>	



BUREAU OF RECLAMATION

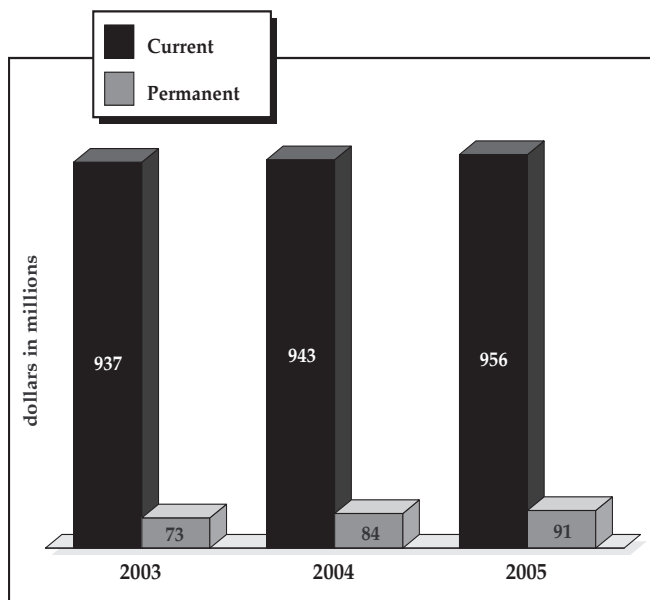
Mission – The Bureau of Reclamation’s mission is to manage, develop, and protect water and related resources in an environmentally and economically sound manner in the interest of the American public.

Program Overview – The Bureau of Reclamation is the largest supplier and manager of water in the 17 western States. Its facilities include 348 reservoirs and 457 dams with the capacity to store 245 million acre-feet of water. These facilities deliver water to one of every five western farmers for about 10 million acres of irrigated land and provide water to over 31 million people for municipal, rural, and industrial uses. Reclamation is also the Nation’s second largest producer of hydroelectric power, generating 42 billion kilowatt hours of energy each year from 58 power plants. In addition, Reclamation’s facilities provide substantial flood control, recreation, and fish and wildlife benefits.

Since its establishment in 1902, the Bureau of Reclamation has developed water supply facilities that have contributed to sustained economic growth and an enhanced quality of life in the western States. Lands and communities served by Reclamation projects have been developed to meet agricultural, tribal, urban, and industrial needs. In more recent years, the public has demanded better environmental protections and more recreational opportunities, while municipal and industrial development has required more high quality water. Continuing population growth, especially in urban areas, will inevitably lead to even greater competition for the West’s limited water resources. These increased demands are further compounded during periods of drought.

Reclamation is committed to working with its customers, States, Tribes, and other stakeholders to find ways to balance and provide for the mix of water resource needs in 2005 and beyond. Reclamation continues to develop authorized facilities to store and convey new water supplies. Through the Water 2025 initiative, Reclamation is placing greater emphasis on: managing its existing facilities more efficiently and effectively; enhancing the management, conservation, reclamation, and reuse of existing water supplies, including the use of water

Reclamation Funding



banks; expanding the use and application of science and technology; and implementing business practices that will provide effective and efficient services to customers, partners, and employees.

For 2005, both the science and technology program and hydropower program were evaluated using the Program Assessment Rating Tool. Both programs were rated as effective and have performance measures upon which program accomplishments can be clearly measured.

Management Excellence – Reclamation continues to strive for excellence in the President’s management initiatives, which include competitive sourcing, strategic work force management, improved financial performance, expanded electronic government, and integrated budget and performance. Reclamation is committed to the Administration’s management reform agenda and has developed road maps for getting a green rating on its scorecards.

On September 30, 2003, the Department issued a new strategic plan that improves the integration of bureau activities and incorporates the President’s management

agenda and the Secretary's citizen-centered governance plan. Under the new plan, Reclamation's major outcome goals related to water use and power generation are: 1) deliver water, consistent with applicable State and Federal law, in an environmentally responsible and cost-efficient manner, and 2) deliver hydropower, consistent with applicable State and Federal law, in an environmentally responsible and cost-efficient manner. Activity-based cost management was implemented Department-wide in 2004. The use of ABC/M data, together with modifications to Reclamation's field-driven budget formulation process, will integrate performance and budget in Reclamation's decision-making process.

Budget Overview – Total budget authority for Reclamation in 2005 is \$970.5 million, including current and permanent appropriations and offsets.

The 2005 request for current appropriations is \$956.3 million, a net increase of \$13.5 million above the 2004 enacted level. The request for current appropriations is offset by discretionary receipts in the Central Valley Project Restoration Fund and by a proposal to finance through direct funding certain hydropower operation and maintenance activities, resulting in a net discretionary request of \$880.0 million, a decrease of \$32.1 million from the 2004 enacted level. The request for permanent appropriations in 2005 totals \$90.6 million.

Water and Related Resources – The 2005 request for this account is \$828.5 million. The account total includes an undistributed reduction of \$36.6 million in anticipation of delays in construction schedules and other planned activities. The proposal continues to emphasize: assuring operation and maintenance of Reclamation facilities in a safe, efficient, economic, and reliable manner; ensuring systems and safety measures are in place to protect the public and Reclamation facilities; addressing the water needs of a growing population in an environmentally responsible and cost-efficient manner; and assisting States, Tribes, and local entities in solving contemporary water resource issues.

The 2005 budget request provides a total of \$366.6 million for facility operations, maintenance, and rehabilitation. Providing adequate funding for these activities continues to be one of Reclamation's highest priorities. The Bureau continues to work closely with water users and other stakeholders to ensure that available funds are used effectively. These funds are used to allow the

timely and effective delivery of project benefits; ensure the reliability and operational readiness of Reclamation's dams, reservoirs, power plants, and distribution systems; and identify, plan, and implement dam safety corrective actions and site security improvements.

The 2005 request includes \$64.0 million for the dam safety program to protect the downstream public by ensuring the safety and reliability of Reclamation dams. The reduction of \$3.2 million from the 2004 enacted level is due primarily to design efficiencies and changes to construction schedules that will result in project savings.

The 2005 request also includes a total of \$498.4 million for resource management and development activities.

Water 2025 – Chronic water supply problems in the West are one of the greatest challenges facing the Nation in the coming decades. Crisis management is not an effective

The 2004 Energy and Water Development Appropriations Act, for the first time, directed Reclamation to prorate underfinancing to each project and program. In accordance with this direction, the basis for comparing the amount of 2005 funding changes is the 2004 enacted level, with underfinancing applied.

solution for addressing long-term, systematic water supply problems. Recent crises in the Klamath and Middle Rio Grande basins – where farmers, urban residents, Native Americans, 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.

The Water 2025 initiative builds upon the foundation laid by the western water initiative in the 2004 budget. Within Reclamation, the budget proposes a \$20.0 million program, an increase of \$12.5 million. The 2005 program will expand opportunities to better focus existing resources on preventing conflicts between water users and to develop and employ tools to better conserve and more efficiently use this scarce resource.

Water 2025 demonstrates Interior's commitment to work with States, Tribes, local governments, and the public to address water supply challenges in the West. The Water 2025 effort will help stretch existing water supplies by improving conservation, implementing efficiencies, and better monitoring water resources. Modernizing aging water supply structures – from dams and reservoirs to pumping stations, pipelines, and canals – can help stretch existing water supplies. In some cases, collaborative approaches and market-based transfers can use water banks or other means to meet emerging needs. Federal investments in research and development can provide more affordable water treatment technologies to increase water supplies in critical areas.

Water 2025 provides a framework to help anticipate potential water conflicts and stretch water supplies. This collaborative effort will minimize water crises such as those recently experienced in the West, by providing a balanced, practical approach to water management for the next century.

Project Requests – The Colorado Ute Settlement Act Amendments of 2000 provide for the implementation and completion of the Animas La Plata project. In the fall of 2003, Reclamation completed an internal investigation into why project cost were underestimated by \$181 million or 48 percent. As a result of the investigation, Reclamation has recalculated the construction cost estimate and will review and reconfigure its internal organizational approach to the project; review its Indian Self-Determination and Assistance Act process to improve construction efficiencies; improve interaction and communication with the project sponsors; seek ways to reduce costs; and review its own procedures for developing construction cost estimates.

The 2005 budget proposes funding the project at 2004 levels, prior to the application of underfinancing, to allow for a thorough implementation of the results of the internal investigation before aggressively moving forward to complete the project.

The request of \$52.0 million for Animas La Plata funds progress towards satisfying the Indian water rights settlement with continued construction of Ridges Basin dam and Durango pumping plant; road and utility relocations; preconstruction activities for the Navajo Nation municipal pipeline; and design and contract preparation for the Ridges Basin inlet conduit. This funding provides for the completion of site development to meet wetlands mitigation commitments and supports the early stages of implementing fisheries mitigation and enhancement required by the final supplemental environmental impact statement.

The request provides \$34.1 million for the Central Arizona Project. The request also includes \$162.9 million for operating, managing, and improving California's Central Valley Project, including an increase of \$9.6 million for the CVP replacements, additions, and extraordinary maintenance program. The 2005 replacement program includes a total of \$23.2 million for such items as replacing air compressors, the repainting of penstock gates, replacing generator excitation systems, and rewinding generators and motors. The CVP request also includes the third and final \$34.0 million payment to the plaintiffs for the settlement of *Sumner Peck Ranch Inc. v. Bureau of Reclamation*.

The budget puts continued emphasis on Reclamation's core mission of delivering water and power, while focusing on

ensuring site security and on maximizing efficient ways to conserve water for multiple uses, including endangered species protection. The Klamath and Columbia Basin projects, Savage Rapids dam removal, along with the Columbia/Snake Rivers salmon recovery and the Endangered Species Act recovery implementation programs, are funded at \$72.2 million, which is \$15.7 million above 2004 levels. These increases, together with the Water 2025 initiative, will help optimize water supply through effective and more efficient water management.

The Middle Rio Grande project is funded at \$18.0 million, \$14.3 million below the 2004 enacted level. This funding level is consistent with the President's budget request in recent years and addresses needs for ESA coordination, the Middle Rio Grande Endangered Species Act collaborative program, and facility operations to manage and control water flow.

Since the early 1980's, Congress has directed Reclamation to develop 13 independently authorized, single-purpose municipal and industrial water supply projects for rural communities throughout the West. As part of development of the 2004 President's budget, Reclamation participated in two performance assessments – the Program Assessment Rating Tool and Common Measures. Both assessments found shortcomings in Reclamation's involvement in rural water projects, mainly due to the lack of a formal rural water program and significant mission overlap with ten other Federal programs. The assessments recommended establishing criteria to evaluate projects; defining Reclamation's preconstruction role; tracking costs and construction schedules; and setting and developing programmatic priorities.

Consistent with the assessment recommendations, legislation will be proposed to eliminate Reclamation's current piecemeal approach to rural water development; allow the Department and the Administration to set priorities; and establish a Reclamation rural water program with adequate controls and clear guidelines for project development.

The 2005 budget request for rural water projects is \$67.5 million, a decrease of \$6.8 million. The budget request supports the Department's strategy to complete construction projects to increase water delivery infrastructure and water availability. In the long-term, the water needs of rural communities may benefit from Water 2025 by helping communities look at new technologies and new management strategies for their water resources.

The budget includes \$43.2 million, an increase of \$15.4 million, for site security. This increase will be used to assure the safety and security of Reclamation facilities

that will in turn lower the risk of harm to life and property. Beginning in 2005, the budget assumes that the guards and surveillance-related security costs for Reclamation's facilities are reimbursed by project beneficiaries, consistent with existing law and policy regarding reimbursability of operations and maintenance costs.

The budget request also proposes a direct financing relationship between Reclamation hydropower facilities and the Western Area Power Administration for those facilities where such an arrangement is not already in place, and includes offsetting collections of \$30 million.

Other funds are requested in the 2005 budget to assist in meeting objectives in the areas of improved water management and environmental compliance. Examples include \$15.3 million for the Lower Colorado River operations program and \$13.8 million for the Colorado River storage project.

Central Valley Project Restoration Fund – The 2005 budget includes a request for \$54.7 million from the Central Valley Project Restoration Fund, which is the estimated level of collections from CVP water and power users. This budget request is offset by collections estimated at \$46.4 million from mitigation and restoration charges authorized by the Central Valley Project Improvement Act.

The 2005 program funds a wide variety of activities to restore fish and wildlife habitat and populations in the CVP area of California, including: acquiring water for anadromous fish and other environmental purposes; providing for long-term water deliveries to wildlife refuges; continuing the anadromous fish restoration program with the goal of doubling the natural production of anadromous fish; monitoring the effectiveness of restoration actions; acquiring fee title or conservation easements to facilitate better management; restoring land to improve wildlife habitat, conserve water, and reduce drainage; and continuing funding for fish screens on diversions along the Sacramento River.

California Bay-Delta Restoration – In August 2000, Federal and State officials signed a record of decision finalizing a long-term, \$8.7 billion plan for restoring the

San Francisco Bay-San Joaquin River Delta, the principal hub of California's water distribution system. The goals of the Bay-Delta program are to improve water quality, habitat and ecological functions, and water supply reliability, while reducing the risk of catastrophic breaching of Delta levees.

The 2005 Reclamation budget request includes \$15.0 million for the implementation of stage one activities consistent with existing authorities. These activities are included in the preferred program alternative recommended by CALFED and approved by the Secretary. The majority of these funds will specifically address the environmental water account, water storage and conveyance, and program administration.

Working Capital Fund – This fund is operated for the purpose of managing financial activities such as acquisition and replacement of capital equipment, recovery of the cost of service provided to others, and indirect cost recovery of the technical service center and management service and human resources in regional and area offices. The fund operates on a self-supporting basis through user charges deposited in the fund.

Other Accounts – No funding is requested for the Loan Program due to the availability of carryover funds. The request for Policy and Administration, the account that finances Reclamation's central management functions, is \$58.2 million. Permanent appropriations available in the Colorado River Dam Fund are estimated to be \$85.9 million in 2005.

Other Program Funding – The request includes a decrease of \$476,000 for anticipated savings related to improved vehicle fleet management. Reclamation's Working Capital Fund includes: \$726,000 to fund base financial statement audit costs; \$819,400 for implementing a Department-wide Enterprise Services Network; and \$294,000 to support implementation of the Administration's high-payoff e-government initiatives to integrate agency operations and information technology investments. These e-government initiatives eliminate redundant systems and significantly improve the government's quality of customer service for citizens and businesses.

SUMMARY OF BUREAU APPROPRIATIONS
(all dollar amounts in thousands)

Comparison of 2005 Request with 2004 Enacted:

	2004 Enacted		2005 Request		Change from 2004	
	FTE	Amount	FTE	Amount	FTE	Amount
Appropriations						
Water and Related Resources	3,244	852,439	3,246	828,476	+2	-23,963
Loan Program	2	199	2	0	0	-199
Policy and Administration.....	289	55,197	289	58,153	0	+2,956
CVP Restoration Fund.....	29	39,548	29	54,695	0	+15,147
California Bay-Delta Restoration.....	9	0	9	15,000	0	+15,000
Working Capital Fund.....	1,779	-4,525	1,763	0	-16	+4,525
Subtotal, Appropriations.....	5,352	942,858	5,338	956,324	-14	+13,466
Central Valley Project Restoration Fund Offset.....	0	-30,774	0	-46,369	0	-15,595
Hydropower Direct Financing Offset	0	0	0	-30,000	0	-30,000
Permanents and Other						
Colorado River Dam Fund,						
Boulder Canyon Project	210	80,166	210	85,841	0	+5,675
Basin Funds.....	196	0	196	0	0	0
Loan Program Subsidy Re-estimate	0	0	0	0	0	0
Loan Program Liquidating Account	0	-2,511	0	-2,546	0	-35
Miscellaneous Permanents	0	280	0	280	0	0
Reclamation Trust Funds	7	5,500	7	7,000	0	+1,500
Dutch John Fund	0	0	0	0	0	0
San Gabriel Restoration Fund	0	280	0	0	0	-280
Subtotal, Permanents and Trusts	413	83,715	413	90,575	0	+6,860
San Gabriel Basin Restoration Fund Offset.....	0	-280	0	0	0	+280
TOTAL, BUREAU OF RECLAMATION	5,765	995,519	5,751	970,530	-14	-24,989

HIGHLIGHTS OF BUDGET CHANGES
By Appropriation Activity/Subactivity

APPROPRIATION: Water and Related Resources

	2003 Actual	2004 Enacted*	2005 Request	Change from 2004 Enacted
Animas La Plata Project	36,172	46,736	52,000	+5,264
Boise Area Projects.....	6,874	6,553	5,527	-1,026
Central Arizona Project	30,590	30,642	34,087	+3,445
Central Valley Project	140,034	133,488	162,870	+29,382
Colorado River Basin Salinity Control....	18,003	21,924	22,670	+746
Colorado River Storage Project	11,075	12,788	13,842	+1,054
Columbia Basin Project	11,879	8,405	15,268	+6,863
Columbia/Snake River Salmon Recovery	15,000	13,482	17,500	+4,018
Dam Safety Program.....	63,395	67,133	63,978	-3,155
Endangered Species				
Recovery Implementation.....	10,196	11,565	12,464	+899
Klamath Project	22,812	23,096	25,000	+1,904
Lower Colorado River Operations Program	13,822	12,423	15,322	+2,899
Middle Rio Grande Project	32,524	32,338	18,000	-14,338
Native American Affairs	7,232	7,729	7,720	-9
Pick-Sloan Missouri Basin Program	33,907	36,487	39,608	+3,121
Rocky Boys Indian Water Rights Settlement	4,230	0	0	0

	2003 Actual	2004 Enacted*	2005 Request	Change from 2004 Enacted
Rural Water Projects				
Fort Peck Reservation Dry Prairie	4,771	6,741	0	-6,741
Garrison Diversion Unit.....	27,984	24,870	22,073	-2,797
Lewis and Clark Rural Water	5,787	15,279	17,500	+2,221
Mid-Dakota Rural Water.....	16,934	13,496	17,015	+3,519
Mni Wiconi Project.....	36,965	28,753	24,500	-4,253
North Central MT Rural Water Supply	0	822	0	-822
Perkins County Rural Water Systems ..	3,564	899	500	-399
Less Non-Rural Water Component**	-14,884	-16,512	-14,088	+2,424
Rural Water Projects, Total.....	81,121	74,348	67,500	-6,848
Science and Technology Program.....	10,837	14,296	9,534	-4,762
Site Security.....	53,255	27,829	43,216	+15,387
Water 2025	0	7,550	20,000	+12,450
Water Management and Conservation	6,305	5,967	5,580	-387
Water Reclamation/Reuse Projects,				
Title XVI.....	19,703	28,497	11,530	-16,967
Yakima Project/Basin Water Enhance.....	14,387	19,755	18,245	-1,510
Yuma Area Project.....	20,553	21,958	22,226	+268
Other Project/Programs.....	176,903	187,450	161,390	-26,060
Underfinancing / ATB Reduction of .59%	Applied	Applied	-36,601	+29,536
TOTAL APPROPRIATION	833,203	852,439	828,476	-23,963

* Reflects 2004 project funding after "Undistributed Reduction for Anticipated Delays" (Underfinancing) and across-the-board rescission of -0.59 % per the 2004 Consolidated Appropriations Act.

** The non-rural water component in the 2005 request includes Mid Dakota (\$15) and Garrison (\$14,073)

Program Highlights

The 2005 request includes funds for the following projects and programs.

Animas La Plata Project

In December 2000, legislation was enacted to resolve the Colorado Ute Tribes' water rights claims and allow construction of a smaller Animas La Plata project to proceed. The reformulated project limits depletions to an average of 57,100 acre-feet per year and provides only municipal and industrial water for the Tribes and local non-Indian entities.

Boise Area Projects

The request provides funds for continued operation, maintenance, and rehabilitation of project facilities.

Central Arizona Project

Funds are requested for continued construction of the Gila River Indian Community Distribution System and other Indian distribution systems; work on recreation development; fulfilling endangered species mitigation commitments for Roosevelt Dam and for the CAP Aqueduct; and work with Tucson area municipal entities on Tucson Aqueduct Reliability.

Central Valley Project

Funds are requested for continued facility operations, maintenance, and rehabilitation, and for numerous management and development efforts, including construction of Placer County Water Agency Permanent Pump Facility; water conservation and drainage management programs; the Trinity River Restoration Program; construction of screens on unscreened diversions; and mitigation of fish losses at Tracy Pumping Plant. Related activities will be funded by the CVP Restoration Fund.

Colorado River Basin Salinity Control Program

The Yuma Desalting Plant will be maintained in ready reserve status. Funds are provided for operation, maintenance, and rehabilitation of completed projects in the Upper Colorado River

Basin and for a basinwide program to identify and implement cost effective salinity control options based on proposals from non-Federal interests.

Colorado River Storage Project

Funds are requested for the Federal share of the costs of facility operations, maintenance, and rehabilitation, including the rehabilitation of recreation facilities at Reclamation-constructed reservoirs. Funds are provided for repairs at the Upper Stillwater Dam. Implementation of mitigation measures continue, including work on temperature control modifications on Glen Canyon Dam.

Columbia and Snake River Salmon Recovery

This program addresses requirements in biological opinions issued in December 2000 by the National Marine Fisheries Service and the FWS. These requirements include significantly increased regional coordination efforts; actions to modify the daily, weekly, and seasonal operation of Reclamation dams; acquisition of water flow augmentation; off-site mitigation activities in selected subbasins to offset hydrosystem impacts; and significantly increased research, monitoring, and evaluation.

Columbia Basin Project

Funds are provided to continue ongoing support for the planning and implementation of effective water conservation measures with water districts and other entities under the Water Conservation Field Service Program. The project also continues the day-to-day operation of two storage dams and reservoirs; three Grand Coulee power plants; one pump/ generating plant; associated switchyards and transmission lines; the feeder canal at Grand Coulee; and the distribution canal systems for the irrigation reserved works. Funding is also included for the removal of an unneeded water control structure in Icicle Creek above the Leavenworth Fish Hatchery.

Dam Safety Program

Funds are requested for the Safety Evaluation of Existing Dams Program, for corrective actions on individual dams, and for other dam safety activities. Funding continues dam safety management and risk reduction activities at Reclamation's 369 high and significant hazard dams. Corrective actions will continue or start on: Pineview Dam (UT), Deer Creek Dam (UT), Keechelus Dam (WA), Grassy Lake Dam (WY), A.R. Bowman Dam (OR), Hyrum Dam (UT), Lauro DAM (CA), Stony Gorge Dam (CA) and Mormon Island Auxiliary Dam (Folsom Project), (CA). Funds are also provided for minor modifications at other facilities, and for the Department of the Interior Dam Safety Program.

Endangered Species Recovery Implementation

This program provides for the development and implementation of measures for the preservation, conservation, and recovery of native and endangered, threatened, proposed, and candidate species that are resident in or migratory to habitats affected by the operation of Reclamation projects. Ongoing efforts funded by this program involve the Colorado, San Juan, and Platte river basins, as well as watersheds in the Pacific Northwest.

Klamath Project

The request continues and increases funding for studies and initiatives related to improving water supplies to meet the competing demands of agricultural, tribal, wildlife refuge, and environmental needs in the Klamath River Basin. Key areas of focus include increasing surface and groundwater supplies, continuing a water bank, making improvements in fish passage and habitat, taking actions to improve water quality, and continuing coordination of Reclamation's Conservation Implementation Program.

Lower Colorado River Operations Program

This program funds work necessary to carry out the Secretary's responsibilities as water master of the lower Colorado River. It also funds measures required by the interim biological opinion on Reclamation's lower Colorado River operations and development of a multi-species conservation program to provide a basis for Endangered Species Act compliance on the lower Colorado River over the long-term.

Middle Rio Grande Project

Funds are provided for operations, maintenance, and rehabilitation of project facilities, and for

efforts focused on the protection and recovery of the Rio Grande silvery minnow and southwestern willow flycatcher.

Native American Affairs Program

This program provides funding for efforts to promote the successful application of Reclamation's programs to Indian issues and needs; for support for Indian water rights negotiations and the implementation of enacted settlements; and for assistance to Tribes in their efforts to become self-sufficient in the management and development of their water resources.

Pick-Sloan Missouri Basin Program

Funds are provided for the Federal share of the costs of operations, maintenance, and rehabilitation of facilities on thirty-three units of the Pick-Sloan Missouri Basin program.

Rural Water Projects

Garrison Diversion Unit

Funds are requested for grants to the State of North Dakota for municipal, rural, and industrial water projects, for development of Indian irrigation facilities, for work at several wildlife refuges, and for operation and maintenance of completed project facilities.

Lewis and Clark Rural Water System

The Lewis and Clark Rural Water System (Lewis and Clark) will address concerns regarding the low quality, contamination vulnerability, and insufficient supply of existing drinking water sources throughout the project area. The water source for Lewis and Clark is the Missouri River alluvial aquifer near Vermillion, South Dakota. The raw water will be collected, treated, and distributed through a network of pipelines, pump stations, and storage reservoirs.

Mid-Dakota Project

This program provides for grants to the project sponsor for construction of water supply transmission lines and storage reservoirs. Construction is scheduled for completion in 2005.

Mni Wiconi Project

Funds are requested for design and construction activities on the Oglala Sioux, Rosebud Sioux, Lower Brule Sioux, and West River/Lyman-Jones Rural Water Systems; and for operation and maintenance of new and existing facilities on the three Indian reservations.

Perkins County Rural Water System

The PCRWS is a buried, pressurized pipeline distribution system that delivers treated drinking water to communities, rural residences, and pasture taps in Perkins County, South Dakota. The PCRWS will purchase treated water from the Southwest Pipeline Project in North Dakota and distribute that water to its customers through a network consisting of 515 miles of pipe, five booster stations, and three storage reservoirs. The SWPP was constructed as a feature of the Garrison Diversion Unit under the State Municipal, Rural, and Industrial water program.

Science and Technology Program

Funds are requested for development of new information and technologies that respond to Reclamation's mission-related needs, and that provide for innovative management, development, and protection of water and related resources.

Site Security

Funds are requested to continue Reclamation's ongoing site security efforts including overall program management, including guards and surveillance, and security improvements.

Water 2025

Reclamation is proposing \$20 million for Water 2025, building off the 2004 Western Water Initiative. Water 2025 will focus Reclamation's financial and technical resources on areas in the West where conflict over water either currently exists or is likely to occur in coming years. Water 2025 will focus on local involvement; collaboration; improving technology; reducing institutional barriers; and increasing interagency cooperation, with funding directed at on-the-ground projects selected through a 50-50 Challenge Grant Program.

Water Management and Conservation Program

The request includes funds for technical assistance in support of water management and conservation efforts by water users, and for such activities as water quality monitoring in cooperation with State and local entities.

Water Reclamation and Reuse Projects

Funds are requested to continue Federal cost-sharing for seven water reclamation and reuse projects and studies; and to conduct a water recycling research program, as well as studies of potential water recycling projects.

Yakima Project/Basin Water Enhancement

Work includes operation and maintenance of existing facilities, and the implementation of water conservation, fish, and wildlife improvements, and other measures authorized by the Yakima River Basin Water Enhancement Act, including the Kennewick study.

Yuma Area Projects

The request funds infrastructure maintenance along the lower Colorado River necessary to ensure uninterrupted water delivery to both urban and agricultural users in Arizona and California, and to Mexico. Work also includes river management, well inventory, flood and drainage control, protection of endangered species and their habitat, and land use management activities.

APPROPRIATION: Loan Program

	<u>2003 Actual</u>	<u>2004 Enacted</u>	<u>2005 Request</u>	<u>Change from 2004 Enacted</u>
Loan Program	0	0	0	0
Program Administration	0	199	0	-199
TOTAL APPROPRIATION	0	199	0	-199

Program Highlights

Loan Program

No funding is requested to initiate the final "grandfathered" loan application program. No funds are requested for program administration.

APPROPRIATION: Policy and Administration

	<u>2003 Actual</u>	<u>2004 Enacted</u>	<u>2005 Request</u>	<u>Change from 2004 Enacted</u>
TOTAL APPROPRIATION	54,513	55,197	58,153	+2,956

Program Highlights

Policy and Administration

This appropriation funds all of BOR's centralized management functions, and supports management and administrative activities that are not directly chargeable to a specific program.

APPROPRIATION: Central Valley Project Restoration Fund

	<u>2003 Actual</u>	<u>2004 Enacted</u>	<u>2005 Request</u>	<u>Change from 2004 Enacted</u>
Fish and Wildlife Resources Habitat	37,910	35,280	49,695	+14,415
Fish and Wildlife Resources Mgt	10,933	4,268	5,000	+732
TOTAL APPROPRIATION	48,843	39,548	54,695	+15,147

Program Highlights

Central Valley Project Restoration Fund

Funds collected from project beneficiaries are used for the protection, restoration, and enhancement of fish and wildlife and associated habitat in the CVP area of California. Programs are planned in cooperation with FWS and the Central Valley Project Restoration Fund Roundtable.

APPROPRIATION: California Bay-Delta Restoration

	<u>2003 Actual</u>	<u>2004 Enacted</u>	<u>2005 Request</u>	<u>Change from 2004 Enacted</u>
TOTAL APPROPRIATION	0	0	15,000	+15,000

Program Highlights

California Bay-Delta Restoration

This account funds activities that are consistent with the objectives of the CALFED Bay-Delta program within existing authorities. Funds are requested in 2005 for the Reclamation share of the costs to continue work on studies addressing water storage.



CENTRAL UTAH PROJECT

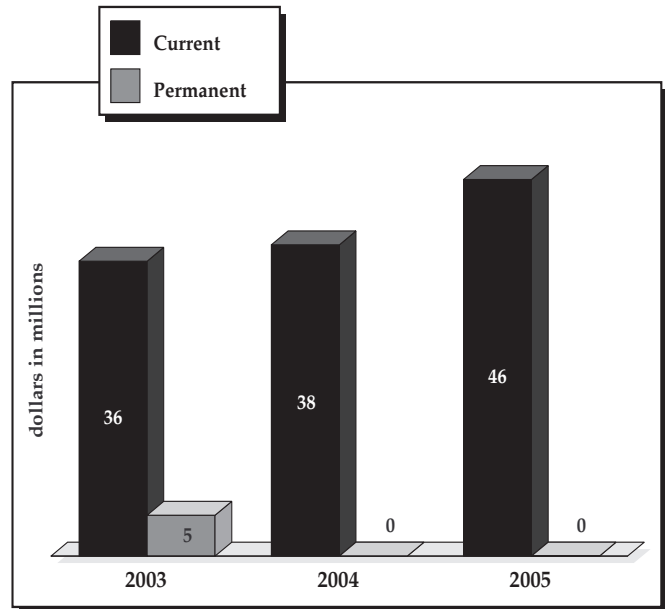
Mission – The purpose of this program is to complete the Central Utah Project in a timely and environmentally sound manner.

Program Overview – The Central Utah Project Completion Act provides for completion of the project by the Central Utah Water Conservancy District. The Completion Act also authorizes funding for fish, wildlife, and recreation mitigation and conservation activities; establishes the Utah Reclamation Mitigation and Conservation Commission to oversee implementation of those activities; and authorizes funding for the Ute Indian rights settlement. A program office located in Provo, Utah provides liaison with the District, Mitigation Commission, and the Ute Indian Tribe and otherwise assists in carrying out responsibilities of the Secretary.

Accomplishments through 2003 on projects funded through the District include: continued construction of Phases I and II of the Diamond Fork system to convey water from the Colorado River basin to the Utah Valley; implementation of 33 water conservation measures, resulting in the conservation of about 60,000 acre-feet of water in 2003; implementation of 13 local development projects for rural communities; and continued construction of the Uinta Basin replacement project in Duchesne County. Phases I and II of the Diamond Fork system are scheduled to be completed in 2004.

Accomplishments through 2003 for projects funded through the Mitigation Commission include completion of an additional 1.75 miles of river restoration work on the Provo River. Restoration is now complete for 6.1 miles of a nearly 10-mile habitat restoration project on the Provo River. One additional public access point was constructed along the river. Four of seven planned public access points are now completed. Approximately one-quarter mile of additional public angler access was acquired under easement with private landowners. Public angler access has now been completed for all but 2.75 miles of a 51-mile mitigation commitment under the Bonneville Unit. Final completion is expected in 2006.

CUPCA Funding



Budget Overview – The 2005 Central Utah Project budget is \$46.3 million, an increase of \$8.3 million over the 2004 enacted level. Most of this increase is due to a transfer of budgetary authority and responsibility from the Western Area Power Administration to the Department. The budget continues construction on the remaining segments of the Diamond Fork system; continues construction for the Uinta Basin replacement project; continues development of planning and NEPA documents for facilities that will deliver water to lands in the Utah Lake drainage basin; and implements fish, wildlife, and recreation mitigation and conservation projects.

The request includes \$28.4 million for planning and construction activities administered by the District; \$15.5 million for mitigation and conservation activities funded through the Mitigation Commission; and \$2.4 million for activities administered by the program office, which includes \$700,000 for mitigation and conservation activities funded through the program office.

SUMMARY OF BUREAU APPROPRIATIONS
(all dollar amounts in thousands)

Comparison of 2005 Request with 2004 Enacted:

	2004 Enacted		2005 Request		Change from 2004	
	FTE	Amount	FTE	Amount	FTE	Amount
Appropriations						
Central Utah Project Completion Account.....	5	28,599	5	30,806	0	+2,207
Utah Reclamation Mitigation & Conservation	0	9,367	0	15,469	0	+6,102
Subtotal, Appropriations.....	5	37,966	5	46,275	0	+8,309
Permanents and Trusts						
Utah Reclamation Mitigation & Conservation	12	0	12	0	0	0
Subtotal, Permanents and Trusts	12	0	12	0	0	0
TOTAL, CENTRAL UTAH PROJECT	17	37,966	17	46,275	0	+8,309

HIGHLIGHTS OF BUDGET CHANGES
By Appropriation Activity/Subactivity

APPROPRIATION: Central Utah Project Completion Account

	2003 Actual	2004 Enacted	2005 Request	Change from 2004 Enacted
Central Utah Project Construction.....	22,890	26,256	28,372	+2,116
Mitigation and Conservation	579	625	700	+75
Program Administration	1,338	1,718	1,734	+16
TOTAL APPROPRIATION	24,807	28,599	30,806	+2,207

Program Highlights

Central Utah Project Construction

The request includes \$28,372 for use by the Central Utah Water Conservancy District, including \$8,500 to continue construction on the remaining segments of the Diamond Fork System; \$13,000 for construction on the Uinta Basin Replacement Project; \$2,872 to implement approved local development projects and water management improvement projects; and \$4,000 to continue development of planning and NEPA documents on facilities to deliver water to lands in the Utah Lake drainage basin.

Mitigation and Conservation

The request includes \$700 for mitigation and conservation activities funded through the program office.

Program Administration

The \$1,734 supports the program office in Provo, Utah, and other activities necessary to carry out responsibilities of the Secretary.

APPROPRIATION: Utah Reclamation Mitigation & Conservation Account

	<u>2003 Actual</u>	<u>2004 Enacted</u>	<u>2005 Request</u>	<u>Change from 2004 Enacted</u>
TOTAL APPROPRIATION	11,186	9,367	15,469	+6,102

Program Highlights**Fish, Wildlife, and Recreation Mitigation and Conservation**

Funds are requested for use by the Utah Reclamation Mitigation and Conservation Commission to implement the fish, wildlife, and recreation mitigation and conservation projects authorized in Title III (\$7,385); for mitigation and conservation measures under the Section 203, Uinta Basin Replacements Projects (\$1,000); and to complete mitigation measures agreed to by the Bureau of Reclamation (\$1,000). As a result of the proposal to transfer budgetary authority and responsibility from the Western Area Power Administration to the Department of Interior, additional funds will be made available for administrative expenses and investing in the Utah Reclamation Mitigation and Conservation Account (\$6,084). Activities funded in 2005 include acquisition and riparian habitat development for Diamond Fork, Sixth Water Creek, Utah Lake, the middle and lower sections of the Provo River, Strawberry River, Duchesne River, and the Great Salt Lake. Other activities include recovery actions for endangered species, improving fish hatchery production, and restoring native fish populations.



U.S. GEOLOGICAL SURVEY

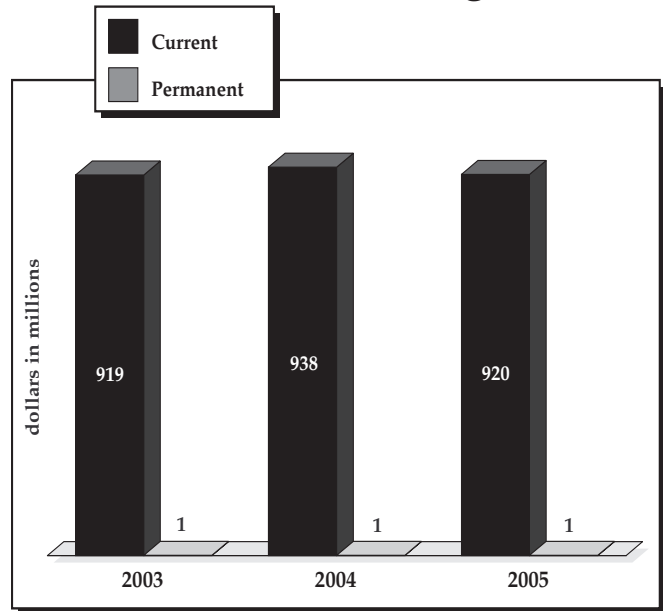
Mission – The mission of the U.S. Geological Survey is to provide reliable scientific information to: describe and understand the Earth; minimize loss of life and property from natural disasters; assist others in managing water, biological, and mineral resources; and enhance and protect quality of life.

Program Overview – The USGS provides a broad range of national expertise in geography, geology, hydrology, and biology. The USGS places a special emphasis on providing science to the land and resource management bureaus of the Department of the Interior. The USGS hazards programs produce information and understanding of natural hazards, such as earthquakes, that is used to reduce the impacts on human life and the economy. The USGS information on the availability and extraction of mineral, oil, gas, and alternative energy resources is a primary Federal source of objective resource assessments and unbiased research on mineral, oil, gas, and alternative energy potential, production, consumption, and environmental effects. These investigations enable the Nation to make sound decisions regarding significant increases in domestic energy production with an understanding of potential impacts on the environment.

The USGS analyses of the availability and quality of water resources help to develop, regulate, and monitor management practices to ensure the continued availability of water resources for human consumption, agriculture, business, recreation, and environmental stability. The USGS biological studies assist in maintaining healthy ecosystems and natural resources so that these habitats can continue to provide food, energy, medicine, transportation, and recreation. The USGS geography program is expanding its partnerships with Federal agencies and State and local governments to develop and promote use of the geographic data and mapping products that are essential for economic and community development, land and natural resource management, and health and safety services.

To deliver the most accurate, timely, and impartial science possible, the USGS is seeking ways to integrate its diverse programs, capabilities, and talents to address

USGS Funding



those issues that require a multidisciplinary solution. The USGS also places great value on partnerships and is increasing customer involvement to work collaboratively on issue identification, resource needs, and science solutions. The USGS information about natural and biological science supports informed decisionmaking by land and resource managers at Federal, State, and local levels; by government program managers; by industrial and agricultural corporations; by scientists and academia; and by the public.

Management Excellence – The USGS continues to advance the President’s management agenda for improving performance of the Federal government and for practicing the Secretary’s vision for citizen-centered management excellence. This budget proposal supports the Department’s unified strategic plan, specifically in relation to informing decisions through the application of science and advancing knowledge through scientific leadership.

The USGS is taking steps to improve its financial management performance, including initiating actions to implement bureau-wide common business practices and

obtaining compliance with the Federal Financial Management Improvement Act and, along with other Interior bureaus, preparing for transition to and implementation of the Department's Financial and Business Management System. The USGS is expanding internal control and audit reviews, developing tools to provide program managers with real-time information for financial decisionmaking, improving the interface between the accounting system and systems that support science programs, and developing management reports that support the new USGS organizational structure.

The USGS has developed an integrated program and budget planning process that envelops its increased emphasis on integrated science and ensures continued improvement in the management of programs and funding at local, regional, and national levels. The USGS has begun the implementation of activity-based cost management to assist in this effort and is improving the cost reporting for activities, outputs, and outcomes.

The USGS human capital planning efforts are guiding the implementation of succession planning, competitive sourcing, and other human capital initiatives.

As part of the 2005 budget process, three Geology programs were evaluated using the Performance Assessment Rating Tool. These programs were hazards, minerals resources, and energy resources. New long-term and efficiency performance measures were developed during the review. All three programs were considered to be moderately effective.

Budget Overview – The 2005 USGS budget request is \$919.8 million in current appropriations, a decrease of \$18.2 million below the 2004 enacted level. This includes \$16.1 million in new and expanded programs, many of which are partnership oriented.

Partnerships – Partnerships are a crucial part of USGS science. The USGS works in close cooperation with more than 2,000 Federal, State, tribal, and local governmental agencies, private sector companies, and non-profit organizations across the country. Partnerships provide highly effective means for leveraging resources among many contributors and for bringing a greater wealth of knowledge, expertise, and capability to bear on important land and resource management issues.

Science for Interior Bureaus – The 2005 President's budget request continues the Administration's commitment to strengthen science support to the land and resource management bureaus by proposing a \$1.2 million increase for science on the Interior landscape. This program will provide funds for enhanced earth and biological sciences

to meet the needs of Interior's bureaus, with an emphasis on cost-sharing and other partnership opportunities to leverage funds.

Geography (formerly Mapping) – The 2005 budget continues to support the transition of the Geography program toward leadership in geospatial data standards, data consistency, data integration, and partnerships for data collection, maintenance, and dissemination. The program is funded at \$118.9 million and includes an \$8.6 million transfer to the Enterprise Information program and a \$1.9 million decrease in appropriated partnership funding for the National Map. During 2004, 150 employees accepted the USGS buyout offer to Geography employees. The estimated savings of \$9.0 million in 2005 will be available to offset reductions for developing and enhancing partnerships for the National Map, as well as for developing the science and applications needed to promote geographic integration and analysis and providing access to tools for specific applications and modeling. Some of the savings may also be applied towards land remote sensing needs.

Geology – The USGS produces objective and reliable earth science information on geologic hazards, resources, and processes in an efficient manner that does not compete with the roles and responsibilities of universities and the private sector. The USGS provides a unique source of multi-purpose geologic maps depicting the Nation's sediment and rocks, which are vital to the exploration and development of mineral, energy, and water resources. The 2005 President's budget provides \$220.8 million for Geology including a \$4.3 million transfer to the Enterprise Information program, and an \$11.1 million reduction for earmarks and in lower priority efforts. The 2005 budget also includes an \$800,000 increase in earth observation and monitoring to expand the current InSAR monitoring past the pilot stage into a national monitoring capability and \$500,000 for geothermal assessments.

Water Resources – The 2005 budget proposes \$202.7 million to continue the water resources work performed by USGS. This funding level includes a technical adjustment of \$4.0 million for Enterprise Information and a reduction of \$5.8 million in lower priority efforts. Other programmatic changes within Water Resources include an increase of \$1.0 million for research into the water quality in the Klamath basin. The budget also reflects a \$6.4 million reduction for Water Resources Research Institutes, which have been generally successful in generating funds from non-USGS sources and should be self-supporting.

Biological Research – The 2005 budget requests \$167.6 million for biological research and proposes expanding biological research programs to find solutions and assist

in the mitigation of biological resource problems facing Federal agencies and State, local, and tribal governments. The budget proposes transferring \$2.9 million to the Enterprise Information program and reductions of \$7.7 million for unrequested earmarks, including a \$2.8 million reduction in fire science, as fire ecology and biological fire science activities will be funded through the Department's Wildland Fire Management account.

The budget includes increases of \$1.0 million for research into the population dynamics and behavioral ecology of suckers in Klamath basin and \$1.0 million for invasive species research into innovative controls and methodologies for the Asian carp as well as research into the early detection and control of the brown tree snake. Additionally, \$500,000 is requested for a USGS-FWS partnering effort to meet crucial needs through the deepwater fishery science large vessels program in the Great Lakes; and \$250,000 is requested to begin an ecological mapping effort which would benefit Interior land and resource managers and State natural resource agencies.

Enterprise Information – The 2005 budget establishes an Enterprise Information organization within the USGS to allow for a more effective use of resources, a higher degree of accountability, and a more successful deployment and use of technology throughout the bureau. The proposed change will consolidate the funding and management of all bureau-wide information technology, management, and service functions that were previously distributed throughout the bureau. This organization will be funded as a separate budget activity totaling \$45.1 million.

The Enterprise Information program is comprised of \$46.7 million transferred from the other science disciplines, offset by a \$5.3 million decrease that reflects the completion of narrowband radio purchases, accomplishments in some certification and accreditation milestones, and a decrease in accessible data transfer funding. An increase of \$2.5 million is requested to strengthen the overall

USGS information technology security program and to fund Disaster.gov, a government-wide disaster information system. An increase of \$1.2 million is requested for implementing a Department-wide Enterprise Services Network. The Department is migrating its portfolio to enterprise business processes and technologies. A key component of successful implementation of this strategy is the Enterprise Services Network, a modern, integrated network backbone that will provide the infrastructure to integrate resources within the Department.

Science Support – The 2005 budget requests \$68.7 million for Science Support. This includes a \$27.2 million transfer to the Enterprise Information program and a \$2.7 million increase to improve the financial management practices of the bureau. Accurate and timely financial information is needed to ensure the best performance and the highest measure of accountability. One of the highest priorities of the USGS 2005 budget request is the improvement of USGS financial management practices in response to recent audit reports. The requested increase would address material weaknesses cited in these audit reports and improve the overall financial management of the bureau.

Uncontrollable Costs – Uncontrollable cost increases total \$17.2 million, of which \$9.1 million are budgeted and \$8.1 million are absorbed.

Other Program Changes – The request includes a decrease of \$697,000 for anticipated savings related to improved fleet management and a \$565,800 million increase to fully fund financial statement audit costs previously funded in part by the OIG.

An increase of \$419,000 supports implementation of the Administration's high-payoff e-government initiatives to integrate agency operations and information technology investments. These initiatives eliminate redundant systems and significantly improve the government's quality of customer service for citizens and businesses.

SUMMARY OF BUREAU APPROPRIATIONS
(all dollar amounts in thousands)

Comparison of 2005 Request with 2004 Enacted:

	2004 Enacted		2005 Request		Change from 2004	
	FTE	Amount	FTE	Amount	FTE	Amount
Appropriations						
Surveys, Investigations, & Research	6,387	937,984	6,356	919,788	-31	-18,196
Permanents, Trust Funds, & Others						
Operations & Maintenance of Quarters.....	0	48	0	48	0	0
Contributed Funds.....	0	737	0	737	0	0
Working Capital Fund.....	223	0	229	0	+6	0
Subtotal, Permanents, Trust Funds, & Others.....	223	785	229	785	+6	0
Transfers & Reimbursables	2,797	0	2,797	0	0	0
TOTAL, U. S. GEOLOGICAL SURVEY.....	9,407	938,769	9,382	920,573	-25	-18,196

HIGHLIGHTS OF BUDGET CHANGES
By Appropriation Activity/Subactivity

APPROPRIATION: Surveys, Investigations and Research

	2003 Actual	2004 Enacted	2005 Request	Change from 2004 Enacted
Mapping, Remote Sensing, & Geographic Investigations				
Cooperative Topographic Mapping	81,120	80,843	71,048	-9,795
Land Remote Sensing	35,711	33,678	33,132	-546
Geographic Analysis/Monitoring	16,374	15,238	14,761	-477
Subtotal, Mapping.....	133,205	129,759	118,941	-10,818
Geologic Hazards, Resource, & Processes				
Geologic Hazards Assessments	74,990	75,283	73,007	-2,276
Geologic Landscape/Coastal Assess....	78,698	78,351	75,230	-3,121
Geologic Resource Assessments	79,479	80,549	72,517	-8,032
Subtotal, Geologic Hazards	233,167	234,183	220,754	-13,429
Water Resources Investigations				
Hydrologic Monitor, Assess, & Rsch....	136,755	145,297	139,675	-5,622
Cooperative Water Program.....	64,433	63,995	63,007	-988
Water Resources Rsch Act Program	5,963	6,421	0	-6,421
Subtotal, Water Resources.....	207,151	215,713	202,682	-13,031
Biological Research				
Biological Research/Monitoring.....	132,133	135,110	129,226	-5,884
Biological Info Mgmt/Delivery	22,787	24,662	24,265	-397
Cooperative Research Units	14,896	14,757	14,113	-644
Subtotal, Biological Research.....	169,816	174,529	167,604	-6,925
Enterprise Information				
Enterprise Info Security & Tech	0	0	22,498	+22,498
Enterprise Information Resources	0	0	17,233	+17,233
Federal Geographic Data Coord	0	0	5,416	+5,416
Subtotal, Enterprise Information	0	0	45,147	+45,147

	2003 Actual	2004 Enacted	2005 Request	Change from 2004 Enacted
Science Support	85,177	90,811	68,716	-22,095
Facilities	90,756	92,989	95,944	+2,955
TOTAL APPROPRIATION	919,272	937,984	919,788	-18,196

Highlights of Budget Changes

	Amount
Uncontrollable Costs	[+17,174]
Mapping, Remote Sensing, and Geographic Investigations	
Cooperative Topographic Mapping	-9,795
<p>The budget proposes a decrease (-\$1,887) to reduce funding for data collection associated with the National Map, as the Survey is moving away from actual data collection. A decrease (-\$351) is proposed for savings resulting from organizational restructuring and (-\$247) for State of Tennessee geographic information. The budget reflects a transfer (-\$7,795) to the new Enterprise Information budget activity. Uncontrollable costs total \$1,335, of which \$485 are budgeted and \$850 are absorbed.</p>	
Land Remote Sensing	-546
<p>The budget proposes decreases for savings resulting from organizational restructuring (-\$59) and reflects a transfer (-\$567) to the new Enterprise Information budget activity. Uncontrollable cost increases total \$220, of which \$80 are budgeted and \$140 are absorbed.</p>	
Geographic Analysis and Monitoring	-477
<p>The budget proposes decreases (-\$247) for the State of Tennessee's GIS base mapping program and (-\$73) for savings resulting from organizational restructuring. The budget reflects a transfer (-\$257) to the new Enterprise Information budget activity. Uncontrollable costs total \$275, of which \$100 are budgeted and \$175 are absorbed.</p>	
Geologic Hazards, Resources and Processes	
Geologic Hazard Assessments	-2,276
<p>The budget proposes a decrease (-\$1,742) for volcano monitoring at Mauna Loa and in the Western Aleutians. The budget also proposes an increase (+\$800) for InSAR (Interferometric Synthetic Aperture Radar) monitoring for selected volcanoes. The budget proposes a decrease (-\$253) for savings resulting from organizational restructuring and (-\$22) for savings resulting from improved management of the USGS motor vehicle fleet. The budget reflects a transfer (-\$1,369) to the new Enterprise Information budget activity. Uncontrollable costs total \$864, of which \$310 are budgeted and \$554 are absorbed.</p>	
Geologic Landscape and Coastal Assessments	-3,121
<p>The budget includes decreases for an Asian and African dust particle study (-\$247) and the Tampa Bay project (-\$1,504) that will transition the pilot to a smaller operational program. The budget also redirects \$200 from within base from lower priority projects to increase funding in the National Cooperative Geologic Mapping Program for Water 2025.</p> <p>This subactivity also includes a decrease (-\$251) for savings resulting from organizational restructuring and (-\$22) for savings resulting from improved management of the USGS motor vehicle fleet. The budget reflects a transfer (-\$1,439) to the new Enterprise Information budget activity. Uncontrollable costs total \$955, of which \$342 are budgeted and \$613 are absorbed.</p>	
Geologic Resource Assessments	-8,032
<p>The budget proposes a decrease (-\$6,493) for the Minerals Resources program that will discontinue or reduce eight lower priority projects for research and assessments; three lower priority projects on aggregates and industrial minerals; the USGS funding for the Alaska Minerals Information project; reporting on mineral commodities; and lower priority mineral resource assessment studies in Clark County, Nevada. The budget proposes a decrease (-\$889) to end lower priority work on the Tongue River watershed in Montana and Wyoming. The budget also reduces (-\$296) the Kansas well log inventory, as it will be completed in 2004.</p>	

Proposed increases (+\$500) in the Energy program would begin a multi-year effort to update a national assessment of geothermal resources and support the Science on the DOI Landscape initiative (+\$501). This subactivity also includes a decrease (-\$337) for savings resulting from organizational restructuring and (-\$23) improved management of the USGS motor vehicle fleet. The budget reflects a transfer (-\$1,453) to the new Enterprise Information budget activity. Uncontrollable costs total \$1,281, of which \$458 are budgeted and \$823 are absorbed.

Water Resources Investigations

Hydrologic Monitoring, Assessments and Research

-5,622

The budget proposes increases (+\$375) in Ground-Water Resources to provide support for the Science on the DOI Landscape initiative and (+\$800) to implement a new five-year initiative concerned with water availability and use, which is related to the Bureau of Reclamation's Water 2025 initiative. The budget also proposes an increase (+\$200) for improving the National Water-Quality Assessment Program's SPARROW model. The proposed decreases in Toxic Substances Hydrology (-\$1,481) will end lower priority studies of the Roubidoux aquifer, the efficiency of mercury methylation in South Carolina rivers (-\$50), and a lower priority project that addresses petroleum related contamination of the Nation's water resources (-\$518). The proposed decrease in Hydrologic Research and Development will end several lower priority projects: a study at Berkeley Pit Lake (-\$198), enhanced water-quality monitoring in Lake Pontchartrain (-\$592), a study of ground-water in the Potomac River Basin (-\$401), a study with the States of Washington and Oregon of the Rathdrum Prairie/Spokane Valley aquifer system (-\$494), some work underway in the Chesapeake Bay program (-\$247), Delaware River flow modeling (-\$247), and a fish mortality study in Hood Canal, Washington (-\$346). The budget proposes an increase in Hydrologic Networks and Analysis (+\$1,000) for studies at Klamath Lake. The budget proposes decreases to reduce expanded water-quality monitoring for mercury and other substances in Lake Champlain (-\$295), and reduce expanded monitoring of water resources in Hawaii (-\$444). This subactivity also includes decreases (-\$487) for savings resulting from organizational restructuring and (-\$266) for savings resulting from improved management of the USGS motor vehicle fleet. The budget reflects a transfer (-\$2,888) to the new Enterprise Information budget activity. Uncontrollable costs total \$2,621, of which \$957 are budgeted and \$1,664 are absorbed.

Cooperative Water Program

-988

This subactivity includes decreases (-\$254) for savings resulting from organizational restructuring and (-\$117) for savings resulting from improved management of the USGS motor vehicle fleet. The budget reflects a transfer (-\$1,073) to the new Enterprise Information budget activity. Uncontrollable costs total \$1,249, of which \$456 are budgeted and \$793 are absorbed.

Water Resources Research Act Program

-6,421

The proposed decrease (-\$6,421) eliminates USGS funding for each of the 54 State Water Resources Research Institutes that have been generally successful in generating non-Federal sources of funding and should be able to support themselves.

Biological Research

Biological Research and Monitoring

-5,884

Proposed increases include funding (+\$250) for ecological mapping; (+\$500) for the Great Lakes deepwater fisheries large vessels program; (+\$1,000) for research within the Klamath River Basin, (+\$350) to provide support for the Science on Interior's Landscape initiative; (+\$1,000) to support invasive species work in brown tree snake control and innovative control methodologies for Asian carp; and (+\$500) to conduct research related to carbon trading and storage in the Northern Prairie wetlands area. A decrease (-\$2,766) for on-going USGS fire ecology and biological fire science is also proposed, as well as (-\$4,495) for unrequested earmarks for lower priority studies for Mark Twain National Forest, pallid sturgeon research, diamondback terrapins, the grizzly bear population in Montana, the ground water supply at Leetown Science Center, fishery genetics research in the Northeast and Mid-Atlantic regions, a Lake Tahoe decision support system, and Manatee research. Additional proposed reductions in the budget include funding for (-\$477) savings resulting from organizational restructuring and (-\$143) for savings resulting from improved management of the USGS motor vehicle fleet. Technical adjustments include the movement of funding (-\$107) for vessel operations from Biological Research and Monitoring to Facilities. The budget also reflects a transfer (-\$2,219) to the new Enterprise Information budget activity. Uncontrollable costs total \$2,001, of which \$723 are budgeted and \$1,278 are absorbed.

	<u>Amount</u>
<p>Biological Information Management and Delivery</p> <p>A proposed decrease in the budget is for (-\$72) savings resulting from organizational restructuring. The budget also reflects a transfer (-\$386) to the new Enterprise Information budget activity. Uncontrollable costs total \$168, of which \$61 are budgeted and \$107 are absorbed.</p>	-397
<p>Cooperative Research Units</p> <p>The budget proposes decreases to eliminate funds for the Nebraska Cooperative Research Unit (-\$395) and to reflect savings resulting from organizational restructuring (-\$53) and improved management of the USGS motor vehicle fleet (-\$104). The budget reflects a transfer (-\$189) to the new Enterprise Information budget activity. Uncontrollable costs total \$268, of which \$97 are budgeted and \$171 are absorbed.</p>	-644
<p>Enterprise Information</p> <p>Enterprise Information Security and Technology</p> <p>Proposed increases to the budget include funding (+\$1,800) for enterprise information that would enable the USGS to modernize and centrally support security program management and oversight; and funding (+\$1,200) in support of the Department-wide implementation of the Enterprise Services Network. These increases are offset by decreases to reflect the completion of the conversion of wideband radios to digital narrowband radios (-\$3,877); the completion of certification and accreditation milestones (-\$895); and reduced funding (-\$592) for the accessible data transfer network. The budget reflects a transfer (+\$24,780) to establish the Enterprise Information Security and Technology subactivity within the new Enterprise Information budget activity. This new subactivity consolidates existing information technology functions within the USGS. Uncontrollable costs total \$223, of which \$82 are budgeted and \$141 are absorbed.</p>	+22,498
<p>Enterprise Information Resources</p> <p>The budget proposes an increase (+\$5) for an e-records management project. The budget reflects a transfer (+\$17,168) to establish the Enterprise Information Resources subactivity within the new Enterprise Information budget activity. This new subactivity consolidates existing information technology functions within the USGS. Uncontrollable costs total \$162, of which \$60 are budgeted and \$102 are absorbed.</p>	+17,233
<p>Federal Geographic Data Coordination</p> <p>The budget proposes an increase (+\$680) for a disaster.gov project and a transfer (+\$4,726) to establish the Federal Geographic Data Coordination subactivity within the new Enterprise Information budget activity. Uncontrollable costs total \$27, of which \$10 are budgeted and \$17 are absorbed.</p>	+5,416
<p>Science Support</p> <p>The proposed budget provides increases for (+\$2,700) financial management improvements; (+\$405) competitive sourcing; (+\$566) funding the annual audit; and (+\$414) for e-gov initiatives. This sub-activity also includes a decrease (-\$311) in savings resulting from organizational restructuring. The budget reflects a transfer (-\$27,039) to the new Enterprise Information budget activity and a technical adjustment (-\$167) for services billed through the Departmental Working Capital Fund. Uncontrollable costs total \$1,963, of which \$1,337 are budgeted and \$626 are absorbed.</p>	-22,095
<p>Facilities</p> <p>Uncontrollable costs total \$3,562, of which \$3,507 are budgeted and \$55 are absorbed. The budget proposes a technical adjustment (+\$107) to transfer associated funding for additional expenses and operation and maintenance of large vessels from Biological Research to the Facilities Budget Activity. The budget also proposes an increase (+\$527) for deferred maintenance and capital improvements and decreases for unanticipated construction costs at the Leetown Science Center (-\$198) and for repairs at the Tunison Laboratory (-\$988).</p>	+2,955



FISH AND WILDLIFE SERVICE

Mission – The mission of the U.S. Fish and Wildlife Service is to work with others to conserve, protect, and enhance fish, wildlife, plants, and their habitats for the continuing benefit of the American people.

Program Overview – The FWS’s major responsibilities are to protect and conserve migratory birds, threatened and endangered species, certain marine mammals, and inter-jurisdictional fish. To accomplish its mission, FWS seeks opportunities to partner with farmers and ranchers, State and local governments, Federal agencies, Tribes, citizen volunteers, corporations, and conservation groups.

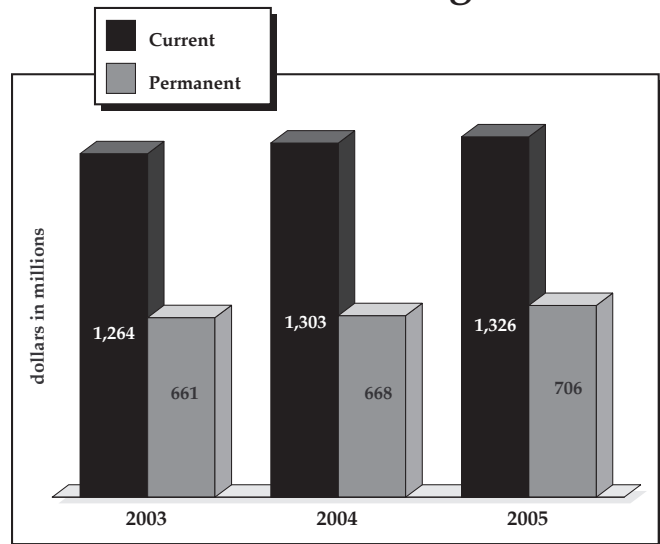
The national wildlife refuge system is among the world’s most significant land and water systems managed for the benefit of fish and wildlife. The 95 million-acre network provides stepping stones of habitat for many species of migratory birds and other wildlife, sanctuary for hundreds of threatened and endangered species, and secure spawning areas for healthy wild salmon fisheries. The system includes 542 refuges and 37 wetland management districts. These refuges provide recreational opportunities for photography, hiking, fishing, hunting, and education programs for 39 million visitors annually.

The FWS fisheries program helps safeguard inter-jurisdictional fisheries worth billions of dollars; rescues troubled aquatic species on the brink of extinction; and provides recreational opportunities for the public. Sixty-nine national fish hatcheries produce about 150 million fish annually, including striped bass, steelhead, lake trout, and salmon. In addition, FWS operates one historic national fish hatchery, seven fish technology centers, and nine fish health centers.

In administering the Endangered Species Act, FWS strives to ensure a strong scientific basis for its decisions, facilitate large-scale planning accommodating land use and protection of wildlife habitat, and promote innovative public-private partnerships, including financial and technical assistance to private landowners.

The FWS also plays a major role in the conservation of international wildlife resources as the lead agency for

FWS Funding



implementing U.S. treaty commitments for migratory birds, endangered species, wildlife trade, Arctic species, wetlands, some marine mammal species, and biological resources of the western hemisphere.

Management Excellence – The Service continues to follow the President’s management agenda for improving management and performance of the Federal government, practicing the Secretary’s vision for citizen-centered management excellence. In 2003, the Department finalized a new, unified strategic plan that addresses activities across all bureaus. Based on this plan, FWS is developing a strategic operating plan to link FWS programs and performance to the overall mission of the Department. Other significant management activities planned for 2004 include expanding the pilot activity-based cost management system begun in 2003. The development of ABC/M will provide a valuable tool to managers to better understand the costs of conducting FWS business.

The refuge system was assessed during formulation of the 2005 budget using the Program Assessment Rating Tool. The PART review found that the refuge system has

a clear purpose but lacks adequate strategic planning. In order to address these issues, FWS developed new performance measures and is developing baselines and targets for these measures.

Budget Overview – The 2005 request for current appropriations totals \$1.3 billion, an increase of \$22.6 million over 2004. The budget also includes \$705.9 million available under permanent appropriations, most of which will be provided directly to States for fish and wildlife restoration and conservation.

More than 79 percent of the FWS current request supports Interior's mission goal for resource protection, with remaining resources devoted to achieving resource use, recreation, and serving communities mission goals.

The 2005 budget re-emphasizes the importance in achieving the land and water conservation goals set forth in the LWCF Act by requesting \$415.6 million for programs to be funded through the LWCF. Funding for these programs is a \$79.6 million increase over the 2004 level.

Cooperative Conservation – The 2005 budget includes \$370.5 million for cooperative conservation programs funded in FWS, including \$86.5 million for the Cooperative Conservation Initiative and \$284.0 million for conservation grants. The Cooperative Conservation Initiative is a vital part of the cooperative conservation vision and awards grants for land restoration and conservation projects that leverage Federal dollars through partnerships and is an important component of the fully funded Land and Water Conservation Fund budget request.

A program increase of \$2.2 million above the 2004 level is requested for refuge challenge cost share grants that will increase resource protection on or near Federal lands conducted in conjunction with local communities.

There are a number of other programs funded from LWCF within the Resource Management account. The Partners for Fish and Wildlife program is funded at \$50.0 million, which includes a net programmatic increase of \$7.5 million. This provides new funding for partnership activities in the High Plains region of the United States and a significant increase for partnership activities in the Klamath Basin. The request of \$5.0 million for the High Plains partnership will proactively conserve species and habitats on private lands throughout 11 states and preclude the need for further species listing such as declining populations of several wide-ranging high plains species, like the lesser prairie chicken, black-tailed prairie dog, swift fox, and mountain plover. Included within this increase is \$300,000 to address sage grouse issues.

The Resource Management account also includes \$13.1 million for the Coastal program, a programmatic increase of \$2.8 million above the 2004 level. The Migratory Bird Joint Ventures program is funded at \$11.4 million, \$1.2 million above the 2004 level.

State and Tribal Wildlife grants provide financial assistance for development of wildlife conservation plans and on-the-ground conservation projects to stabilize, restore, enhance, and protect species and their habitats that are of conservation concern. States receive funding based on a statutory formula; the tribal portion of the program is competitive. The 2005 request of \$80.0 million is \$10.9 million over 2004 and will be used to help complete the required State comprehensive wildlife plans.

The 2005 request for the Landowner Incentive program is \$50.0 million, a \$20.4 million increase above the 2004 level. The program provides matching, competitive grants to States, the District of Columbia, Territories, and federally recognized Tribes to establish or supplement existing programs that provide technical and financial assistance to private landowners to help them protect and manage imperiled species and their habitat, while continuing to engage in traditional land use or working land conservation practices. The program provides an opportunity for all States to develop the capacity to implement programs modeled after several innovative State programs.

The \$10.0 million Private Stewardship program provides grants and other assistance on a competitive basis to individuals and groups engaged in local, private, and voluntary conservation efforts that benefit listed, proposed, candidate, or other at-risk species. Typical projects may include managing non-native species; implementing measures to minimize risk from disease; restoring streams that support imperiled species; or planting native vegetation to restore rare plant communities. This is a \$2.6 million increase over the 2004 level.

The request for the Cooperative Endangered Species Conservation Fund is \$90.0 million, \$8.4 million over 2004. This program provides grants to States for activities that conserve threatened and endangered species. States can, in turn, pass the funding on to municipalities, Tribes, and private landowners to enlist their support in species conservation efforts. The CESC program provides funding for habitat conservation planning and land acquisition programs that assist States, local governments, and landowners in protecting habitat within or near areas covered by habitat conservation plans. It also provides funding to implement candidate conservation agreements; recovery actions; other State initiatives to conserve candidate, proposed, and listed species; and administration.

The budget proposes \$54.0 million for the North American Wetlands Conservation Fund, \$16.5 million above the 2004 level. This funding will support wetlands and migratory bird conservation activities by providing matching grants to private landowners, States, non-governmental conservation organizations, Tribes, trusts, corporations, and other Federal agencies for acquisition, restoration, and enhancement of wetland habitat. This requested increase – together with partner funds – is estimated to protect and restore an additional 1.3 million acres of valuable habitats across the U.S., Canada, and Mexico.

Operations – The 2005 request for the principal FWS operating account, Resource Management, is \$951.0 million, a net reduction of \$5.5 million compared to 2004. Included within the 2005 total is a \$2.0 million increase for a science excellence initiative. This initiative will support the Secretary’s Four C’s vision by fostering additional scientific partnerships outside of FWS, targeting and acquiring important scientific data, and improving science performance within FWS.

The budget includes \$129.4 million for administering the Endangered Species Act, a decrease of \$7.5 million compared to 2004. This includes a programmatic increase of \$5.0 million to meet the litigation-driven workload of the endangered species listing program. Reductions include unrequested earmarks and lower priority programs.

Operation and maintenance of the national wildlife refuge system is funded at \$387.7 million, a net programmatic reduction of \$5.4 million below the 2004 level. Increases within this total include \$2.2 million for the challenge cost share program, \$3.6 million for law enforcement activities, including \$454,000 for Vieques NWR in Puerto Rico. Reductions include \$2.5 million for lower priority general program activities and \$5.0 million for the elimination of a one-time transfer of funding from NPS to combat invasive species in the Everglades.

The budget provides a programmatic increase of \$4.4 million for migratory bird management operations including implementation of two important environmental impact statements for geese and the management of problems associated with overabundant populations of resident Canada geese, double-crested cormorants, and Caspian terns; studies on the management of webless migratory gamebirds important to rural hunting areas; implementation of the harvest information program; and migratory bird surveys to support mandates under migratory bird treaties and other legislation. A portion of the increase will accelerate operations at the 15 existing Joint Ventures and two new Joint Ventures will be formed for the Northern Great Plains and Central Hardwoods areas.

The budget provides a total of \$51.3 million for law enforcement, a programmatic decrease of \$2.6 million compared to 2004. Reductions include unrequested earmarks and a \$1.0 million reduction to the vehicle replacement program.

The budget includes \$103.8 million for the fisheries program, a net programmatic decrease of \$11.0 million compared to 2004. Within this level of funding is a \$824,000 increase for hatchery operations and a \$999,000 increase for hatchery maintenance. Of note, the budget proposes funding Yukon River salmon treaty implementation at \$3.0 million. Reductions include discontinuing funding for unrequested earmarks and programmatic reductions to fund other, higher priority activities.

Construction – The request for construction is \$22.1 million, of which \$11.1 million is for construction projects. This is a \$37.7 million reduction compared to 2004. The budget request supports the highest priority projects identified in the Department’s five-year construction plan. Highlights include \$4.2 million to remediate the Little White River dam at Lacreek NWR in South Dakota, and \$658,000 for waste treatment compliance at the Green Lake NFH in Maine.

Land Acquisition – The 2005 request for the Land Acquisition appropriation totals \$45.0 million, of which \$29.2 million is for line-item land acquisition for acquiring interests in lands, including easements that provide important fish and wildlife habitat. This is a decrease of \$524,000 for projects compared to 2004. Highlights include \$4.6 million for acquisition at the Upper Klamath Lake NWR in Oregon; \$1.0 million for acquisition at the Laguna Atascosa NWR in Texas; and \$10.0 million for conservation easements on the Quinault Indian Reservation in Washington to protect federally-listed species.

Multinational Species Conservation Fund – The budget request includes a total of \$9.5 million for the Multinational Species Conservation Fund, including \$4.0 million for the Neotropical Migratory Bird Conservation Fund. Compared to the 2004 total for neotropicals and the multinational species conservation fund, this is an \$18,000 increase in 2005.

Information Technology – The Department is migrating its portfolio to enterprise business processes and technologies. A key component for successful implementation of this strategy is the Enterprise Services Network, a modern, integrated network backbone that will provide the infrastructure to integrate resources within the Department. The Service’s 2005 budget includes an increase of \$398,000 for implementing ESN.

Additionally, the request includes increases of \$414,000 to support implementation of the Administration's high pay-off e-government initiatives to integrate agency operations and information technology investments, and \$460,000 for transition to automated rulemaking. These initiatives eliminate redundant systems and significantly improve the government's quality of customer service for citizens and businesses.

of \$1.8 million for anticipated savings related to the Department-wide effort to improve fleet management, and a \$615,000 increase to fully fund financial statement audit costs previously funded in part by the OIG.

Uncontrollable Costs – Uncontrollable cost increases total \$16.1 million, of which \$8.5 million are budgeted and \$7.6 million are absorbed.

Other Program Changes – The request includes a decrease

SUMMARY OF BUREAU APPROPRIATIONS
(all dollar amounts in thousands)

Comparison of 2005 Request with 2004 Enacted:

	2004 Enacted		2005 Request		Change from 2004	
	FTE	Amount	FTE	Amount	FTE	Amount
Appropriations						
Resource Management	7,318	956,482	7,377	950,987	+59	-5,495
Construction	195	59,808	195	22,111	0	-37,697
Land Acquisition.....	111	38,122	93	45,041	-18	+6,919
Landowner Incentive Grants.....	7	29,630	7	50,000	0	+20,370
Private Stewardship Grants.....	4	7,408	4	10,000	0	+2,592
Cooperative Endangered Species Fund.....	6	81,596	6	90,000	0	+8,404
National Wildlife Refuge Fund –						
Payments In Lieu of Taxes	0	14,236	0	14,414	0	+178
North American Wetlands Conservation Fund.....	11	37,532	11	54,000	0	+16,468
Multinational Species Conservation Fund	5	5,531	5	9,500	0	+3,969
Neotropical Migratory Bird Grants.....	0	3,951	0	0	0	-3,951
State and Tribal Wildlife Grants.....	8	69,137	8	80,000	0	+10,863
Subtotal, Appropriations (<i>without fire</i>)	7,665	1,303,433	7,706	1,326,053	+41	+22,620
Fire Repayment	0	23,288	0	0	0	-23,288
Subtotal, Appropriations (<i>with fire</i>)	7,665	1,326,721	7,706	1,326,053	+41	-668
Permanent Accounts						
Recreation Fee Demonstration Program.....	33	4,000	33	4,200	0	+200
Migratory Bird Conservation Account	82	42,250	73	43,250	-9	+1,000
National Wildlife Refuge Fund	28	6,300	28	6,400	0	+100
North American Wetlands Conservation Fund.....	0	500	0	500	0	0
Sport Fish Restoration Account	59	345,415	59	369,855	0	+24,440
Federal Aid in Wildlife Restoration.....	59	227,634	59	238,028	0	+10,394
Miscellaneous Permanent Appropriations.....	6	2,810	6	2,810	0	0
Contributed Funds.....	15	4,100	15	4,100	0	0
Cooperative Endangered Species Fund	0	35,094	0	36,721	0	+1,627
Reimbursements.....	800	0	800	0	0	0
Job Corps	115	0	115	0	0	0
Firefighting.....	524	0	524	0	0	0
Hazardous Fuels End. Species Consultations.....	43	0	43	0	0	0
Natural Resource Damage Assessment & Restor...	49	0	49	0	0	0
Hazardous Materials	8	0	8	0	0	0
Federal Roads (FHWA)	12	0	12	0	0	0
Forest Pest (Agriculture)	2	0	2	0	0	0
Subtotal, Permanent Accounts	1,835	668,103	1,826	705,864	-9	+37,761
TOTAL, FISH & WILDLIFE SERVICE (<i>without fire</i>)	9,500	1,971,536	9,532	2,031,917	+32	+60,381
TOTAL, FISH & WILDLIFE SERVICE (<i>with fire</i>)	9,500	1,994,824	9,532	2,031,917	+32	+37,093

HIGHLIGHTS OF BUDGET CHANGES
By Appropriation Activity/Subactivity

APPROPRIATION: Resource Management

	2003 Actual	2004 Enacted	2005 Request	Change from 2004 Enacted
Ecological Services				
Endangered Species				
Candidate Conservation	9,867	9,808	8,610	-1,198
Listing	9,018	12,135	17,226	+5,091
Consultation.....	47,460	47,146	45,450	-1,696
Recovery	65,412	67,905	58,154	-9,751
Subtotal, Endangered Species	131,757	136,994	129,440	-7,554
Habitat Conservation	85,070	87,322	96,843	+9,521
Environmental Contaminants	10,710	10,672	10,740	+68
Subtotal, Ecological Services	227,537	234,988	237,023	+2,035
National Wildlife Refuge System				
Operations.....	291,275	291,603	288,857	-2,746
Maintenance.....	97,094	99,890	98,800	-1,090
Subtotal, NWR System	388,369	391,493	387,657	-3,836
Migratory Bird Management & Law Enforcement				
Migratory Bird Management.....	28,697	32,096	36,668	+4,572
Law Enforcement				
Operations.....	49,455	51,598	50,210	-1,388
Maintenance.....	2,136	2,098	1,135	-963
Subtotal, Law Enforcement	51,591	53,696	51,345	-2,351
Subtotal, Wildlife & Law Enforcement	80,288	85,792	88,013	+2,221
Fisheries				
Hatchery Operations & Maintenance				
Hatchery Operations	36,462	39,014	40,075	+1,061
Hatchery Maint. & Rehabilitation	17,636	18,979	16,929	-2,050
Subtotal, Hatchery Ops & Main.....	54,098	57,993	57,004	-989
Fish and Wildlife Management Asst.				
Anadromous Fish Management	10,158	10,291	10,027	-264
Fish & Wildlife Assistance	38,751	41,468	34,376	-7,092
Marine Mammals	3,629	4,569	2,391	-2,178
Subtotal, Fish & Wildlife Mngt Asst.....	52,538	56,328	46,794	-9,534
Subtotal, Fisheries	106,636	114,321	103,798	-10,523
General Operations				
Science Excellence Initiative	0	0	2,000	+2,000
Central Office Administration.....	14,474	17,062	17,128	+66
International Affairs.....	8,313	8,472	8,624	+152
Regional Office Administration	24,060	23,494	23,164	-330
Nat'l Conservation Training Ctr	16,037	16,286	15,968	-318
Operational Support.....	58,132	56,999	59,942	+2,943
National Fish & Wildlife Foundation...	7,620	7,575	7,670	+95
Subtotal, General Administration.....	128,636	129,888	134,496	+4,608
TOTAL APPROPRIATION	931,466	956,482	950,987	-5,495

Highlights of Budget Changes

	<u>Amount</u>
Uncontrollable Costs	[+15,341]
Endangered Species	-7,554
<p>Candidate Conservation: The budget includes reductions for Idaho sage grouse (-\$296) and slickspot peppergrass control (-\$59); and Alaska sea otter and walrus research (-\$889). Uncontrollable costs total \$126, of which \$46 are budgeted and \$80 are absorbed.</p> <p>Listing: A significant increase (+\$5,040) will be used to meet resource protection goals and address the growing listing program litigation-driven workload. This additional funding will be used to address listing actions required by court orders or settlement agreements and to reduce the number of outstanding listing actions. Uncontrollable costs total \$138, of which \$51 are budgeted and \$87 are absorbed.</p> <p>Consultation: Funding directed to support California Natural Communities Conservation Plan HCP partners is reduced (-\$1,975) in light of funding support for those efforts being available through other Service grant programs. Savings in vehicle replacement costs are anticipated due to improved management (-\$14). Uncontrollable costs total \$796, of which \$293 are budgeted and \$503 are absorbed.</p> <p>Recovery: General program activities are reduced (-\$1,415). The budget includes reductions as follows: Platte River recovery (-\$982); Idaho, Montana and Wyoming wolf recovery (-\$1,452); pass-through grants for Pacific (-\$1,975) and Atlantic (-\$1,975) salmon; Lahontan cutthroat trout (-\$494); Alaska Sea Life Center for eider recovery (-\$889); Colorado fisheries (-\$691); and West Virginia mussels (-\$148). Savings in vehicle replacement costs are anticipated due to improved management (-\$43). Uncontrollable costs total \$853 of which \$314 are budgeted and \$539 are absorbed.</p>	
Habitat Conservation	+9,521
<p>Partners for Fish and Wildlife: Restoration projects will be implemented in the Upper Klamath Basin with private landowners (+\$6,225) and other stakeholders. The High Plains Partnership will proactively conserve species and habitats on private lands throughout 11 States (+\$5,000). The Partners program will also meet resource protection goals and work with additional private landowners to achieve on the ground habitat restoration for Federal trust species (+\$5,023) of which \$1,000 is for invasive species control projects. Partnerships in the Pacific Northwest are reduced (-\$1,345). The budget includes reductions for the following: Washington State Department of Fish and Wildlife (-\$1,383); Vermont bald eagle restoration (-\$99); invasive species control (-\$299); Hawaii conservation (-\$741); Nevada Biodiversity Center (-\$1,235); Montana cold water fish (-\$494); Pennsylvania Taconic watershed restoration (-\$741); Washington Walla Walla basin HCP (-\$988); black-footed ferret reintroduction on Rosebud Sioux tribal lands (-\$494); wildlife enhancement at Starksville, Mississippi (-\$840); and technical assistance to the New Jersey Meadowlands (-\$49). Savings in vehicle replacement costs are anticipated due to improved management (-\$63). Uncontrollable costs total \$331, of which \$122 are budgeted and \$209 are absorbed.</p> <p>Project Planning: Lower priority projects in Project Planning will be eliminated, including the Portland Metro Greenspaces program (-\$296); the Middle Rio Grande Bosque initiative (-\$543) and Cedar City, Utah (-\$99). General program activities are reduced (-\$167). Savings in vehicle replacement costs are anticipated due to improved management (-\$19). Uncontrollable costs total \$503, of which \$185 are budgeted and \$318 are absorbed.</p> <p>Coastal Program: Additional funding will be used to restore high priority coastal habitats (+\$3,509). The budget includes reductions for the following: Long Live the Kings in Washington (-\$370); and the Tampa and Florida Panhandle field offices (-\$299). Savings in vehicle replacement costs are anticipated due to improved management (-\$12). Uncontrollable costs total \$124, of which \$46 are budgeted and \$78 are absorbed.</p> <p>National Wetlands Inventory: General program activities are reduced (-\$37). Uncontrollable costs total \$68, of which \$25 are budgeted and \$43 are absorbed.</p>	
Environmental Contaminants	+68
<p>Uncontrollable costs total \$186, of which \$68 are budgeted and \$118 are absorbed.</p>	

National Wildlife Refuge System -3,836

Additional Challenge Cost Share projects will be implemented under the CCI / conservation partnerships program (\$2,246); increased emphasis will be directed toward eradicating invasive species funding (+\$120); and law enforcement officers will patrol borders and man stations on a full time basis (+\$2,154), implement an incident management and reporting system (+\$1,000) and staff Vieques NWR (+\$454). One-time funding for water quality monitoring and eradication of invasive species from Loxahatchee NWR is eliminated (-\$5,000). The budget includes reductions in funding for: rodent control at Alaska Maritime NWR (-\$444) and visitor facility enhancements (-\$1,975). Lower priority refuge activities are reduced (-\$2,539). Savings in vehicle replacement costs are anticipated due to improved management (-\$1,446). Uncontrollable costs total \$4,337, of which \$1,594 are budgeted and \$2,743 are absorbed.

Migratory Bird Management and Law Enforcement +2,221

Migratory Birds: Two important EIS's will be prepared for geese and other significant migratory bird issues (+\$1,000); webless migratory gamebirds support will be increased (+\$250) and the harvest information program will be fully implemented (+\$655). Monitoring funding is increased (+\$2,095) for migratory bird surveys, monitoring and assessment activities. Operations will be enhanced at all eight permit offices to review permit applications (+\$700). The budget includes reductions in funding for: Alaska seabird bycatch (-\$568) and albatross management in the North Pacific (-\$790). Duck Stamp Office funding is outsourced (-\$92). An increase (+\$1,202) for the Joint Venture program will allow resource protection goals to be met. Savings in vehicle replacement costs are anticipated due to improved management (-\$14). Uncontrollable costs total \$363, of which \$134 are budgeted and \$229 are absorbed.

Law Enforcement: The budget includes reductions in funding for Ports of Entry at: Atlanta Georgia (-\$296); Louisville Kentucky (-\$691); and Memphis Tennessee (-\$691). Savings in vehicle replacement costs are anticipated due to improved management (-\$963). Uncontrollable costs total \$788, of which \$290 are budgeted and \$498 are absorbed.

Fisheries -10,523

Hatchery Operations and Maintenance: Hatchery operations funding (+\$1,000) and maintenance funding (+\$999) are increased to carry out high priority projects developed in cooperation with program partners in support of the goals and objectives of the Fisheries Program Strategic Plan. The budget includes a reduction in funding for the Washington State hatchery improvement project (-\$2,963). Hatchery mitigation cost recovery funding is transferred to the Bureau of Reclamation (-\$160). Savings in vehicle replacement costs are realized (-\$102). Uncontrollable costs total \$645, of which \$237 are budgeted and \$408 are absorbed.

Fish and Wildlife Management: Sea lamprey overhead costs are funded at \$889, the 2004 level. The highest priority aspects of the Yukon River Salmon Treaty will be implemented with \$3.0 million, only slightly lower (-\$378) than the 2004 level. General program activities are reduced (-\$287). The budget includes reductions in funding for the following: the Connecticut River Commission (-\$247); aquatic nuisance species control (-\$180); fish health / whirling disease (-\$773) and Montana whirling disease research (-\$346); Wildlife Health Center in Montana (-\$395); Washington State Regional Mark Processing Center (-\$247) and Washington State mass marking machines (-\$1,580); fish passage improvements (-\$479), fish passage cooperative projects (-\$1,975) and fish passage along railroads in Alaska (-\$148); Great Lakes restoration (-\$494); and Alaska marine mammals (-\$2,173). Savings in vehicle replacement costs are anticipated due to improved management (-\$32). Uncontrollable costs total \$544, of which \$200 are budgeted and \$344 are absorbed.

General Operations +4,608

The Director's Science Excellence initiative demonstrates a renewed commitment to scientific excellence that will support the mission and employees of the Service and the Secretary's Four C's (+\$2,000). International Affairs permit processing is increased (+\$500) while funding for the Caddo Lake RAMSAR Center is eliminated (-\$395). A Departmental e-gov initiative (+\$414), a transition to automated rulemaking (+\$460) and the Enterprise Service Network initiative (+\$398) will be implemented. Audit costs are increased (+\$615). Annual maintenance funding for the National Conservation Training Center is reduced (-\$387). Funding is reduced for Central Office operations (-\$1,825); Regional Office Operations (-\$353); and Operational Support (-\$616) as well as cost allocation methodology charges (-\$583) and Departmental Working Capital Fund

billing methodology changes (-\$187). Funding for the National Fish and Wildlife Foundation is increased (+\$95). Savings in vehicle replacement costs are anticipated due to improved management (-\$7). Funded uncontrollable costs total \$5,539, of which \$4,479 are budgeted and \$1,060 are absorbed.

In total, uncontrollable costs for Resource Management account programs total \$15,341 of which \$8,084 are budgeted and \$7,257 are absorbed. In total, the budget includes \$1,752 in cost savings to be realized through a Departmentwide effort to realize vehicle replacement savings.

APPROPRIATION: Construction

	2003 Actual	2004 Enacted	2005 Request	Change from 2004 Enacted
Line Item Construction	38,051	45,412	9,788	-35,624
Dam Safety	4,817	2,648	730	-1,918
Bridge Safety	557	568	575	+7
Engineering Services	10,648	11,180	11,018	-162
TOTAL APPROPRIATION (<i>without fire</i>)	54,073	59,808	22,111	-37,697
Fire Transfer	-14,600	0	0	0
Fire Repayment	13,387	11,930	0	-11,930
TOTAL APPROPRIATION (<i>with fire</i>)	52,860	71,738	22,111	-49,627

Highlights of Budget Changes

	<u>Amount</u>
Uncontrollable Costs	[+397]

Line Item Construction

Construction projects will address the highest priority health, safety and resource protection needs including dams, bridges, and water systems. A detailed list of construction projects is contained in Appendix D.

Uncontrollable costs total \$397, of which \$226 are budgeted and a total of \$171 are absorbed.

APPROPRIATION: Land Acquisition

	2003 Actual	2004 Enacted	2005 Request	Change from 2004 Enacted
Acquisition Management.....	9,935	8,394	8,365	-29
Cost Allocation Methodology	2,484	2,032	2,000	-32
Acquisition - Federal Refuge Lands	55,507	29,700	29,176	-524
Exchanges.....	993	494	1,000	+506
Inholdings	1,987	1,482	2,500	+1,018
Emergency and Hardship	1,987	988	2,000	+1,012
Transfer Quinault funds to BIA.....	0	-4,968	0	+4,968
TOTAL APPROPRIATION (<i>without fire</i>)	72,893	38,122	45,041	+6,919
Fire Transfers	-13,900	0	0	
Fire Repayment	14,963	11,358	0	-11,358
TOTAL APPROPRIATION (<i>with fire</i>)	73,956	49,480	45,041	-4,439

Highlights of Budget Changes

	<u>Amount</u>
Uncontrollable Costs	[+316]

Land Acquisition

A detailed list of projects is contained in Appendix C. Uncontrollable costs total \$316, of which \$151 are budgeted and a total of \$165 are absorbed.

APPROPRIATION: Landowner Incentive Program Grants

	<u>2003 Actual</u>	<u>2004 Enacted</u>	<u>2005 Request</u>	<u>Change from 2004 Enacted</u>
TOTAL APPROPRIATION	-181	29,630	50,000	+20,370

Highlights of Budget Changes

	<u>Amount</u>
Landowner Incentive Program Grants	+20,370
The request supports additional high priority matching grants to States, Territories and Tribes to establish or supplement existing landowner incentive programs that provide technical and financial assistance to private landowners.	

APPROPRIATION: Private Stewardship Grants

	<u>2003 Actual</u>	<u>2004 Enacted</u>	<u>2005 Request</u>	<u>Change from 2004 Enacted</u>
TOTAL APPROPRIATION	-65	7,408	10,000	+2,592

Highlights of Budget Changes

	<u>Amount</u>
Private Stewardship Grant	+2,592
The request supports additional competitive grant funding for individuals and groups engaged in voluntary conservation efforts on private lands that benefit federally listed, proposed, and candidate or other at-risk species.	

APPROPRIATION: Cooperative Endangered Species Conservation Fund

	<u>2003 Actual</u>	<u>2004 Enacted</u>	<u>2005 Request</u>	<u>Change from 2004 Enacted</u>
Section 6 Grants to States				
Traditional Grants to States	7,471	7,427	10,906	+3,479
HCP Planning Grants	6,607	8,643	8,750	+107
Species Recovery Land Acquisition	12,676	13,589	17,759	+4,170
HCP Land Acquisition Grants/ States..	51,137	49,384	50,000	+616
Administration	2,583	2,553	2,585	+32
TOTAL APPROPRIATION	80,474	81,596	90,000	+8,404

Highlights of Budget Changes

	<u>Amount</u>
Grants to States	+8,404
The request supports additional habitat conservation planning, land acquisition, and species recovery land acquisition grants.	

APPROPRIATION: National Wildlife Refuge Fund

	<u>2003 Actual</u>	<u>2004 Enacted</u>	<u>2005 Request</u>	<u>Change from 2004 Enacted</u>
TOTAL APPROPRIATION	14,320	14,236	14,414	+178

Highlights of Budget Changes

	<u>Amount</u>
This increase supports additional payments to counties.	+178

APPROPRIATION: North American Wetlands Conservation Fund

	<u>2003 Actual</u>	<u>2004 Enacted</u>	<u>2005 Request</u>	<u>Change from 2004 Enacted</u>
TOTAL APPROPRIATION	38,309	37,532	54,000	+16,468

Highlights of Budget Changes

	<u>Amount</u>
Wetlands Conservation Grants	+16,468
The budget increases resource protection and implements additional wetlands restoration grants.	

APPROPRIATION: Multinational Species Conservation Fund

	<u>2003 Actual</u>	<u>2004 Enacted</u>	<u>2005 Request</u>	<u>Change from 2004 Enacted</u>
African Elephant Conservation.....	1,193	1,382	1,350	-32
Rhinoceros & Tiger Conservation.....	1,192	1,383	1,450	+67
Asian Elephant Conservation.....	1,192	1,383	1,350	-33
Great Ape Conservation.....	1,192	1,383	1,350	-33
Neotropical Bird Conservation	0	0	4,000	+4,000
TOTAL APPROPRIATION	4,769	5,531	9,500	+3,969

Highlights of Budget Changes

	<u>Amount</u>
Multinational Species Conservation	+3,969
The budget provides an increase for rhinoceros and tiger conservation (+\$67), and neotropical migratory bird conservation (+\$4,000), and decreases for african elephant conservation (-\$32), asian elephant conservation (-\$33), and great ape conservation (-\$33).	

APPROPRIATION: Neotropical Migratory Bird Conservation

	<u>2003 Actual</u>	<u>2004 Enacted</u>	<u>2005 Request</u>	<u>Change from 2004 Enacted</u>
TOTAL APPROPRIATION	2,981	3,951	0	-3,951

Highlights of Budget Changes

	<u>Amount</u>
Neotropical Migratory Bird Conservation	-3,951
The budget eliminates funding under this account for neotropical migratory bird conservation grants, and requests \$4,000 under the Multinational Species Conservation Fund.	

APPROPRIATION: State and Tribal Wildlife Grants

	<u>2003 Actual</u>	<u>2004 Enacted</u>	<u>2005 Request</u>	<u>Change from 2004 Enacted</u>
TOTAL APPROPRIATION	64,577	69,137	80,000	+10,863

Highlights of Budget Changes

	<u>Amount</u>
State and Tribal Wildlife Grants	+10,863
The budget provides additional financial assistance to complete the State Comprehensive Wildlife Plans that are legislatively required to be submitted by October 1, 2005.	



NATIONAL PARK SERVICE

Mission – In 1872, the Congress designated Yellowstone National Park as the Nation’s first “public park or pleasuring ground for the benefit and enjoyment of the people.” The subsequent establishment of the National Park Service on August 25, 1916, reflected a national consensus that natural and cultural resources must be set aside for public enjoyment and preserved for future generations. As stated in the original authorizing legislation, the Park Service mission is to “preserve unimpaired the natural and cultural resources and values of the national park system for the enjoyment, education, and inspiration of this and future generations.”

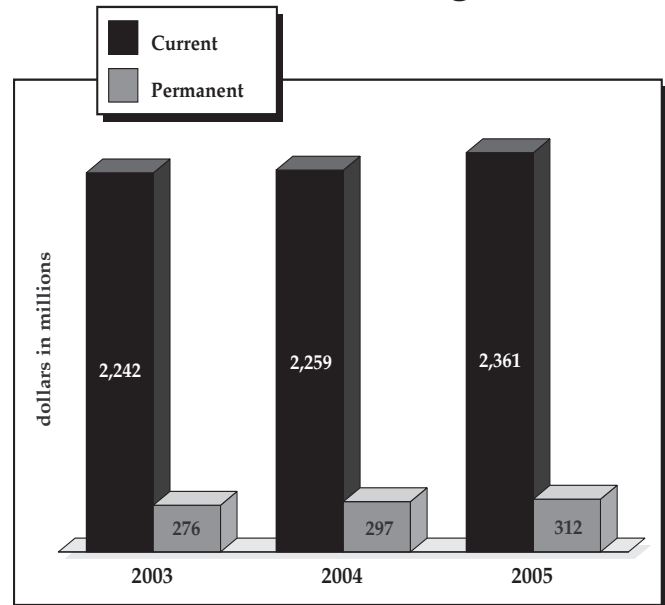
Program Overview – Since 1872, the stewardship responsibilities of NPS have become more complex, and there are more parks to manage. The national park system has experienced phenomenal growth in recent years, with the addition of more than 100 new parks since 1973. Currently, the national park system includes 388 units covering 88 million acres in 49 states, the District of Columbia, American Samoa, Guam, Puerto Rico, the Northern Mariana Islands, and the Virgin Islands.

In its entirety, the national park system represents and interprets the story of human history and natural sciences that together equal modern day America. The system preserves both the natural and cultural sites that are ingrained in the Nation’s history. The parks offer an array of rewarding opportunities for much needed respite, reflection, and outdoor recreation to the American public. In 2005, it is anticipated that nearly 260 million people will visit our Nation’s national parks.

Employees are central to carrying out the Park Service mission. Almost eighty percent are employed in parks, with the remainder in headquarters, regional offices, and service-wide programs. The NPS estimates that staffing will total 20,637 full time equivalents in 2005.

Park employees serve a diverse clientele of visitors and function in multiple roles, including stewards of the public trust, interpreters of natural and cultural sites, and guarantors of visitor safety. In the area of cultural resource preservation, park employees serve as historians,

NPS Funding



curators, archeologists, and conservators. In the natural resource programs, park employees serve as biologists, hydrologists, geologists, and general resource management specialists.

Management Excellence – The Park Service continues to pursue a management strategy that integrates the President’s management agenda and the Secretary’s vision of citizen-centered governance. The Park Service has worked diligently to step down from the goals in the Interior Department’s recently finalized strategic plan, which fosters a cohesive approach to mission performance with improved program and service delivery, new technological capabilities, enhanced inter-bureau cooperation, and improved standards of accountability that stretch across the entire Department. In 2005, NPS will continue specific reforms to improve management of the deferred maintenance backlog and the effectiveness of its programs. For 2005, the Historic Preservation Fund and the Land and Water Conservation Fund State assistance program were reviewed using the Program Assessment Rating Tool and the results will be discussed later in this section.

Budget Overview – The 2005 NPS budget supports the Administration’s goals to: fully fund the Land and Water Conservation Fund; protect park resources through the Natural Resource Challenge and the Cooperative Conservation Initiative; and manage the NPS deferred maintenance backlog. The NPS budget request is \$2.4 billion in current appropriations, a net increase of \$102.0 million above the 2004 enacted level.

Park Operations – Funding for the Operation of the National Park System appropriation that includes funds for visitor services, resource protection, and other park programs is \$1.7 billion in current appropriations. The request is a net increase of \$76.5 million above the 2004 enacted level. The total amount included for the Operation of the National Park System account provides substantial funding for selected park activities and supports the President’s initiatives.

The budget request includes a program increase of \$22.0 million for park base operations, of which \$10.0 million is for park-specific operating increases for repair and maintenance of buildings and roads. These targeted park increases will assist in ensuring that NPS infrastructure does not fall into further disrepair, thereby keeping the maintenance backlog from increasing. Another \$4.7 million increase is for the protection of critical infrastructure and key assets within the park system in accordance with threat condition yellow standards. The increases will enhance law enforcement operations to support security efforts and protect park resources, employees, and visitors. Additionally, \$1.1 million will support partnership efforts with the Martin Luther King, Jr. Center and the Flight 93 National Memorial Commission. The remaining \$6.2 million of the park base increase will address high priority needs such as new responsibilities and critical resource management issues. A portion of the increases for repair and maintenance and protection of critical infrastructure and key assets, or \$2.1 million, also addresses new responsibilities. These new responsibilities include operation and maintenance needs at recently authorized park units, operation of new or rehabilitated facilities and lands, and responsibilities accruing from new mandates or laws.

The request proposes increases to continue implementation of the Secretary’s law enforcement reforms. The 2005 request includes an increase of \$1.5 million to focus NPS law enforcement efforts where critical resources and public health and safety are at risk. In addition, a \$2.2 million increase is requested to maintain a service-wide incident management, analysis, and reporting system that would provide a means of electronically recording, filing, analyzing, and reporting a wide range of emergency and law enforcement incidents in the national park system.

The Park Service also proposes to undertake several initiatives that will provide a savings of \$4.0 million in 2005. These initiatives include: implementing the recommendations of a reorganization study of the Pacific West regional office; reducing the level of travel expenditures; employing a comprehensive program to manage the design and production of park signs across the Service; streamlining publications printed by the Harpers Ferry Center; and training and development improvements.

Cooperative Conservation – The 2005 budget includes \$114.8 million for cooperative conservation programs funded in NPS, including \$93.8 million for the LWCF State assistance program and \$21.0 million for the Cooperative Conservation Initiative. The Cooperative Conservation Initiative is a vital part of the cooperative conservation vision, awards grants for land restoration and conservation projects that leverage Federal dollars through partnerships, and is an important component of the fully funded Land and Water Conservation Fund budget request.

A program increase of \$4.1 million above the 2004 level for challenge cost share grants will increase resource protection on or near Federal lands by 50 percent. Grants will fund projects conducted in conjunction with local individuals, governments, non-profit organizations, and corporations. The traditional challenge cost share program is increased by \$2.1 million and will be used for matching grants for projects that focus on cultural, recreational, and resource protection.

Repair and Rehabilitation of Park Facilities – The President’s 2005 request continues to provide critical tools to improve accountability and expedite the completion of maintenance projects. A program increase of \$13.2 million is requested in the ONPS account for the repair and rehabilitation program, resulting in a total of \$107.6 million. This amount, together with facility maintenance and construction, provides \$724.7 million for construction and annual and deferred maintenance projects in 2005.

For the first time, NPS has a comprehensive inventory of its regular assets and has conducted a facility condition survey. Utilizing data from the condition assessments, NPS has established an estimated baseline for quantifying the condition of its assets. This baseline, known as the facility condition index, will provide NPS with a launching point for determining the investment required for spending down the maintenance backlog as well as establishing performance goals to achieve an acceptable condition over time. The \$13.2 million repair and rehabilitation increase includes \$8.2 million for additional projects targeted to improve the condition of priority buildings. This focus will allow NPS to demonstrate the effectiveness of its

maintenance program by quickly showing near-term results on a single asset category.

An additional \$3.0 million is for the demolition and removal of hazardous structures in park units. These structures are a safety liability and financial drain on NPS and its ability to effectively reduce the maintenance backlog. This funding will be used by NPS to reduce its substantial portfolio of physical assets and more effectively direct resources to restoring and rehabilitating structures that better support the NPS mission.

The remaining \$2.0 million increase is to continue performing comprehensive condition assessments in order to reach the goal of completing the first cycle of assessments by the conclusion of fiscal year 2006.

The Administration will seek additional funds to address park road maintenance needs through Highway Trust Fund reauthorization. The Administration's proposed reauthorization of the Transportation Equity Act for the 21st Century would provide \$310 million in 2005 and \$1.85 billion over six years for park roads and parkways.

Natural Resource Challenge – The budget includes a net increase of \$4.6 million for the Natural Resource Challenge program. Initiated in 2000, the Natural Resource Challenge is an integral part of NPS efforts to ensure that the natural resources under its purview continue to flourish. The goal of this program is to develop a scientific base of knowledge to create a framework for measuring performance based on the health of flora and fauna and the quality of air and water in and around park lands.

The 2005 request focuses on strengthening the NPS inventory and monitoring programs, and includes an additional \$4.1 million for vital signs monitoring and \$528,000 for water quality monitoring. Vital signs monitoring tracks measurable features of the environment that indicate the health of park ecosystems, as well as the health of individual plant and animal species. Water quality monitoring tracks water conditions to preserve pristine waters and improve impaired waters in parks and surrounding areas. The NPS has developed a system of 32 multi-park, multi-agency vital signs and water quality monitoring networks sharing similar geographical and natural resource characteristics to complete this task. With the requested increase, NPS will fund an additional six networks for vital signs monitoring for a total of 28 of 32 networks altogether. The 2005 budget increase for water quality monitoring will complete funding for the remaining seven of 32 water quality monitoring networks.

Land Acquisition and State Assistance – The budget proposes funding land acquisition and State assistance at

\$178.1 million in current appropriations. The request is an increase of \$42.5 million above the 2004 enacted level. The request includes \$84.3 million for the NPS portion of the Federal land acquisition program. The Federal land acquisition program provides funding to acquire lands, or interests in lands, for inclusion in the national park system in order to preserve nationally important natural and historic resources. The 2005 land acquisition program includes the presidential commitment to provide \$40.0 million to protect the Big Cypress National Preserve by acquiring the Collier oil and gas holdings. Although the agreement between the Department and the Collier family for the acquisition of the mineral rights recently expired, this request demonstrates the Department's continued commitment to preventing any new exploration or oil production in the Preserve, which is part of the larger Everglades ecosystem.

The 2005 request for the LWCF State assistance program is \$93.8 million, the same level of funding as 2004. The Program Assessment Rating Tool review identified several areas where improvement in this program with respect to performance reporting should be made. The Department and NPS are addressing the issues identified in the PART review to make the program more performance-oriented. The Park Service is commencing a collaborative process of working with each State and territory to develop new performance standards by next year.

Construction – The Construction and Major Maintenance account is funded at \$329.9 million in current appropriations, the same as the 2004 appropriation. This amount, together with facility maintenance, supports the President's commitment to manage the maintenance backlog. Within the total proposed for construction, line item construction projects are funded at \$214.2 million.

The Construction total also includes \$39.1 million for equipment replacement, of which \$23.6 million is for radio narrowbanding. Funds in this program are used to purchase various types of vehicles, vessels, and equipment, including modern safety and prevention equipment, and information and communication technology equipment. The funding for narrowbanding is an increase of \$3.2 million over the 2004 appropriation.

U.S. Park Police – The Park Police budget request is \$81.2 million in current appropriations. The request represents an increase of \$3.3 million above the amount provided in the 2004 appropriation. A program increase of \$2.0 million provides for security efforts under threat condition yellow requirements. Additionally, a one-time increase of \$1.0 million is included for law enforcement costs related to events surrounding the January 2005 presidential inaugural.

National Recreation and Preservation – This appropriation funds programs connected with local community efforts to preserve natural and cultural resources. For 2005, these programs are proposed at \$37.7 million, a program decrease of \$24.0 million from the 2004 appropriation. The budget proposes \$2.5 million for national heritage areas, a decrease of \$11.8 million from 2004.

The budget request does not include funding for statutory and contractual aid grants which are secondary to the primary mission of the National Park Service.

Urban Park and Recreation Recovery Program – The 2005 President's budget request does not contain funding for new UPARR grants. However, the 2005 budget does include \$301,000 within the National Recreation and Preservation appropriation for the administration of grants previously awarded.

Historic Preservation – The budget includes a request of \$77.5 million for the Historic Preservation Fund to provide matching grants to States, Territories, and Tribes to preserve historically and culturally significant sites. This is a net increase of \$4.0 million above the 2004 level, consistent with a favorable PART evaluation.

The 2005 budget request includes an additional \$10.0 million for matching grants to advance the goals of Preserve America. The Preserve America initiative is designed to complement Save America's Treasures grants by providing one-time assistance to help communities demonstrate long-term approaches to using historic resources in an economically sustainable manner. The Save America's Treasures initiative to protect nationally significant cultural artifacts is funded at \$30.0 million.

Recreational Fee Demonstration Program – Both parks and visitors have enjoyed the benefits of the Recreational Fee Demonstration program since Congress authorized it in 1996. Fee receipts are available without further appropriation to support projects at the collecting park, with a portion distributed to other parks on the basis of need. In 2003, Congress extended the authorization through December 31, 2005. The Administration will work with Congress to make the program permanent. The 2005 estimate for total NPS program receipts is \$140.0

million, including \$17.2 million in revenue estimated for the national park passport program.

Information Technology – The NPS information technology infrastructure includes several hundred local area networks, and multiple versions of operating systems and office productivity suites. This patchwork system creates a complex environment that directly impacts the quality of IT services that can be provided across the organization. The budget includes an increase of \$3.5 million for NPS IT security and enterprise architecture initiatives. Funding supports Departmental goals for securing IT systems by completing certification and accreditation for all systems by 2006. It also supports the requirement to establish a single Department-wide architecture.

In recognition of the need to have an environment that can maximize the innovative and effective use of technology, as well as adapt to changing program and administrative needs, the Department is migrating its IT portfolio to enterprise business processes and technologies. A key component for successful implementation of this strategy is the Enterprise Services Network, a modern, integrated network backbone that will provide the infrastructure to integrate resources within the Department. The Service's 2005 budget includes an increase of \$1.2 million for implementing this initiative.

Additionally, the request includes increases of \$801,000 to support implementation of the Administration's high-payoff e-government initiatives to integrate agency operations and information technology investments. These initiatives eliminate redundant systems and significantly improve the government's quality of customer service for citizens and businesses.

Other Program Changes – The request includes: a decrease of \$2.3 million for anticipated savings related to improved fleet management; a \$1.0 million increase to fully fund financial statement audit costs previously funded in part by the OIG; and a \$1.0 million increase for competitive sourcing review.

Uncontrollable Costs – Uncontrollable cost increases total \$33.6 million, of which \$21.7 million are budgeted and \$11.8 million are absorbed.

SUMMARY OF BUREAU APPROPRIATIONS
(all dollar amounts in thousands)

Comparison of 2005 Request with 2004 Enacted:

	2004 Enacted		2005 Request		Change from 2004	
	FTE	Amount	FTE	Amount	FTE	Amount
Appropriations						
Operation of the National Park System	15,826	1,609,561	15,985	1,686,067	+159	+76,506
United States Park Police	717	77,887	753	81,204	+36	+3,317
National Recreation and Preservation	281	61,773	288	37,736	+7	-24,037
Urban Park and Recreation Fund	7	301	0	0	-7	-301
Historic Preservation Fund.....	2	73,582	2	77,533	0	+3,951
Construction and Major Maintenance	419	329,880	419	329,880	0	0
Land Acquisition and State Assistance.....	123	135,596	123	178,124	0	+42,528
LWCF Contract Authority (Rescission).....	0	-30,000	0	-30,000	0	0
Subtotal, Appropriations (<i>without fire</i>)	17,375	2,258,580	17,570	2,360,544	+195	+101,964
Fire Repayment	0	68,720	0	0	0	-68,720
Subtotal, Appropriations (<i>with fire</i>)	17,375	2,327,300	17,570	2,360,544	+195	+33,244
Mandatory Appropriations						
Recreation Fee Permanent Appropriations	1,211	149,155	1,211	157,201	0	+8,046
Other Permanent Appropriations.....	185	102,339	185	109,242	0	+6,903
Miscellaneous Trust Funds	104	15,308	104	15,308	0	0
Construction Trust Fund.....	1	0	1	0	0	0
LWCF Contract Authority.....	0	30,000	0	30,000	0	0
Subtotal, Mandatory Appropriations.....	1,501	296,802	1,501	311,751	0	+14,949
Transfers, Reimbursables, and Allocations						
Transfers	1,034	0	1,034	0	0	0
Reimbursables	532	0	532	0	0	0
Allocations to Other Agencies.....	[42]	[0]	[42]	[0]	[0]	[0]
Subtotal, Other.....	1,566	0	1,566	0	0	0
TOTAL, NATIONAL PARK SERVICE (<i>without fire</i>) ..	20,442	2,555,382	20,637	2,672,295	+195	+116,913
TOTAL, NATIONAL PARK SERVICE (<i>with fire</i>)	20,442	2,624,102	20,637	2,672,295	+195	+48,193

HIGHLIGHTS OF BUDGET CHANGES
By Appropriation Activity/Subactivity

APPROPRIATION: Operation of the National Park System

	2003 Actual	2004 Enacted	2005 Request	Change from 2004 Enacted
Park Management				
Resource Stewardship	338,148	335,306	343,467	+8,161
Visitor Services	315,375	319,763	330,256	+10,493
Facility Operations and Maintenance ..	519,970	559,211	586,093	+26,882
Park Support	283,305	282,330	300,570	+18,240
Subtotal, Park Management	1,456,798	1,496,610	1,560,386	+63,776
External Administrative Costs	107,532	112,951	125,681	+12,730
TOTAL APPROPRIATION	1,564,330	1,609,561	1,686,067	+76,506

Highlights of Budget Changes

	<u>Amount</u>
Uncontrollable Costs	[+32,281]
Park Management	
Resource Stewardship	+8,161
<p>The NPS is requesting two increases for the Natural Resources Challenge for the vital signs (+\$4,111) and water quality monitoring (+\$528) programs. An increase is also proposed for high priority park base operations (+\$2,182). A decrease is proposed for the Cumberland Learning Center (-\$223). The budget also includes a reduction for fleet management (-\$700), reflecting cost savings realized through management reform of NPS owned and leased vehicles. Uncontrollable costs total +\$3,486 of which +\$1,342 are budgeted and +\$2,144 are absorbed. This subactivity includes a transfer of Natural Sounds/ Air Tour Management funds to the Natural Resources Management component (+\$921) from the Visitor Services budget subactivity.</p>	
Visitor Services	+10,493
<p>Increases are requested for high priority park base operations (+\$5,758) and improvements to the law enforcement program, including headquarters staff (+\$300), regional special agents (+\$1,200) and an incident reporting system (+\$2,200). Non-recurring funding is requested in support of presidential inaugural activities (+\$1,000). The budget includes a reduction for fleet management (-\$200), reflecting cost savings realized through management reform of NPS owned and leased vehicles. The budget also includes a reduction for streamlining of publications offered by the NPS (-\$1,000). Uncontrollable costs total +\$5,487 of which +\$2,156 are budgeted and +\$3,331 are absorbed. Also included is a transfer of Natural Sounds/ Air Tour Management funds (-\$921) from the Visitor Use Management component to the Resource Stewardship budget subactivity.</p>	
Facility Operations and Maintenance	+26,882
<p>Increases are requested for high priority park base operations (+\$11,106), continued enhancement of the comprehensive facility condition assessment program (+\$2,017), additional repair and rehabilitation projects (+\$8,165), removal of hazardous structures (+\$3,000), and general facility maintenance (+\$1,750). The budget includes a reduction of -\$1,000, reflecting cost savings realized due to consolidation of the purchasing of park information and directional signage. The budget also includes a reduction for fleet management (-\$400), reflecting cost savings realized through management reform of NPS owned and leased vehicles. Uncontrollable costs total +\$5,813 of which +\$2,244 are budgeted and +\$3,569 are absorbed.</p>	
Park Support	+18,240
<p>Increases are requested for high priority park base operations (+\$2,966), to continue establishment of regional coordinators for the Volunteers-in-Parks and partnership programs (+\$250), to provide training and supervision for anticipated volunteer increases in the Volunteers-in-Parks program (+\$600) and to enhance the challenge cost share programs (+\$6,247). Increases are also requested for information management improvements: +\$1,200 for information technology security infrastructure, +\$1,571 for certification and accreditation, and +\$750 for enterprise architecture. Other proposed increases include: independent financial audit (+\$980), financial management reform (+\$500), e-government initiatives (+\$801), electronic services network (+\$1,200), e-rulemaking (+\$70) and competitive sourcing review (+\$970). Program decreases are included for streamlining training (-\$1,000), international and domestic travel (-\$500), and fleet management (-\$1,019). Uncontrollable costs total +\$4,053 of which +\$1,555 are budgeted and +\$2,498 are absorbed. This subactivity includes a transfer of funds for Roosevelt Campobello International Peace Park from the Statutory Aid activity in the National Recreation and Preservation appropriation (+\$837). This subactivity also includes a transfer of funds from the Management and Administration component (-\$514) to the GSA Space Rental component within the External Administrative Costs budget activity and the reallocation of ADP charges (+\$776) to this subactivity from the External ADP Charges component within the External Administrative Costs budget activity.</p>	
External Administrative Costs	+12,730
<p>The budget includes a reduction of -\$450 for GSA Space Rental, reflecting savings to be realized by streamlining efforts enacted by the Pacific West regional office. This activity includes transfers of funds from the Park Support budget activity to the GSA Space Rental component within this budget activity (+\$514), and the reallocation of ADP charges (-\$776) from the External ADP Charges component within this budget activity to the Park Support budget subactivity. Uncontrollable costs total +\$13,442, all of which are budgeted.</p>	

APPROPRIATION: United States Park Police

	<u>2003 Actual</u>	<u>2004 Enacted</u>	<u>2005 Request</u>	<u>Change from 2004 Enacted</u>
TOTAL APPROPRIATION	77,921	77,887	81,204	+3,317

Highlights of Budget Changes

	<u>Amount</u>
Uncontrollable Costs	[+986]
United States Park Police Operations	+3,317
The NPS is requesting an increase for Code Yellow preparation (+\$2,000) and a non-recurring increase to provide law enforcement support for presidential inaugural activities (+\$1,000). Uncontrollable costs total +\$986 of which +\$317 are budgeted and +\$669 are absorbed.	

APPROPRIATION: National Recreation and Preservation

	<u>2003 Actual</u>	<u>2004 Enacted</u>	<u>2005 Request</u>	<u>Change from 2004 Enacted</u>
Recreation Programs.....	548	548	551	+3
Natural Programs.....	10,877	10,875	10,966	+91
Cultural Programs	19,918	19,689	19,814	+125
Environmental Compliance & Review ...	397	396	397	+1
Grants Administration	1,575	1,576	1,892	+316
International Park Affairs	1,708	1,606	1,616	+10
Heritage Partnership Programs				
Commissions & Grants	14,162	14,153	2,378	-11,775
Administrative Support	118	122	122	0
Subtotal, Heritage Partnership.....	14,280	14,275	2,500	-11,775
Statutory or Contractual Aid				
Aleutian World War II Historic Area....	397	0	0	0
Benjamin Franklin Tercentenary				
Commission	0	198	0	-198
Blue Ridge Parkway Folk Art Center ...	0	740	0	-740
Brown Foundation	200	198	0	-198
Chesapeake Bay Gateways and				
Water Trails	1,987	2,469	0	-2,469
Dayton Aviation Heritage Comm.....	446	85	0	-85
Flight 93 Memorial.....	298	294	0	-294
French and Indian War	0	494	0	-494
Harry S. Truman Statue.....	0	50	0	-50
Ice Age National Scientific Reserve.....	801	796	0	-796
Jamestown 2007 Commission.....	199	197	0	-197
Johnstown Area Heritage				
Association Museum	49	49	0	-49
Lake Roosevelt Forum.....	50	50	0	-50
Lamprey Wild and Scenic River	596	987	0	-987
Louisiana Purchase Commission				
of Arkansas	199	0	0	0
Mandan On-a-Slant Village	0	494	0	-494
Martin Luther King Jr. Center	525	521	0	-521
National Constitution Center	497	0	0	0
Native Hawaiian Culture/ Arts Prog. ...	735	731	0	-731
New Orleans Jazz Commission	66	65	0	-65
Office of Arctic Studies	1,490	1,481	0	-1,481
Oklahoma City Memorial	0	1,581	0	-1,581
Penn Center National Landmark, SC...	497	0	0	0
Roosevelt Campobello				
International Park Commission.....	797	837	0	-837

	<u>2003 Actual</u>	<u>2004 Enacted</u>	<u>2005 Request</u>	<u>Change from 2004 Enacted</u>
Saint Charles Interpretive Center	497	0	0	0
Sewell-Belmont House National Historic Site	397	0	0	0
Sleeping Rainbow Ranch, Capitol Reef NP	497	491	0	-491
Vancouver National Historic Reserve..	248	0	0	0
Virginia Key Miami Beach	497	0	0	0
Subtotal, Statutory / Contractual Aid....	11,965	12,808	0	-12,808
TOTAL APPROPRIATION	61,268	61,773	37,736	-24,037

Highlights of Budget Changes

	<u>Amount</u>
Uncontrollable Costs	[+536]
Recreation Programs	+3
Uncontrollable costs total +\$6 of which +\$3 are budgeted and +\$3 are absorbed.	
Natural Programs	+91
Uncontrollable costs total +\$200 of which +\$91 are budgeted and +\$109 are absorbed.	
Cultural Programs	+125
Uncontrollable costs total +\$273 of which +\$125 are budgeted and +\$148 are absorbed.	
Environmental Compliance and Review	+1
Uncontrollable costs total +\$2 of which +\$1 are budgeted and +\$1 are absorbed.	
Grants Administration	+316
The budget includes the transfer of Urban Park and Recreation Recovery Grants Administration (+\$301) from the UPARR appropriation to this activity. Uncontrollable costs total +\$33 of which +\$15 are budgeted and +\$18 are absorbed.	
International Park Affairs	+10
Uncontrollable costs total +\$22 of which +\$10 are budgeted and +\$12 are absorbed.	
Heritage Partnership Programs	-11,775
The budget includes a reduction of -\$11,755 to the Commissions and Grants subactivity.	
Statutory or Contractual Aid	-12,808
The budget includes the transfer of support for the Roosevelt Campobello International Park subactivity (-\$837) to the Park Management activity within the ONPS appropriation. The NPS is proposing the elimination of direct support to the other subactivities (-\$11,971). Support for the Flight 93 Memorial Commission and the Martin Luther King, Jr., Center are included within park base increases in the ONPS appropriation.	

APPROPRIATION: Urban Parks and Recreation Fund

	<u>2003 Actual</u>	<u>2004 Enacted</u>	<u>2005 Request</u>	<u>Change from 2004 Enacted</u>
TOTAL APPROPRIATION	298	301	0	-301

Highlights of Budget Changes

	<u>Amount</u>
Urban Parks and Recreation Recovery Grants Administration	-301
The budget proposes to transfer this activity (-\$301) to the Grants Administration activity within the National Recreation and Preservation appropriation.	

APPROPRIATION: Historic Preservation Fund

	<u>2003 Actual</u>	<u>2004 Enacted</u>	<u>2005 Request</u>	<u>Change from 2004 Enacted</u>
Grants-in-Aid.....	36,760	40,496	37,533	-2,963
Save America's Treasures.....	29,805	32,592	30,000	-2,592
Preserve America	0	0	10,000	+10,000
National Trust.....	1,987	494	0	-494
TOTAL APPROPRIATION	68,552	73,582	77,533	+3,951

Highlights of Budget Changes

	<u>Amount</u>
Uncontrollable Costs	[+2]
Grants-in-Aid	-2,963
The budget proposes discontinuation of funding for grants to Historically Black Colleges and Universities (-\$2,963).	
Grants-in-Aid to Save America's Treasures	-2,592
A decrease is proposed for Grants-in-Aid to Save America's Treasures (-\$2,592). Uncontrollable costs total +\$2 which are absorbed.	
Grants-in-Aid to Preserve America	+10,000
Funding is proposed for Grants-in-Aid to Preserve America (+\$10,000).	
Grants-in-Aid to the National Trust	-494
Funding for Grants-in-Aid to the National Trust is proposed for elimination (-\$494).	

APPROPRIATION: Construction and Major Maintenance

	<u>2003 Actual</u>	<u>2004 Enacted</u>	<u>2005 Request</u>	<u>Change from 2004 Enacted</u>
Line Item Construction & Maintenance...	214,194	214,295	214,183	-112
Special Programs				
Emergency, Unscheduled.....	3,477	5,432	4,000	-1,432
Housing	9,935	7,901	8,000	+99
Dam Safety	2,682	2,667	2,700	+33
Equipment Replacement.....	31,752	35,023	39,100	+4,077
Construction Planning	25,235	24,179	21,220	-2,959
Construction Program Mgmt & Ops.....	24,631	27,128	27,364	+236
General Management Planning	13,806	13,255	13,313	+58
2003 Fort Baker Transfer.....	2,500	0	0	0
TOTAL APPROPRIATION (without fire)	328,212	329,880	329,880	0
Fire Transfer	-64,000	0	0	0
Fire Repayment	74,813	52,296	0	-52,296
TOTAL APPROPRIATION (with fire)	339,025	382,176	329,880	-52,296
Transfer from Fort Baker.....		[2,500]	0	[-2,500]

Highlights of Budget Changes

	<u>Amount</u>
Uncontrollable Costs	[+583]
Line Item Construction	-112
The proposed construction projects for 2005 comprise the highest priority health and safety and resource protection needs within the national park system, including continuation of restoration efforts for the Elwha River and Everglades ecosystems. A detailed list of projects is contained in Appendix D.	

	<u>Amount</u>
Special Programs	+2,777
Emergency and Unscheduled Projects	[-1,432]
<p>This program funds minor unscheduled and emergency construction projects to protect and preserve park resources and to provide for safe and uninterrupted visitor use of facilities. This program includes seismic safety of NPS buildings, which identifies and corrects structural deficiencies in NPS buildings that are at risk due to their location in unstable seismic areas. A decrease of -\$1,451 is proposed for the unscheduled and emergency project program and an increase of +\$19 is proposed for the seismic safety program.</p>	
Housing	[+99]
<p>Funding in this program is primarily used to remove temporary, unsafe, and trailer housing units throughout the national park system and replace them with safe and permanent quarters for park employees.</p>	
Dam Safety	[+33]
<p>This program is conducted with the assistance of the Bureau of Reclamation and focuses on the correction of unsafe and unstable dams in park areas where the potential risk of loss of life and resources is high.</p>	
Equipment Replacement	[+4,077]
<p>Funds are requested for the timely, scheduled replacement of park equipment. Included in the requested amount are funds to improve park management and data processing and to implement the modernization of its radio communications inventory in compliance with National Telecommunications and Information Administration regulations. An increase of +\$3,208 will help NPS comply with NTIA guidance to convert all of its current VHF frequencies to narrow band equipment. Increases are also proposed for the park operations equipment replacement program (+\$344) and the modernization of information management equipment program (+\$525).</p>	
Construction Planning	-2,959
<p>Funding in this activity is used to prepare project planning documents, drawings, and specifications necessary to complete approved line item construction program projects. This program also provides for the completion of tasks before project design and specifications work begins, including programming, special studies, and resource analysis. The proposed funding level (-\$2,959) will enable NPS to keep pace with the large line item construction program backlog of non-road reconstruction and replacement projects on the recently revised servicewide construction project listing.</p>	
Construction Program Management and Operations	+236
<p>This activity represents costs associated with base funding for Denver Service Center salaries and administrative/infrastructural costs. These include managing the 5-year line item construction program projects and coordinating review, ranking, and approval of projects for completion, and overall program oversight. Uncontrollable costs total +\$465 of which +\$236 are budgeted and +\$229 are absorbed.</p>	
General Management Planning	+58
<p>The proposed General Management Plans program will continue the preparation and revision of plans to guide NPS in the protection, use, development, and management of each area, and evaluate the potential for adding new units to the national park system. Uncontrollable costs total +\$118 of which +\$58 are budgeted and +\$60 are absorbed.</p>	

APPROPRIATION: Land Acquisition and State Assistance

	2003 Actual	2004 Enacted	2005 Request	Change from 2004 Enacted
Assistance to States				
State Conservation Grants	94,382	91,360	91,360	0
Administrative Expenses	2,981	2,469	2,469	0
National Park Service				
Acquisitions	53,530	32,444	65,784	+33,340
Emergencies and Hardships.....	3,974	1,976	4,000	+2,024
Inholdings	3,974	1,976	4,000	+2,024
Acquisition Management.....	12,506	10,371	10,511	+140
Net Transfers.....	0	-5,000	0	+5,000
TOTAL APPROPRIATION (<i>without fire</i>)	171,347	135,596	178,124	+42,528
Fire Transfers	-20,100	0	0	
Fire Repayment	48,038	16,424	0	-16,424
TOTAL APPROPRIATION (<i>with fire</i>).....	199,285	152,020	178,124	

Highlights of Budget Changes

	<u>Amount</u>
Uncontrollable Costs	[+172]
Federal Land Acquisition	+42,388
<p>An increase in funding is requested (+\$42,388). The 2005 program consists of acquisitions at six parks, including acquisition of mineral rights at Big Cypress National Preserve.</p>	
Acquisition Management	+140
<p>An increase in funding are requested (+\$61). Uncontrollable costs total +\$172 of which +\$79 are budgeted and +\$93 are absorbed.</p>	



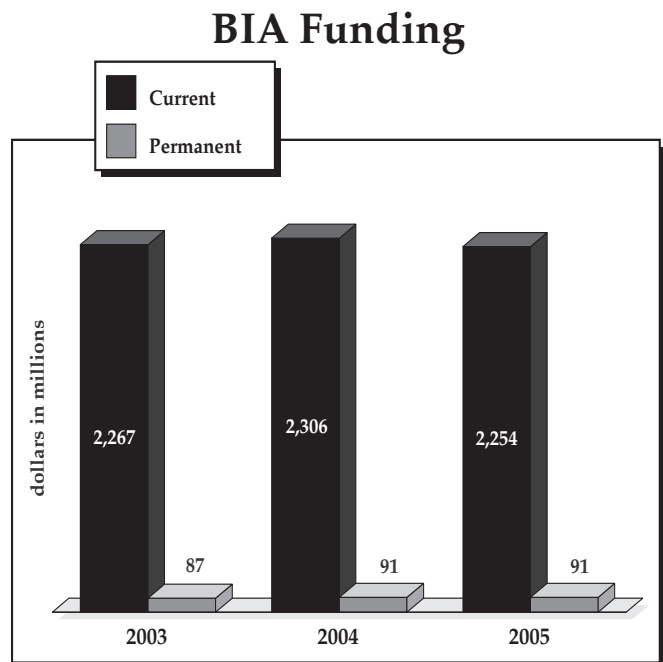
BUREAU OF INDIAN AFFAIRS

Background – In the last two centuries, the Congress has passed more Federal laws affecting Indians than any other group of people in the United States. The Snyder Act, the Indian Self-Determination and Education Assistance Act, the Indian Education Amendments of 1978, and the Indian Reorganization Act are just a few of the laws that have defined the Federal authority and obligation to provide various programs and services to Indian Country. While the Federal trust obligation lies at the heart of this special relationship, the scope of the United States' responsibilities to American Indians extends beyond basic trust obligations to include a wide range of services delivered in concert with the enhancement of Indian self-determination. The Congress has placed the major responsibility for Indian matters in the Interior Department, primarily with the Bureau of Indian Affairs.

Mission – The mission of BIA is to fulfill its trust responsibilities and promote self-determination on behalf of tribal governments, American Indians, and Alaska Natives.

Program Overview – The BIA provides services directly or through contracts, grants, or compacts to a service population of 1.5 million American Indians and Alaska Natives who are members of 562 federally recognized Indian Tribes in the 48 contiguous United States and Alaska. While the role of BIA has changed significantly in the last three decades in response to a greater emphasis on Indian self-determination, Tribes still look to BIA for a broad spectrum of services. The BIA programs are funded and operated in a highly decentralized manner, with about 90 percent of all appropriations expended at the local level, and about 50 percent of appropriations provided directly to Tribes and tribal organizations through grants, contracts, and compacts.

The extensive scope of BIA programs covers virtually the entire range of State and local government services. Programs administered by either Tribes or the BIA include an education system for almost 48,000 elementary and secondary students; 29 tribal colleges, universities, and post-secondary schools; social services; natural resources management on 56 million acres of trust land; economic development programs in some of the most isolated and

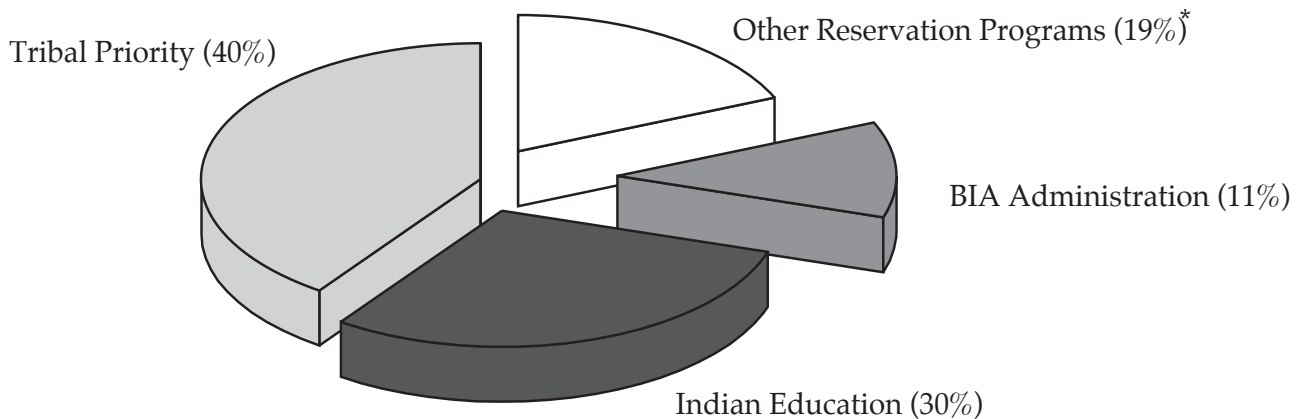


economically depressed areas of the United States; law enforcement; administration of tribal courts; implementation of land and water claim settlements; replacement and repair of schools; repair and maintenance of roads and bridges; and repair of structural deficiencies on high hazard dams.

Management Excellence – The BIA programs uphold the government-to-government relationship with Tribes, honor trust responsibilities, and provide many diverse services to American Indians and Alaska Natives. The Bureau continues to follow the President's management agenda for improving management and performance of the Federal government, practicing the Secretary's vision for citizen-centered management excellence.

As part of the 2005 budget formulation process, the law enforcement, tribal courts, and forestry programs were evaluated using the Program Assessment Rating Tool. The principal findings of the reviews were the need to develop additional efficiency and accountability measures for each program and correct program management and strategic planning deficiencies in the tribal courts and

Operation of Indian Programs \$1.9 billion



In 2005, nine of every ten dollars appropriated to BIA will be provided to education, human resources, trust services, and other on-the-ground programs

** Includes the following: resources management, trust services, law enforcement, and other reservation programs..*

law enforcement programs. The BIA is working to make improvements in the identified areas.

The Department has developed a five year strategic plan to guide its resource allocations and program decisions and improve accountability. The BIA programs and services support the Department's outcome goals to fulfill Indian trust responsibilities and advance quality communities for Tribes. In 2005, BIA will continue to strengthen its baseline data and refine its tracking and reporting mechanisms to ensure that timely and accurate performance information is available and integrated into budget decisionmaking.

Budget Overview – The 2005 budget request for BIA is \$2.3 billion in current appropriations, a decrease of \$52.0 million below the 2004 enacted budget. The Operation of Indian Programs account is funded at \$1.9 billion, an increase of \$36.8 million. The budget continues the Department's commitment to reform trust management and provides increases for law enforcement and public safety, two new tribal colleges, economic development, and self-determination efforts. In order to redirect funds to these high priority programs, the operations budget includes \$30.2 million in reductions. In addition, a one-time reduction of \$5.4 million in operations is possible as anticipated carryover balances will be available to sustain the current level of program delivery in 2005.

Management of trust assets for Tribes and individual Indians has been a key component of the BIA mission

for well over a century. The Bureau is working closely with the Office of the Special Trustee for American Indians on the Secretary's ongoing efforts to reform current trust systems, policies, and procedures. The 2005 BIA budget proposes a net increase of \$42.0 million for trust improvements, mainly in the areas of information technology, trust services, probate, forestry, and workforce improvements.

Information Technology Improvements – The 2005 BIA budget request includes a program increase of \$29.1 million to continue the ground-up rebuilding of the Bureau's information technology infrastructure to support trust reform and other ongoing programs. The requested increase will allow BIA to strengthen life cycle management for systems including improving practices in investment management, portfolio management, business case development, configuration management, asset management, architecture development, and systems replacement for security and e-government capabilities.

The requested funding allows the Bureau to continue to transition from the existing BIA information technology network to TrustNet, a standards-based network that provides secure, timely, and controlled access to trust data. TrustNet supports all bureaus that process trust data to ensure the confidentiality, integrity, availability, and accountability of trust data. The requested funding increase also supports the certification and accreditation of all BIA high risk systems in 2004 and all remaining systems by 2006.

Improving Trust Management – In 2003, Interior began reorganizing trust functions in the BIA and OST. The reorganization synchronizes and increases BIA and OST focus on the fiduciary trust responsibilities to individual Indian and tribal beneficiaries. It greatly expands the number of personnel available to execute trust-related programs. The 2005 BIA budget requests a program increase of \$5.5 million to support 25 new trust-related positions at the local level to oversee daily trust transactions and operations. The 2005 request also provides a program increase of \$4.0 million for an additional 35 probate specialists and attorney decisionmakers to quicken the pace at which current probate cases are processed and resolved. There are currently over 18,000 probate cases pending.

Other 2005 requests that will enhance trust management are a \$2.0 million increase for training to develop a workforce geared toward the unique execution of trust operations across the Nation and \$1.1 million to establish a permanent Office of Tribal Consultation that will promote greater Federal consultation with Tribes on issues affecting trust reform.

Resource Management – Natural resource programs play a critical role in the delivery of trust responsibilities and the ability of BIA to manage trust assets. The BIA budget includes a program increase of \$1.0 million to improve management of Indian forests, which cover 17.9 million acres located on 275 reservations in 26 states. The request will increase the number of reservations covered by forest management plans, a key component for comprehensive management of a reservation's resources. Used for strategic planning purposes, plans are designed to optimize benefits, including sustainable increases in revenue, as well as address best management practices on reservation forests. Currently, only 44 percent of forested acres on reservations are covered by forest management plans.

Public Safety and Justice in Indian Country – The Department of Justice and BIA work in partnership to improve public safety and justice in Indian country. A joint Interior–Justice initiative has provided over \$128 million in funding to construct 20 new detention centers serving Indian populations. The 2005 BIA budget includes an increase of \$7.8 million to provide startup operations at eight BIA detention centers that will be completed in 2005. Construction of 18 new detention centers will have been completed between 2002 and 2005. The new centers will alleviate problematic conditions such as overcrowding and the mixing of juveniles and adult detainees.

The request also includes an increase of \$1.4 million for law enforcement on the Tohono O'odham Reservation in southern Arizona. The increase will allow reservation law enforcement forces to better protect lives, resources,

and property on the border areas and other high-risk and violent crime areas on the reservation.

Indian Education – Since the founding of the Nation, Indian education programs have responded to treaty requirements and Federal statutes, including the Snyder Act, Johnson O'Malley Act, Elementary and Secondary Education Act, Tribally Controlled Schools Act, Indian Self-Determination and Education Assistance Act, Indian Education Amendments of 1978, Individuals with Disabilities Education Act, and Improving America's Schools Act. In January 2002, the President signed into law the No Child Left Behind Act of 2001, which includes the Native American Education Improvement Act of 2001.

One of BIA's strategic goals is to provide quality educational opportunities from early childhood through adulthood. The 2005 school operations budget represents a continued commitment to the future of American Indian youth and supports the President's commitment to "leave no child behind." The \$522.4 million request for school operations will support 183 schools and dormitories. In 2005, BIA will continue to focus on raising academic achievement scores, and consistent with the findings of the 2004 PART review, BIA will continue to develop academic performance and cost-efficiency measures that are comparable to similarly located schools.

The request includes an increase of \$500,000 to expand the highly successful FOCUS program to five additional schools. This program provides targeted assistance to schools to help them raise their level of instruction and improve student achievement, through improvements such as upgrading the education skills of teachers.

Funding for tribal colleges and universities totals \$43.4 million in the 2005 budget. Funds are included to support two tribally controlled colleges that have recently met statutory requirements for BIA support: Tohono O'odham Community College in Arizona and Saginaw Chippewa Tribal College in Michigan. The budget also includes an additional \$250,000 for student loan repayments as a way to attract and recruit qualified candidates to fill BIA positions.

Indian School Construction – The request for the education construction program is \$229.1 million, representing approximately 80 percent of the total Construction account. The 2005 request provides \$68.5 million to construct the remaining five replacement schools on the education facilities construction priority ranking list. Funding will provide replacement schools and dormitories for Bread Springs Day School, Ojo Encino Day School, and Beclabito Day School in New Mexico; Leupp Boarding School in Arizona; and Chemawa Indian School Dormitory in Or-

egon. The BIA is currently developing a new priority list for replacement schools containing a sufficient number of schools to continue the replacement school program through 2007. The priority list will address the most critical health and safety needs at Indian schools.

The 2005 request continues a policy change made as a result of the 2004 PART review of school construction to discontinue providing cost estimates for individual schools until the planning and design documents for the school have developed to the point where adequate information is available to make a reasonably accurate construction cost estimate.

The budget also includes \$9.9 million for the tribal school construction demonstration program, which provides incentives for Tribes to match Federal funds to build replacement schools. Program selection criteria and eligibility for the demonstration program will be developed and announced in 2004.

The education facilities improvement and repair program is funded at \$137.5 million. The 2005 request will fund deferred and annual maintenance needs, and major and minor repair projects to address critical health and safety concerns, non-compliance with code standards, and program deficiencies at existing education facilities. Funding for annual maintenance is increased by \$21.0 million to prevent growth in the deferred maintenance backlog.

Indian school construction, including both replacement school construction and major facilities improvement and repair projects, has improved the quality of Indian schools and provided an increasing number of students with a school environment that is safe, healthy, and conducive to educational achievement. The BIA has established a facilities condition index to report the status of facilities. A score of 0.100 or lower is an indication of a facility in fair or good condition. With funding provided through 2004, the FCI scale for BIA schools will reach 0.124, a significant reduction from 0.266 in 2001. Funding through 2005 will reduce the overall score for BIA's portfolio to 0.113, with 60 percent of schools having an FCI of 0.100 or less.

Funding for school construction reflects a decrease of \$65.9 million below the 2004 level. The funding level has been reduced in order to allow the program to focus on building the schools already funded for construction. Beginning in 2001, funding has been appropriated for 25 replacement schools. Four have been completed and three more are expected to be opened in 2004. The BIA is making a concerted effort to improve the management of its construction programs. The BIA is currently in the process of reviewing the size of several schools currently under or proposed for construction. The BIA has developed interim

guidelines on enrollment projections and will begin negotiated rulemaking on enrollment projections, as required by the No Child Left Behind Act, later this year. In addition, since Tribes contract for the majority of funding for construction, the 2005 appropriations language includes a provision that allows BIA to assume responsibility for a project if a Tribe does not begin construction within 18 months of funds being appropriated.

Economic Development – The 2005 budget request includes \$1.0 million to assist Tribes in developing uniform business codes which are essential to attracting new businesses to reservations. A codified standard would ensure equitable business treatment for commercial operations in Indian Country.

The guaranteed loan program is an integral component of BIA's efforts to expand economic development in Indian Country. Through this program BIA provides loans to Tribes, Alaska Natives, and individual Indian-owned businesses. The budget request of \$6.4 million for the loan program supports BIA's performance goal to reduce unemployment on Indian reservations. The BIA guaranteed loan program makes it possible for Indian economic enterprises on or near Indian reservations, who otherwise would not have been able to get loans, to obtain loans from private lenders. Funding in 2005 will finance \$84.7 million in loans.

Supporting Self-Determination – The budget request continues the Federal government's commitment to support Indian self-determination and strengthen the government-to-government relationship it has with Indian nations. Tribes depend on the Tribal Priority Allocations budget activity for basic necessities and programs critical to improving the quality of life and economic potential on reservations. Tribal Priority Allocations give Tribes the flexibility to prioritize funds among most TPA programs according to their unique needs and circumstances. It is an important tool for accomplishing BIA's self-determination performance goals. The 2005 request funds the TPA activity at \$775.6 million which comprises 40 percent of the 2005 proposed BIA operating budget.

The request includes an increase of \$1.0 million for the Indian Self-Determination Fund that fully funds the initial year of Tribes contracting services currently provided by BIA. In addition, the 2005 request includes \$560,000 to assist six newly federally recognized Tribes to develop governing codes and documents, establish tribal constitutions, and provide program services to eligible members.

Indian Land and Water Claims Settlements – This program provides payments to meet Federal requirements for settlements resolving long-standing claims to water

and lands by Indian Tribes. The 2005 request for settlements reflects a net decrease of \$25.1 million from the 2004 funding level primarily due to completion of the Santo Domingo and Ute Indian rights settlements. The 2005 BIA budget request includes funding for two new settlements: \$14.0 million for the first payment of the \$19.25 million Zuni Pueblo settlement and \$1.75 million for the Cuba Lake settlement with the Seneca Nation.

The budget provides \$8.0 million for the Colorado Ute/ Animas La Plata settlement and \$10.0 million for the second of four payments for the Cherokee, Choctaw, and Chickasaw settlement in Oklahoma. The budget continues funding for the Pyramid Lake, White Earth, and Hoopa-Yurok settlements. The budget proposes to fund the Quinault settlement in the Fish and Wildlife Service.

Uncontrollable Costs – Uncontrollable cost increases

total \$23.4 million, of which \$10.1 million are budgeted and \$13.2 million are absorbed.

Other Program Changes – The request includes a decrease of \$1.5 million for anticipated savings related to improved fleet management, and a \$920,000 increase to fully fund financial statement audit costs previously funded in part by the OIG. The request includes an increase of \$370,000 to support implementation of the Administration's high-payoff e-government initiatives to integrate agency operations and information technology investments. These initiatives eliminate redundant systems and improve the government's quality of customer service. The 2005 budget also includes an increase of \$1.2 million for implementing a Department-wide Enterprise Services Network, a modern integrated network backbone that will provide the infrastructure to integrate enterprise processes and technologies Department-wide.

SUMMARY OF BUREAU APPROPRIATIONS
(all dollar amounts in thousands)

Comparison of 2005 Request with 2004 Enacted:

	2004 Enacted		2005 Request		Change from 2004	
	FTE	Amount	FTE	Amount	FTE	Amount
Appropriations						
Operation of Indian Programs	6,875	1,892,705	6,995	1,929,477	+120	+36,772
Reimbursable Programs	676	0	676	0	0	0
Allocations from Other Agencies.....	694	0	719	0	+25	0
Construction	346	346,827	346	283,126	0	-63,701
Reimbursable Programs	46	0	46	0	0	0
Allocations from Other Agencies.....	585	0	560	0	-25	0
Indian Land and Water Claim Settlements						
and Miscellaneous Payments to Indians	0	59,865	0	34,771	0	-25,094
Indian Guaranteed Loan Program Account.....	7	6,417	7	6,421	0	+4
Subtotal, Appropriations (<i>without fire</i>)	9,229	2,305,814	9,349	2,253,795	+120	-52,019
Fire Repayment	0	35,463	0	0	0	-35,463
Subtotal, Appropriations (<i>with fire</i>)	9,229	2,341,277	9,349	2,253,795	+120	-87,482
Permanents and Trusts						
Operation & Maintenance of Quarters	57	4,900	57	4,950	0	+50
Miscellaneous Permanent Appropriations.....	402	84,650	402	85,985	0	+1,335
White Earth Settlement Fund	0	3,000	0	3,000	0	0
Indian Loan Guaranty & Insurance Fund						
Liquidating Account.....	0	1,000	0	1,000	0	0
Indian Guaranteed Loan Program Account.....	0	1,000	0	0	0	-1,000
Revolving Fund for Loans, Liquidating Account...	0	-4,000	0	-4,000	0	0
Subtotal, Permanents & Trusts	459	90,550	459	90,935	0	+385
TOTAL, BUREAU OF INDIAN AFFAIRS (<i>without fire</i>)	9,688	2,396,364	9,808	2,344,730	+120	-51,634
TOTAL, BUREAU OF INDIAN AFFAIRS (<i>with fire</i>)..	9,688	2,431,827	9,808	2,344,730	+120	-87,097

HIGHLIGHTS OF BUDGET CHANGES
By Appropriation Activity/Subactivity

APPROPRIATION: Operation of Indian Programs

	2003 Actual	2004 Enacted	2005 Request	Change from 2004 Enacted
Tribal Priority Allocations.....	772,480	770,634	775,631	+4,997
Other Recurring Programs				
Education				
School Ops - Forward Funded	445,072	452,874	453,115	+241
Other School Operations.....	67,490	69,130	69,253	+123
Continuing Education	42,838	48,599	43,390	-5,209
Subtotal, Education.....	555,400	570,603	565,758	-4,845
Resources Management	42,324	43,534	34,853	-8,681
Subtotal, Other Recurring Progs.....	597,724	614,137	600,611	-13,526
Non-Recurring Programs				
Community Development	2,235	2,470	0	-2,470
Resources Management	32,850	35,988	36,584	+596
Trust Services	37,401	37,184	36,427	-757
Subtotal, Non-Recurring Progs.....	72,486	75,642	73,011	-2,631
Central Office Operations				
Tribal Government.....	3,133	2,867	3,136	+269
Human Services	901	896	899	+3
Community Development.....	869	864	871	+7
Resources Management	3,465	3,445	3,464	+19
Trust Services	8,766	5,252	19,340	+14,088
General Administration	52,445	75,182	106,734	+31,552
Subtotal, Central Office Ops.....	69,579	88,506	134,444	+45,938
Regional Office Operations				
Tribal Government.....	1,328	1,328	1,111	-217
Human Services	3,141	3,153	3,081	-72
Community Development.....	847	846	789	-57
Resources Management	5,414	5,408	5,394	-14
Trust Services	24,225	24,133	24,388	+255
General Administration	28,851	28,817	27,760	-1,057
Subtotal, Regional Office Ops	63,806	63,685	62,523	-1,162
Special Programs and Pooled Overhead				
Education	16,366	16,251	16,566	+315
Public Safety and Justice	162,306	172,495	182,600	+10,105
Community Development.....	8,575	8,254	1,057	-7,197
Resources Management	1,299	1,290	1,287	-3
General Administration	80,625	81,811	81,747	-64
Subtotal, Special Programs	269,171	280,101	283,257	+3,156
TOTAL APPROPRIATION	1,845,246	1,892,705	1,929,477	+36,772

Highlights of Budget Changes

	<u>Amount</u>
Uncontrollable Costs	[+22,888]
Tribal Priority Allocations	+4,997
<p>The 2005 TPA request includes increases of \$560 to provide base funding for new tribes that have recently been recognized, \$1,000 for the Indian Self-Determination fund to support new and expanded contracts, and \$1,000 for economic development to facilitate the development of business codes on reservations. To support trust reform, an increase of \$5,500 for trust services and \$4,000 for probate functions is requested. A decrease of \$500 in funding for scholarships is proposed. In addition, a transfer of \$10,420 is requested to move the real estate appraisals function from BIA to OST. Uncontrollable cost increases total \$6,475, of which \$2,810 are budgeted and \$3,665 are absorbed. Internal transfers total \$1,754. The request includes a decrease of \$707 for anticipated savings related to improved fleet management.</p>	
Other Recurring Programs	-13,526
<p>Education: The BIA's Education request includes an increase of \$500 to expand the FOCUS program to five additional schools. A decrease of \$2,963 is proposed for the administrative cost grants fund because carryover funds are available to support the program in 2005. For tribal colleges and universities a decrease of \$5,000 is proposed.</p> <p>Resources Management: To focus funding on programs of higher priority on a nationwide basis in Indian Country and address bureau-wide priorities, a decrease of \$7,802 is proposed. In addition, a one-time reduction of \$981 is proposed because of the availability of prior year carryover.</p> <p>Uncontrollable cost increases total \$10,093, of which \$4,380 are budgeted and \$5,713 are absorbed. Internal transfers total -\$1,637. The request includes a decrease of \$23 for anticipated savings related to improved fleet management.</p>	
Non-Recurring Programs	-2,631
<p>An increase of \$1,000 is requested to support the development of Forest Management plans on reservations. To focus funding on programs of higher priority on a nationwide basis in Indian Country and address bureau-wide priorities, decreases of \$2,470 is proposed in community development, \$148 in resources management, and \$387 for Alaska Legal Services are requested. A one-time reduction of \$645 is proposed because of the availability of prior year carryover. Uncontrollable cost increases total \$302, of which \$131 are budgeted and \$171 are absorbed. Internal transfers total -\$55. The request includes a decrease of \$57 for anticipated savings related to improved fleet management.</p>	
Central Office Operations	+45,938
<p>To support the Department's trust management reform, the request includes increases of \$29,051 for information technology improvements, \$1,100 to establish a consultation office within BIA, and \$2,000 to establish a workforce-training program. Transfers of \$9,057 for real estate services and \$5,531 for land records improvements from OST to BIA are proposed, as well as a transfer of \$897 for the real estate appraisal function from BIA to OST. Uncontrollable cost increases total \$438, of which \$190 are budgeted and \$248 are absorbed. The request includes a decrease of \$20 for anticipated savings related to improved fleet management. Internal transfers total -\$74.</p>	
Regional Office Operations	-1,162
<p>A one-time reduction of \$1,179 is proposed because of the availability of prior year carryover. Uncontrollable cost increases total \$910, of which \$395 are budgeted and \$515 are absorbed. The request includes a decrease of \$303 for anticipated savings related to improved fleet management. Internal transfers total -\$75.</p>	
Special Programs and Pooled Overhead	+3,156
<p>An increase of \$7,800 is requested for operational costs for new detention centers, and \$1,400 for border security on the Tohono O'odham Reservation in Arizona. An increase of \$250 is requested for loan repayment for students who agree to a term of work with BIA. An increase of \$920 is</p>	

included to fully fund base financial statement audit costs previously funded by the OIG. An increase of \$409 is included to support implementation of the Administration's high-payoff e-government initiatives to integrate agency operations and information technology investments. These initiatives eliminate redundant systems and significantly improve the government's quality of customer service for citizens and businesses. In addition, \$1,200 is included for implementing a Department-wide Enterprise Services Network. A decrease of \$1,733 is proposed for employee displacement costs. To focus funding on programs of higher priority on a nationwide basis in Indian Country and address bureau-wide priorities, a decrease of \$7,206 is proposed in community development. A one-time reduction of \$2,578 is proposed because of the availability of prior year carryover. Two program transfers are proposed: \$1,302 from the Working Capital Fund to BIA, and -\$346 from BIA to OST for space related costs. Uncontrollable cost increases total \$4,670, of which \$2,027 are budgeted and \$2,643 are absorbed. Internal transfer total \$87. The request includes a decrease of \$376 for anticipated savings related to improved fleet management.

APPROPRIATION: Construction

	<u>2003 Actual</u>	<u>2004 Enacted</u>	<u>2005 Request</u>	<u>Change from 2004 Enacted</u>
Education	293,795	294,954	229,083	-65,871
Public Safety and Justice	5,013	4,983	4,985	+2
Resources Management	38,918	38,678	40,857	+2,179
General Administration	2,168	2,156	2,156	0
Construction Management	6,094	6,056	6,045	-11
TOTAL APPROPRIATION (without fire)	345,988	346,827	283,126	-63,701
Fire Transfer	-43,400	0	0	
Fire Repayment	29,138	35,463	0	-35,463
TOTAL APPROPRIATION (with fire)	331,726	382,290	283,126	-99,164

Highlights of Budget Changes

	<u>Amount</u>
Uncontrollable Costs	[+468]
Education Construction	-65,871
<p>The School Construction program includes \$68,546 to replace the following schools and dormitories: Bread Springs Day School, Ojo Encino Day School, and Beclabito Day School in New Mexico, Leupp Boarding School in Arizona, and Chemawa Indian School Dormitory in Oregon. The budget also includes \$9,926 for the Tribal School Construction Demonstration program, and \$9,991 for advanced planning and design. The Facilities Improvement and Repair program request of \$137,539 will focus on the backlog of health and safety deficiencies at the Bureau-funded elementary and secondary schools. Employee housing is funded at \$3,081. Uncontrollable cost increases total \$369, of which \$160 are budgeted and \$209 are absorbed. Internal transfers total -\$31.</p>	
Public Safety and Justice Construction	+2
<p>Internal transfers total \$2.</p>	
Resources Management Construction	+2,179
<p>An increase of \$2,150 is requested for the Chiloquin Dam removal project. Uncontrollable cost increases total \$46, of which \$20 are budgeted and \$26 are absorbed. Internal transfers total \$9.</p>	
General Administration	+11
<p>Uncontrollable cost increases total \$53, of which \$23 are budgeted and \$30 are absorbed. The request includes a decrease of \$54 for anticipated savings related to improved fleet management. Internal transfers total \$20.</p>	

APPROPRIATION: Indian Land and Water Claim Settlements and Miscellaneous Payments to Indians

	<u>2003 Actual</u>	<u>2004 Enacted</u>	<u>2005 Request</u>	<u>Change from 2004 Enacted</u>
White Earth Land Settlement (Admin)....	621	629	625	-4
Hoopa-Yurok Settlement Fund	248	252	250	-2
Indian Water Rights Settlements				
Pyramid Lake Water Rights Settle	141	143	142	-1
Ute Indian Water Rights Settlement	24,567	21,328	0	-21,328
Rocky Boys Water Rights Settlement ...	5,035	33	0	-33
Shivwits Band	18,877	123	0	-123
Santo Domingo Pueblo.....	3,116	9,884	0	-9,884
Colorado Ute.....	7,948	8,052	8,000	-52
Cherokee, Choctaw, and Chickasaw Settlement	0	9,453	9,972	+519
Quinault Settlement.....	0	9,968	32	-9,936
Zuni Water Settlement.....	0	0	14,000	+14,000
Cuba Lake Land Settlement	0	0	1,750	+1,750
TOTAL APPROPRIATION	60,553	59,865	34,771	-25,094

Highlights of Budget Changes

	<u>Amount</u>
Indian Settlements and Miscellaneous Payments.	-25,094
<p>An increase of \$14,000 is requested for the recently enacted Zuni water claims settlement, and an increase of \$1,750 is requested for the Federal portion of the Cuba Lake land settlement with the Seneca Nation in New York. An increase of \$519 is requested for the Cherokee, Choctaw, and Chickasaw settlement. A decrease of \$21,328 reflects the final payment of the Ute Indian Rights settlement in 2004, and a decrease of \$9,884 reflects the final payment of the Santo Domingo Pueblo settlement in 2004. In addition, a decrease of \$9,936 is proposed for the Quinault settlement, which is funded in the Fish and Wildlife Service. A total decrease of \$215 is proposed for the remaining settlements</p>	

APPROPRIATION: Indian Guaranteed Loan Program Account

	<u>2003 Actual</u>	<u>2004 Enacted</u>	<u>2005 Request</u>	<u>Change from 2004 Enacted</u>
TOTAL APPROPRIATION	5,457	6,417	6,421	+4

Highlights of Budget Changes

Uncontrollable Costs	[+9]
Indian Guaranteed Loan Program	+4
<p>The Indian Guaranteed Loan Program enables banks to provide loans to Indian entrepreneurs, thereby further enhancing reservation economies and employment opportunities. Uncontrollable cost increases total \$9, of which \$4 are budgeted and \$5 are absorbed.</p>	



DEPARTMENTAL OFFICES

Overview – The Department of the Interior protects and manages the Nation’s cultural heritage and natural resources; provides scientific and other information about those resources; and honors trust responsibilities and commitments to American Indians, Alaska Natives, and affiliated island communities. This mission is encompassed in the four themes delineated in the Department’s new strategic plan: resource protection, resource use, recreation, and serving communities.

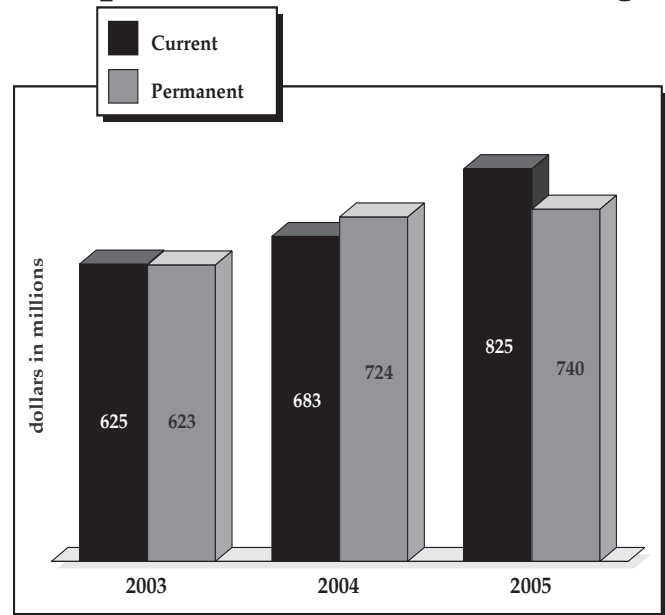
Within this mission, the Department of the Interior is accountable for wide-ranging programs such as fulfilling Indian trust responsibilities; migratory wildlife conservation; historic preservation; endangered species protection; abandoned mine lands restoration; and earth and natural resource science.

Management Excellence – The Department continues to make significant progress on the President’s management agenda and other management improvements. Through management improvements, Interior is achieving greater efficiency and accountability, employing modern technology, eliminating duplication, and enhancing service to citizens.

Budget and performance integration lies at the heart of ensuring both the strategic allocation and efficient use of funds. The Department is utilizing Program Assessment Rating Tool reviews and Inspector General, General Accounting Office, and National Association of Public Administration program evaluations to assist in the identification of measures that can strengthen programs and improve the linkage of budget and performance information.

Activity-based cost management is being employed by the Department to divide its work into specific activities so that unit costs and performance by dollars spent and actions undertaken can be measured and compared. In 2004, employees began to code their time and purchases to activities that describe the work of the Department. During 2005, Interior will develop and implement bureau-specific ABC/M modules and will train employees in data extraction and data analysis.

Departmental Offices Funding



In early 2003, Interior launched a comprehensive program to transform its financial management functions. The cornerstone of the Department’s plan is the Financial and Business Management System, which will replace a variety of outdated, stand-alone systems that are costly to operate, difficult to secure, and unable to provide timely financial and performance information.

Other management improvements include adoption of the Department’s Strategic Plan, implementation of the Secretary’s 25 law enforcement directives, and revision of the Senior Executive Service performance management and appraisal program.

Departmental Offices principally provide leadership, management, and coordination activities. They also provide centralized services and oversee the operation of common systems used by the bureaus to accomplish their work. For example, the Office of the Secretary provides executive direction for the Department. It guides and coordinates the Department’s administrative activities

such as finance, information resources, procurement and acquisition, human resources, and budgeting. The Solicitor's Office provides legal services, and the Inspector General's Office reviews Departmental activities and conducts audits and investigations.

There are several other significant programs within Departmental Offices. The Payments in Lieu of Taxes program provides payments to local governments in jurisdictions where Federal lands are located. The Office of Insular Affairs provides assistance to insular areas, such as the Republic of Palau and Guam. The Office of the Special Trustee for American Indians manages and discharges the Secretary of the Interior's responsibilities for \$3.3 billion in trust assets for American Indians. The Natural Resource Damage Assessment and Restoration program coordinates all of the Department's restoration efforts for affected resources.

Office of the Secretary

Mission – The Office of the Secretary's mission is to provide the executive level leadership, policy, guidance, and coordination needed to manage the diverse, complex, and nationally significant programs that are the Department of the Interior's responsibilities.

Program Overview – The Interior Department is comprised of eight bureaus and numerous offices, each with a unique mission. The Department's 2005 budget includes a request of \$11.0 billion in current appropriations and anticipates the collection of \$10.1 billion in receipts. To deliver Interior's broad mission, employees are geographically dispersed across the entire United States operating from over 2,400 locations including physical and social scientists, historians, architects, engineers, attorneys, trust officers, rangers, law enforcement officers, teachers, and construction and maintenance workers. In 2005, Interior will issue thousands of leases for oil and gas or geothermal exploration and development; deliver water to 31 million people; maintain and operate parks, wildlife refuges, and recreational areas that will host over 366 million visitors; and educate almost 48,000 Indian children. The Department owns about 39,000 buildings and manages over half a billion acres of surface land.

Although a sizable task, the Office of the Secretary leads this dynamic organization with approximately seven-tenths of one percent of Interior's total budget. The majority of activities associated with the Office of the Secretary are funded from the Departmental Management appropriation and located in Washington, D.C. Field offices across the country provide support for environmental protection, Indian probate, hearings and appeals, indirect cost negotiations, and aircraft services.

The National Business Center provides major business and administrative services to Interior bureaus and offices and other Federal agencies on a fully reimbursable basis through the Working Capital Fund. The major business lines include financial management, payroll and personnel, aircraft services, procurement and electronic commerce, web development, quarters management, drug testing, career development and on-line training, information technology, and facilities and property management. Beginning in 2004, real estate appraisal functions within the Department were consolidated in order to achieve significant reform of the appraisal function. The 2005 NBC working capital budget includes 2004 and 2005 estimates for the personnel services costs of the consolidated function.

Budget Overview – The 2005 President's budget request for Departmental Management is \$325.1 million, including \$99.1 million for the Salaries and Expenses account and \$226.0 million for the Payments in Lieu of Taxes program. Within the 2005 request for Salaries and Expenses are program increases for important Department-wide needs, including: the Take Pride in America program, which promotes the conservation of public lands through volunteerism; continued migration to the Financial and Business Management System; and improved law enforcement and security.

Program Changes – The 2005 Salaries and Expenses budget requests an increase of \$503,200 for the Take Pride in America program to increase Interior's efforts to generate partnership and volunteer support for stewardship of parks, refuges, and other public lands. The increase will expand efforts to promote volunteerism and solicit funds for public lands conservation. A \$7.0 million net increase is requested to continue conversion to the Financial and Business Management System. This is composed of an \$18.6 million increase in Salaries and Expenses offset by an \$11.6 million reduction in the Working Capital Fund. The FBMS will replace outdated financial systems with a single business system that provides access to improved financial and management information; integrates financial, procurement, property and other systems; and results in more efficient and productive operations. The 2005 budget includes a \$4.9 million reduction for a one-time land acquisition grant in 2004.

To further strengthen the Department's ability to protect national monuments and other icons, ensure that the public lands are safe for employees and the visiting public, and protect natural and cultural resources, the budget includes an increase of \$550,000 for the Office of Law Enforcement and Security. Funding would be

used to establish border coordinator field positions for the southwestern, southeastern, and Canadian borders, thereby ensuring a cohesive program to protect people, public lands, and investments along the border and improve coordination with other Federal and non-Federal entities. Increased funding would be used to hire an intelligence officer to provide more timely analysis of data drawing from patterns and trends reported by bureaus and other agencies.

Beginning in 2005, Interior will contribute funds for the construction of safe and secure embassies worldwide as part of a State Department led, government-wide effort to accelerate the construction of 150 new functional embassy compounds over 14 years. The 2005 budget includes \$38,200 for Interior's contribution to this \$17.5 billion effort. The 2005 budget also includes an increase of \$83,400 needed to fund support costs for the Indirect Cost Negotiation Team.

The Department is undertaking significant information technology reforms to centralize and standardize network operations. The development of the Enterprise Services Network will provide a secured, single network infrastructure that will be centrally managed. The budget includes an increase of \$800,800 for implementation of ESN. The request includes \$32,000 to support implementation of the Administration's high pay-off e-government initiatives to integrate agency operations and information technology investments. These initiatives eliminate redundant systems and significantly improve the government's quality of customer service for citizens and businesses. The budget includes \$388,100 to fully fund financial statement audit costs previously funded in part by the OIG.

Payments in Lieu of Taxes – The 2005 budget proposes \$226.0 million for the Payments in Lieu of Taxes program, a \$1.3 million increase over the 2004 enacted level. The PILT payments are made for lands administered by Interior agencies including BLM, NPS, and FWS, as well as for land administered by the U.S. Forest Service.

Congress passed the Payments in Lieu of Taxes Act in 1976 to provide payments to local governments in counties, townships, and other jurisdictions where certain Federal lands are located within their boundaries. The program is based on the concept that local governments incur costs associated with maintaining infrastructure on Federal lands within their boundaries but are unable to collect taxes on these lands. The payments are made to local governments in lieu of tax revenues and to supplement other Federal land receipts shared with local governments. The Department is committed to improving PILT payment distributions and ensuring equitable distribution of payments to eligible local governments.

Uncontrollable Changes – Net uncontrollable costs for Departmental Management total \$633,000 of which \$68,000 are budgeted and \$565,000 are absorbed.

Office of Insular Affairs

Mission – The OIA assists the islands in developing a more efficient and effective government by providing financial and technical assistance and helps manage Federal-island relations by promoting appropriate Federal policies.

Program Overview – The Office of Insular Affairs carries out the Secretary's responsibilities for U.S. affiliated insular areas. These include the territories of Guam, American Samoa, the U.S. Virgin Islands, and the Commonwealth of the Northern Mariana Islands, as well as the three freely associated states: the Federated States of Micronesia, the Republic of the Marshall Islands, and the Republic of Palau. The OIA will achieve its mission by improving the financial management practices of insular governments, increasing economic development opportunities, and increasing Federal responsiveness to the unique needs of island communities.

Budget Overview – The proposed 2005 budget is \$381.8 million, of which \$78.9 million is requested in current appropriations, a net \$3.2 million decrease from 2004 that reflects the reduction of congressional increases.

The budget continues to focus on strategies that contribute to increasing the self sufficiency of insular areas. The 2005 request includes an increase of \$1.0 million to develop consistent and useful performance indicators for all of the insular governments. This will strengthen core performance measurement and assessment activities such as statistical data collection, benchmarking, and surveying required for performance management planning. Additionally, a \$379,000 increase is included in the budget to expand brown tree snake research, control, and rapid response team coverage.

Other changes include a reduction of \$5.3 million in one-time funding for rehabilitation of the water supply system for the Commonwealth of the Northern Mariana Islands, economic development assistance, and Enewetak support. The budget request includes an increase of \$53,200 for the costs of an independent audit of the consolidated financial statement.

The OIA permanent funding is a reflection of long-term commitments, including the recently revised and ratified Compact of Free Association, made to the insular areas that are guaranteed in law. Permanent appropriations for OIA in 2005 total \$303.0 million.

Uncontrollable Changes – Uncontrollable costs for the Office of Insular Affairs total \$203,000 of which \$190,000 are budgeted and \$13,000 are absorbed.

Office of the Solicitor

Mission – The Office of the Solicitor’s mission is to provide high quality legal services to the Secretary and Interior’s offices and bureaus.

Program Overview – The Solicitor’s Office attorneys provide legal advice and counsel to all areas of the Department in order to ensure that Interior’s programs and initiatives are carried out in a manner consistent with applicable law and regulations. They prepare formal legal opinions; review draft legislation, regulations, contracts, and other documents; and provide informal legal advice in a wide variety of circumstances. In addition, the attorneys represent Interior in administrative litigation and assist the Department of Justice with judicial litigation involving the Department. The Office’s headquarters is located in Washington, D.C. There are 18 regional and field offices located throughout the United States.

Budget Overview – The Solicitor’s 2005 budget request is \$53.4 million, an increase of \$3.7 million over the 2004 enacted level. This amount includes program increases of \$800,000 for the purchase of computers, \$624,000 for support positions, \$241,000 for ethics staff, and \$550,000 for employee support. These increases are offset, in part, by a reduction of \$467,000 for one-time information technology investments.

Program Changes – The Office of the Solicitor is currently operating with outmoded computers, the age and condition of which hamper efficient operations and preclude upgrades to make them compliant with Departmental and Federal security requirements. The budget includes \$800,000 for the purchase of computers that would better support the current workload and requirements of staff and meet security needs.

An increase of \$624,000 would be used to fund seven positions that will support the Office of the Solicitor legal staff by performing paralegal and clerical work including legal research, document preparation, photocopying, typing, answering phones, scheduling, planning travel, and filing. This would allow the Office of the Solicitor legal staff to devote more of their time to preparing formal legal opinions; reviewing draft legislation, regulations, contracts, and other documents; and providing informal legal advice which would improve overall efficiency. Additional staff are requested to strengthen the Department’s ethics function and promote consistency in training,

financial disclosure, audit, and evaluation. The increase of \$241,000 would allow Interior to provide expanded support to bureau ethics programs.

An increase of \$550,000 would be used to provide much needed funding for training, travel, and other support of legal staff including paying a portion of professional liability insurance as mandated by Congress.

The request includes \$15,000 to support implementation of the Administration’s high pay-off e-government initiatives and \$30,700 to fully fund financial statement audit costs previously funded in part by the OIG.

Uncontrollable Changes – Uncontrollable costs for the Office of the Solicitor total \$2.0 million of which \$1.9 million are budgeted and \$145,000 are absorbed.

Office of Inspector General

Mission – The mission of the Office of Inspector General is to promote excellence, accountability and integrity in the programs, operations, and management of the Department of the Interior.

Program Overview – The OIG assists the Secretary and Congress by targeting resources toward oversight of the Department’s most serious management and program challenges, and toward high-risk areas vulnerable to fraud, waste, abuse, and mismanagement. The OIG is responsible for independently and objectively identifying risks and vulnerabilities that directly impact, or could impact, Interior’s ability to accomplish its mission. The OIG is required to keep the Secretary and the Congress fully and currently informed about problems and deficiencies relating to the administration of Departmental programs and operations. Effective implementation of this mandate addresses the public’s demand for greater accountability and integrity in the administration of government programs and operations and the demand for programs that work better, cost less, and get the results about which Americans care most. The OIG headquarters is located in Washington, D.C., with field offices and staff in locations across the continental United States, the U.S. Virgin Islands, and Hawaii.

Budget Overview – The 2005 budget request for the OIG is \$39.4 million, an increase of \$1.1 million over 2004. This includes program increases totaling \$3.9 million offset in part by reductions totaling \$3.8 million.

Program Changes – The budget includes an increase of \$1.5 million for ten staff with specialized skills and experience to better address the diverse challenges of the Interior Department; \$300,000 for two positions to support the On

TARGET initiative to strengthen and expand efforts in verifying Interior's implementation of OIG audit recommendations and to strengthen and provide more emphasis on investigations management advisories; \$557,000 for specialized technical training; \$367,000 for the capability to transfer staff resources to high priority areas; \$500,000 for critical law enforcement equipment; and \$600,000 for information technology enhancements including software standardization, IT security and systems accreditation and certification, and other IT upgrades.

The 2005 budget proposes to shift the funding for the annual audit of the consolidated financial statement and bureau statements from OIG to the bureaus. Of the \$3.8 million budgeted for this purpose, \$3.6 million is requested in the individual bureau budgets, and \$203,000 will be retained by the OIG for oversight of the annual audits. In addition, a transfer of \$190,000 back to the Department is proposed for accreditation and certification of IT systems Department-wide.

The request includes \$10,000 to support implementation of the Administration's high pay-off e-government initiatives to integrate agency operations and information technology investments. These initiatives eliminate redundant systems and significantly improve the government's quality of customer service for citizens and businesses. The budget includes \$30,700 to fully fund financial statement audit costs previously funded in part by the OIG.

Uncontrollable Changes – Uncontrollable costs for the OIG total \$1.1 million of which \$1.0 million are budgeted and \$110,000 are absorbed.

Office of the Special Trustee for American Indians

Mission – The Office of the Special Trustee for American Indians provides fiduciary guidance, management, and leadership for both tribal trust accounts and individual Indian money accounts. The OST oversees and coordinates the Department's efforts to ensure establishment of consistent policies, procedures, systems, and practices throughout Interior for trust. The OST has operating responsibility for financial trust fund management, including investment, receipt, and disbursement of Indian trust funds. The Bureau of Land Management, Minerals Management Service, Bureau of Indian Affairs, Office of Hearings and Appeals, and Office of Historical Trust Accounting carry out additional trust functions of the Department.

Program Overview – The Office of the Special Trustee manages approximately \$3.3 billion of funds held in approximately 1,400 trust accounts for approximately 300 Indian Tribes and approximately 260,000 open IIM ac-

counts. The balances that have accumulated in the trust funds have resulted generally from judgment awards, settlement of claims, land use agreements, royalties on natural resource depletion, other proceeds derived directly from trust resources, and financial investment income.

The Interior Department is carrying out a comprehensive and systematic plan to reform the management of its trust responsibilities. This comprehensive effort has been described in the reports provided to the U.S. District Court in *Cobell v. Norton*. The comprehensive plan and the processes it contains will be used to identify and implement the changes necessary in Interior's fiduciary trust management. The primary elements of this ongoing effort are: 1) the reorganization of Interior's fiduciary trust offices to improve delivery of services, effectiveness, and accountability of trust operations; 2) the reengineering of Interior's fiduciary trust business processes and universal support functions to ensure that the Department meets its fiduciary trust goals and objectives; and 3) the reduction of fractionated individual Indian trust land interests.

Based on Interior's evaluation of its fiduciary trust-related organizations and a lengthy consultation process with Tribes and individual Indians, the Department reorganized certain functions within BIA and OST. The OST continues to retain oversight responsibilities of fiduciary trust asset management, manage financial assets, and certain reform projects. The OST also has line authority over regional trust administrators and trust officers. These new positions are being filled by skilled trust administrators or staff trained in these responsibilities. The reorganization plan includes six regional trust administrators to oversee a staff of trust officers and trust account managers in field locations. They will interact with BIA regional and agency staff to enhance local level decisionmaking and be more responsive to beneficiaries.

On January 6, 2003 the Department submitted the *Fiduciary Obligations Compliance Plan* to the U.S. District Court, in compliance with a September 17, 2002 court order that required the Department submit a plan showing how it intends to comply with certain fiduciary obligations to individual Indian money account holders in accounting for management of their IIM trust funds. The plan describes the ongoing trust reform planning and implementation process in which Interior is currently engaged.

Also submitted to the court on January 6, 2003, was the *Historical Accounting Plan For Individual Indian Money Accounts*. The plan addresses the process to conduct a historical accounting for about 260,000 IIM accounts as directed by the court.

The reengineering of Interior's trust business processes

consists of two basic phases: an “As-Is” documentation of those processes and the development of a “To-Be” process model that will then be implemented in accordance with Interior’s strategic plan for trust reform.

Budget Overview – The 2005 request for OST accounts totals \$322.7 million, \$247.7 million for Federal Trust Programs and \$75.0 million for Indian Land Consolidation. The request reflects a net \$113.6 million, or a 54 percent increase, in funds above the 2004 enacted level, including a 245 percent increase in Indian Land Consolidation. This robust increase provides additional funding for trust operations, reform activities, and significant increases for historical accounting and land consolidation.

Included within the OST increase is \$1.8 million in funding to provide additional support staff to the new trust officers in field locations that will provide oversight of fiduciary trust responsibilities as part of the overall fiduciary trust reorganization. These regional and agency staff will ensure that trust standards are followed in the management of these assets and will retain the responsibility for financial asset management. The trust officers will be co-located with BIA agencies where space is available or located in near proximity to the agencies. They will work closely with agency staff in charge of resource management and will be the primary contact for beneficiaries on issues related to their fiduciary trust assets.

Integral to OST’s trust management work is an increase of \$1.6 million for the expansion of third party audit coverage of fiduciary trust asset management activities impacting the adequacy of income. This is a shared program among the major Departmental bureaus and offices involved in fiduciary trust activities. It is critical to trust reform to ensure that the Department can attest to the adequacy of trust resource income. In addition, an increase of \$250,000 is requested to provide for additional review of self-governance trust asset management activities.

The 2005 request provides a total of \$21.7 million, an increase of \$1.6 million above the 2004 level, for records management activities. This increase provides \$1.3 million for additional litigation support and \$250,000 to establish a trust records training program with Haskell Indian Nations University. The increase for litigation support is needed to address the growing costs associated with court mandated and related costs; production of voluminous amounts of documents; contractors to index, image, and sort documents; and attorneys to assist the Department in ongoing trust related litigation, as it is anticipated that *Cobell v. Norton* and 25 tribal lawsuits alleging mismanagement and accounting errors will continue in 2005.

The budget includes a \$8.2 million reduction due to

progress in trust reform, including: a decrease of \$1.7 million as a result of the adjustment of the Interior-wide effort to address the requirements of information technology security and trust systems architecture; a reduction of \$2.5 million to reflect completion of tasks under the trust policy and procedures program; and a decrease of \$4.0 million to reflect the elimination of one-time costs of establishing the trust administrator and trust officer positions in 2004.

Other changes for OST include \$398,400 for implementing a Department-wide Enterprise Services Network; \$53,200 for financial statement audit costs; \$30,000 to support implementation of the Administration’s high-payoff e-government initiatives to integrate agency operations and information technology investments.

Historical Accounting – Within the OST request is a request for the Office of Historical Trust Accounting of \$109.4 million, an increase of \$65.0 million. This amount may be revised as legal issues pending before the court are resolved. This substantial increase provides the resources to conduct historical accounting in accordance with the five-year historical accounting plan filed with the court and addresses tribal accounting. These funds will provide OHTA the ability to reconcile 200,000 transactions in land-based IIM accounts and resolve the proper ownership of approximately \$8 million of residual funds in special deposit accounts, distributing funds to the appropriate owners, and closing these administrative accounts, as appropriate. To conduct these reconciliations, OHTA expects to image approximately five million pages of fiduciary trust records and code more than one million documents. Within the total OHTA program amounts, \$29.4 million will be expended on historical accounting for tribal accounts related to 25 lawsuits filed by 19 Tribes. As part of these activities in 2005, OHTA expects to complete the reconciliation of trust fund accounts of five Tribes, image approximately three million pages of tribal documents, and code 1.3 million tribal documents.

Indian Land Consolidation – One of the greatest challenges facing the Federal government regarding fiduciary trust management is the fractionation of individual Indian interests in the land that the Federal government holds in trust. The Indian Land Consolidation program, which acquires small ownership shares in allotted lands, is a key component in trust reform and management.

With each successive generation the individual interests in the land have become further divided and subdivided among heirs, each of whom get a smaller and smaller interest in the land. As this number of ownership interests grows, the cost of Federal resources necessary to undertake accounting and management responsibilities

grows accordingly.

The Federal government is now at the point where absent serious corrective actions, millions of acres of land will be owned in such small ownership interests that no individual owner will derive any meaningful value from that ownership. The ownership of many disparate, uneconomic, small interests benefits no one in Indian Country and creates an administrative burden that drains resources away from other Indian programs.

The land consolidation program is currently conducted in four States on seven reservations, and has purchased 68,938 interests in tracts, totaling 42,075 acres, as of December 31, 2003. An increase of \$53.3 million will expand the nationwide program utilizing contractual arrangements with Tribes or private entities to purchase individual interests on behalf of the Department. It is estimated that approximately 60,000 additional interests can be acquired with the \$75.0 million.

Uncontrollable Changes – Uncontrollable costs for OST total \$1.1 million of which \$751,000 are budgeted and \$360,000 are absorbed.

Natural Resource Damage Assessment and Restoration Program

Mission – The program restores natural resources injured or destroyed by releases of hazardous substances or oil. The program restores and protects natural resources under the trusteeship of the Department for present and future generations under the Department's resource protection strategy. Appropriations and recoveries for the damage assessment activities identify and quantify injury and provide the basis for required compensation from responsible parties, usually through negotiated settlements.

Restoration activities are carried out or funded by the responsible parties as compensation for the injury to natural resources, and may include the replacement and protection of affected resources, acquisition of equivalent resources and services, and long-term environmental monitoring. These actions are taken on behalf of the public and in partnership with other natural resource trustees, including States, Tribes, and other Federal agencies. Responsible parties are also given an opportunity to participate in the assessment and restoration process by way of cooperative agreements.

Program Overview – Every damage assessment and restoration case managed by the program is conducted in collaboration with co-trustees, and all restoration plans must undergo public review and be approved by affected State and tribal governments. The Restoration program serves as a model of implementation of the Secretary's

Four C's in its day-to-day operations through partnerships with tribal, State, and other Federal co-trustees, as well as with non-governmental conservation organizations and industry. These partners concur with Interior's emphasis on pursuing restoration as the ultimate goal of the program. The Restoration program is an integrated Departmental program, drawing upon the interdisciplinary strengths of the various bureaus and offices.

Budget Overview – The 2005 request for the Restoration program is \$41.5 million, and includes \$35.7 million in permanent appropriations. For current appropriations, the \$5.8 million request is \$254,000 over the 2004 enacted appropriation. The \$5.8 million request includes \$3.9 million for damage assessment projects, \$1.5 million for program management, and \$371,000 for restoration support. The requested level of \$35.7 million for permanent appropriations represents the anticipated amount of settlement receipts to be recovered in settled damage assessment cases in 2005. These receipts are used exclusively by trustees for restoration of damaged lands and resources or for reimbursement of past assessment costs.

Program Changes – The 2005 budget proposes an increase of \$124,000 for restoration. When added to the enacted level of \$247,000, this will accelerate the restoration of hundreds of acres of injured trust resources, leveraging over \$250 million that has already been recovered from responsible parties. Many involved parties, both within the trustee community as well as settling parties, have expressed disappointment at the length of time it takes to implement restoration after settlements, one of the problems that the increased funding will address.

The increase will support two new positions that will aid Departmental bureaus to accelerate restoration. Essential restoration support services (such as contracting, realty, cost accounting, and project management) and partnership coordination (with strong ties to restoration opportunities in the National Oceanic and Atmospheric Administration, Army Corps of Engineers, other Federal and State agencies, and non-governmental partners) will be focused in field locations, co-located with other related bureau offices. A recent NRDAR workforce gap analysis identified interagency restoration support as the highest priority program need to accomplish the missions and goals over the next five years. The new funding will increase the number of restoration sites and the subsequent on-the-ground restoration of natural resources, as measured by increases in acreage and mileage of viable habitat.

The budget also includes an increase of \$53,000 for costs of auditing the consolidated financial statement.

Uncontrollable Changes – Uncontrollable costs total

SUMMARY OF BUREAU APPROPRIATIONS
(all dollar amounts in thousands)

Comparison of 2005 Request with 2004 Enacted:

	2004 Enacted		2005 Request		Change from 2004	
	FTE	Amount	FTE	Amount	FTE	Amount
Appropriations						
Departmental Management.....	407	82,998	414	99,103	+7	+16,105
Payments in Lieu of Taxes	1	224,697	1	226,000	0	+1,303
Working Capital Fund	0	-8,444	0	0	0	+8,444
Special Foreign Currency		-1,400		0		+1,400
Assistance to Territories	40	75,744	40	72,935	0	-2,809
Compact of Free Association.....	0	6,379	0	5,941	0	-438
Office of the Solicitor	363	49,753	370	53,453	+7	+3,700
Office of Inspector General	266	38,272	278	39,400	+12	+1,128
Office of Special Trustee for American Indians	550	187,304	581	247,666	+31	+60,362
Indian Land Consolidation.....	0	21,709	0	75,000	0	+53,291
Natural Resource Damage Assessment	4	5,564	6	5,818	+2	+254
Subtotal, Appropriations.....	1,631	682,576	1,690	825,316	+59	+142,740
Permanents and Other						
Working Capital Fund	1,051	0	1,160	0	+109	0
Payments to U.S. Territories, Fiscal Assistance.....	0	108,000	0	108,000	0	0
Compact of Free Association.....	0	193,443	0	194,968	0	+1,525
Everglades Restoration.....	0	0	0	0	0	0
Payment for Trust Accounting Deficiencies	0	6,000	0	0	0	-6,000
OST - Tribal Special Funds.....	0	252,307	0	267,445	0	+15,138
OST - Tribal Trust Fund.....	0	126,293	0	133,871	0	+7,578
Natural Resource Damage Assessment	0	38,400	0	35,700	0	-2,700
Departmental Management - Allocation Account .	72	0	72	0	0	0
Reimbursements - Departmental Management	184	0	184	0	0	0
Reimbursements - Office of the Solicitor	56	0	56	0	0	0
Subtotal, Other Accounts	1,363	724,443	1,472	739,984	+109	+15,541
TOTAL, DEPARTMENTAL OFFICES.....	2,994	1,407,019	3,162	1,565,300	+168	+158,281
National Indian Gaming Commission.....	77	11,000	83	12,000	+6	+1,000

HIGHLIGHTS OF BUDGET CHANGES
By Appropriation Activity/Subactivity

APPROPRIATION: Departmental Management

	2003 Actual	2004 Enacted	2005 Request	Change from 2004 Enacted
Departmental Direction.....	13,318	13,951	14,546	+595
Management and Coordination.....	26,846	28,561	29,356	+795
Hearings and Appeals.....	8,145	7,980	8,030	+50
Central Services	23,375	26,885	27,978	+1,093
USBM Workers Compensation Costs.....	836	683	638	-45
Kendall County Grant	0	4,938	0	-4,938
Financial & Business Mgmt System	0	0	18,555	+18,555
TOTAL APPROPRIATION	72,520	82,998	99,103	+16,105

Highlights of Budget Changes

	<u>Amount</u>
Uncontrollable Costs	[+633]
Departmental Direction	+595
<p>The budget includes an increase for Take Pride in America to promote partnerships and volunteer support for improved stewardship of public lands (+\$503). Uncontrollable costs total \$255 of which \$92 are budgeted and \$163 are absorbed.</p>	
Management and Coordination	+795
<p>An increase for the Office of Law Enforcement will be used to establish border coordinator field positions to protect public lands, resources, and visitors and to hire an intelligence officer and improve intelligence data gathering and analysis (+\$550). Additional funding for support costs is added to the Indirect Cost Negotiation unit (+\$84). Uncontrollable costs total \$468 of which \$161 are budgeted and \$307 are absorbed.</p>	
Hearings and Appeals	+50
<p>Uncontrollable costs total \$145 of which \$50 are budgeted and \$95 are absorbed.</p>	
Central Services	+1,093
<p>Increased funding in Central Services provides for Departmental Management's costs associated with the Enterprise Services Network (+\$801), the CFO mandated audit of financial statements (+\$388), and the government-wide e-gov initiatives (+\$56). An additional increase provides for the Department's share of an initiative to increase security at U.S. embassies (+\$38). Uncontrollable costs decrease \$190.</p>	
USBM Workers Compensation Costs	-45
<p>Uncontrollable costs decrease \$45.</p>	
Kendall County Grant	-4,938
<p>The budget shows a reduction of \$4,938 compared to 2004 for the one-time land acquisition grant funded in 2004.</p>	
Financial and Business Management System	+18,555
<p>There is a net increase of \$7.0 million for the Financial and Business Management System. This appears as a \$18,555 increase in Departmental Management as the 2004 appropriation included \$11,556 for FBMS in the Working Capital Fund.</p>	

APPROPRIATION: Payments in Lieu of Taxes

	<u>2003 Actual</u>	<u>2004 Enacted</u>	<u>2005 Request</u>	<u>Change from 2004 Enacted</u>
TOTAL APPROPRIATION	218,570	224,697	226,000	+1,303

Highlights of Budget Changes

	<u>Amount</u>
Payment in Lieu of Taxes	+1,303
<p>The budget includes \$226,000 for PILT, a \$1,303 increase over the 2004 enacted budget. The increase supports the Department's ongoing commitment to the PILT program.</p>	

APPROPRIATION: Working Capital Fund

	<u>2003 Actual</u>	<u>2004 Enacted</u>	<u>2005 Request</u>	<u>Change from 2004 Enacted</u>
TOTAL APPROPRIATION	0	-8,444	0	+8,444

Highlights of Budget Changes

	<u>Amount</u>
Financial and Business Management System	+8,444
In 2004, Congress provided \$11,556 for the Department to begin a multi-year project to migrate to FBMS, a single, integrated business and finance system. The 2005 budget requests funding for the project in the Departmental Management appropriation. The 2004 Interior Appropriations Act included a cancellation of Working Capital Fund balances of \$20,000.	

APPROPRIATION: Assistance to Territories

	<u>2003 Actual</u>	<u>2004 Enacted</u>	<u>2005 Request</u>	<u>Change from 2004 Enacted</u>
American Samoa				
Operations Grants	22,950	22,816	23,100	+284
Northern Marianas				
Covenant Grants (Mandatory)	27,720	27,720	27,720	0
Territorial Assistance				
Office of Insular Affairs	5,261	6,243	6,563	+320
Technical Assistance	13,374	12,406	7,561	-4,845
Maintenance Assistance Fund	2,285	2,272	2,300	+28
Disaster Assistance	0	0	0	0
Brown Tree Snake	2,335	2,321	2,700	+379
Insular Management Controls	1,481	1,472	1,491	+19
Coral Reef Initiative	497	494	500	+6
Insular Measures and Assessments	0	0	1,000	+1,000
American Samoa Loan Subsidy	0	0	0	0
Subtotal, Territorial Assistance	25,233	25,208	22,115	-3,093
TOTAL APPROPRIATION	75,903	75,744	72,935	-2,809

Highlights of Budget Changes

	<u>Amount</u>
Uncontrollable Costs	[+189]
American Samoa Operations Grants	+284
The budget request restores discretionary grant funding to full funding levels for American Samoa (+\$284).	
Office of Insular Affairs	+320
The budget restores \$131 for discretionary expenses, including the new Hawaii office. Uncontrollable changes total \$189.	
Technical Assistance	-4,845
The budget request reduces one-time funding for rehabilitation of the water supply system for the CNMI and economic development assistance (-\$4,845).	
Maintenance Assistance Fund	+28
The budget request restores full funding for technical assistance for public infrastructure (+\$28).	
Brown Tree Snake	+379
The budget request includes an increase to expand brown tree snake research, control, and rapid response team coverage (+\$379).	

	<u>Amount</u>
Insular Management Controls	+19
The budget request restores discretionary grants related to the long-term goal of improving insular government systems and services (+\$19).	
Coral Reef Initiative	+6
The budget request restores coral reef grants to insular areas to the full funding level (+\$6).	
Insular Measures and Assessments	+1,000
The budget request includes \$1,000 to develop consistent and useful performance indicators for all of the insular governments.	

APPROPRIATION: Compact of Free Association

	<u>2003 Actual</u>	<u>2004 Enacted</u>	<u>2005 Request</u>	<u>Change from 2004 Enacted</u>
Compact of Free Association.....	7,306	2,700	3,941	+1,241
Mandatory Payments	12,000	2,000	2,000	0
Enewetak Support.....	1,620	1,679	0	-1,679
TOTAL APPROPRIATION	20,926	6,379	5,941	-438

Highlights of Budget Changes

	<u>Amount</u>
Compact of Free Association	+1,241
Funding increases by \$1,679 to support higher costs for the U.S. Postal Service and single audits for the Freely Associated States. The budget request is reduced by \$438, which includes one-time Enewetak support.	
Enewetak Support	-1,679
The budget request eliminates the Enewetak Support line item as this funding is now included in the Compact of Free Association.	

APPROPRIATION: Office of the Solicitor

	<u>2003 Actual</u>	<u>2004 Enacted</u>	<u>2005 Request</u>	<u>Change from 2004 Enacted</u>
Legal Services	38,182	39,419	41,865	+2,446
General Administration	9,280	9,302	10,280	+978
Ethics	1,038	1,032	1,308	+276
TOTAL APPROPRIATION	48,500	49,753	53,453	+3,700

Highlights of Budget Changes

	<u>Amount</u>
Uncontrollable Costs	[+2,051]
Uncontrollable costs total \$2,051 of which \$1,906 are budgeted and \$145 are absorbed.	
Legal Services	+2,446
An increase in legal services would allow the Office to hire seven new paralegal and support positions (+\$624) to improve efficiency and effectiveness. An increase of \$550 would be used to provide training, travel, and other support for legal staff including paying a portion of professional liability insurance. The budget proposes a reduction of \$467 for one-time IT investments, an increase of \$31 for audit of financial statements, and \$15 for e-government initiatives.	
General Administration	+978
Funding will be used to replace outdated computers with technology that will comply with Federal security requirements (+\$800).	
Ethics	+276
The Office of the Solicitor will strengthen its capabilities to support bureau ethics programs through training, audit, and evaluation (+\$241).	

APPROPRIATION: Office of Inspector General

	<u>2003 Actual</u>	<u>2004 Enacted</u>	<u>2005 Request</u>	<u>Change from 2004 Enacted</u>
Audit	15,102	14,524	17,049	+2,525
Contracted CFO Audits.....	3,787	3,765	0	-3,765
Investigations.....	8,644	12,964	14,270	+1,306
Admin. Services & Info. Management.....	7,906	7,019	8,081	+1,062
TOTAL APPROPRIATION	35,439	38,272	39,400	+1,128

Highlights of Budget Changes

	<u>Amount</u>
Uncontrollable Costs	[+1,015]
Audit	+2,525
<p>The budget includes seven additional staff (+\$1,050) with “non-traditional auditor” backgrounds and experience, such as organization development, information technology, statistical analysis, environmental science, economics, and natural resource management. It also provides for one position for the new on TARGET initiative (+\$150). The OIG audit budget also includes the following: professional development and training (+\$250), redistribution of audit staff resources (+\$367), the CFO audit (+\$31), and oversight of contracted out financial statement audits to OIG audits (+\$203). Uncontrollable costs are budgeted at \$474.</p>	
Contracted CFO Audits	-3,765
<p>The budget proposes to eliminate this activity. Funding that had been used to finance the contracted audit is requested in bureau budgets in 2005 (-\$3,562). Contract oversight costs are requested in the Audit activity (-\$203)</p>	
Investigations	+1,306
<p>The increase includes two new positions: one Contract Specialist to support investigations and assessments involving high risk/high impact DOI issues (+\$150), and one position for the new On TARGET initiative (+\$150). In addition, the budget includes funding for equipment replacement for law enforcement operations, officer safety, and vehicles (+\$500) and staff training (+\$175). Uncontrollable costs are budgeted at \$331.</p>	
Administrative Services and Information Management	+1,062
<p>The budget includes two new positions specializing in Security, Wide Area Network, and Telecommunications and Systems and Applications Support (+\$300). The budget also includes funding for IT standardization (+\$600), staff training (+\$132), and the Department’s e-gov initiative +(\$10). The budget also includes a decrease associated with OIG Accreditation and Certification of IT Systems (-\$190). Uncontrollable costs are budgeted at \$210.</p>	

APPROPRIATION: Office of the Special Trustee for American Indians

	<u>2003 Actual</u>	<u>2004 Enacted</u>	<u>2005 Request</u>	<u>Change from 2004 Enacted</u>
Federal Trust Programs				
Executive Direction.....	2,333	2,247	2,247	0
Program Ops, Support, & Improve	138,026	185,057	245,419	+60,362
TOTAL APPROPRIATION	140,359	187,304	247,666	+60,362

Highlights of Budget Changes

	<u>Amount</u>
Uncontrollable Costs	[+1,111]
Program Operations and Support	+60,362
<p>Net increases in funding for trust operations and reform activities include a significant increase to conduct historical accounting of both individual and tribal accounts (+\$64,955). Funds will provide for continued historical accounting in accordance with the five-year plan filed with the court. These funds will provide for the reconciliation of 200,000 transactions in land-based IIM</p>	

accounts, and resolution of the proper ownership of approximately \$8 million residual funds in special deposits accounts.

Additional support staff to the new trust officers in regional and agency field locations will provide oversight of fiduciary trust responsibilities as part of the overall fiduciary trust reorganization (+\$1,749). Expansion of third-party audit coverage of fiduciary trust asset management activities that impact the adequacy of income (appraisals, leasing, collection, and lease compliance) will be initiated (+\$1,600). Additional reviews of self-governance trust asset management activities will be performed (+\$250). Increased funding for records management activities provides for ongoing litigation support needed to address the growing costs associated with court mandated and related costs; production of voluminous amounts of documents; contractors to index, image, and sort documents; and attorneys to assist the Department in ongoing trust related litigation, as it is believed that *Cobell v. Norton* and 25 tribal lawsuits will continue in 2005 (+\$1,300), and (+\$250) will establish a trust records manager-training program with Haskell Indian Nations University. Minor program changes provided for changes from central billing to direct billing in WCF programs (+184), costs associated with the Departmental financial statement audit (+\$53), the Department's Enterprise Services Network (+398), and the Administration's e-gov programs (+\$30).

Technical adjustments and transfers between the OST and BIA accounts occurred as a result of the reorganization. Transfers to BIA from OST include funding for the TAAMS title system (-\$5,531), and the reality systems (-\$9,057) modules. Program responsibilities for these systems currently reside in BIA. Transfers to OST from BIA include funding for the appraisal program (+\$10,922); space costs associated with the appraisal program (+\$346); and the function of the Office of American Indian Trust (+\$395).

These increases are partially offset by decreases as a result of the Interior-wide effort to address information technology security (-\$483), and trust system architecture (-\$1,250). Due to the completion of tasks under the trust policy and procedures program, the request reflects further reductions (-\$2,500), and (-\$4,000) in one-time costs associated with establishing the trust administrators and trust officers in 2004.

Total uncontrollable costs are \$1,111 of which \$751 are budgeted and \$360 are absorbed.

APPROPRIATION: Indian Land Consolidation Program

	<u>2003 Actual</u>	<u>2004 Enacted</u>	<u>2005 Request</u>	<u>Change from 2004 Enacted</u>
TOTAL APPROPRIATION	7,928	21,709	75,000	+53,291

Highlights of Budget Changes

	<u>Amount</u>
Indian Land Consolidation Program	+53,291
Expansion of a nationwide program through contractual arrangements with Tribes or private entities will assist in purchasing an estimated 60,000 additional interests in fractionated individual lands. (+\$53,291).	

APPROPRIATION: Natural Resource Damage Assessment and Restoration

	<u>2003 Actual</u>	<u>2004 Enacted</u>	<u>2005 Request</u>	<u>Change from 2004 Enacted</u>
Damage Assessments	3,901	3,885	3,899	+14
Program Management.....	1,353	1,432	1,548	+116
Restoration Support.....	248	247	371	+124
TOTAL APPROPRIATION	5,502	5,564	5,818	+254

Highlights of Budget Changes

	<u>Amount</u>
Uncontrollable Costs	[+77]
Damage Assessments Uncontrollable costs total \$14 which are budgeted.	+14
Program Management The budget includes an increase of \$53 for the CFO audit. Uncontrollable costs are fully funded at \$63.	+116
Restoration Support The increase of \$124, added to \$247 in the base, will accelerate the restoration of hundreds of acres of injured trust resources, leveraging over \$250 million that has already been recovered from parties responsible for past releases of oil or hazardous substances.	+124

A grayscale photograph of a forest path. The path is a dirt road that curves through a dense forest of tall, thin trees. Sunlight filters through the canopy, creating dappled shadows on the ground. A black rectangular box is overlaid on the upper portion of the image, containing the word "APPENDICES" in white, bold, serif capital letters.

APPENDICES

**COMPARISON OF 2003, 2004, AND 2005
BUDGET AUTHORITY***

Appropriation/ Bureau/Account	(in thousands of dollars)			
	2003 Actual	2004 Enacted	2005 Request	Change from 2004
INTERIOR AND RELATED AGENCIES				
BUREAU OF LAND MANAGEMENT				
<i>Current Appropriations</i>				
Management of Lands and Resources	831,445	850,321	837,462	-12,859
Rescissions / reductions of new BA.....	-5,367	-10,478	0	+10,478
Net transfers	+400	0	0	0
Account total.....	826,478	839,843	837,462	-2,381
<i>In 2004 this account includes \$5.733 million for Mining Law Administration not offset by collections.</i>				
Wildland Fire Management.....	843,406	792,725	743,099	-49,626
Supplementals	+36,000	0	0	0
Rescissions / reductions of new BA.....	-4,254	-9,132	0	+9,132
Account total (without fire transfers).....	875,152	783,593	743,099	-40,494
Fire transfers	+164,500	0	0	0
Fire repayment	-189,000	-134,416	0	+134,416
Account total (with fire transfers)	850,652	649,177	743,099	+93,922
Construction and Access.....	11,976	13,976	6,476	-7,500
Rescissions / reductions of new BA.....	-78	-172	0	+172
Account total (without fire)	11,898	13,804	6,476	-7,328
Fire transfers	-4,300	0	0	0
Fire repayment	+3,938	+3,514	0	-3,514
Account total (with fire).....	11,536	17,317	6,476	-10,842
Oregon and California Grant Lands	105,633	106,672	116,058	+9,386
Rescissions / reductions of new BA.....	-687	-1,314	0	+1,314
Net transfers	+100	0	0	0
Account total.....	105,046	105,358	116,058	+10,700
Land Acquisition.....	33,450	18,600	24,000	+5,400
Rescissions / reductions of new BA.....	-217	-229	0	+229
Account total (without fire)	33,233	18,371	24,000	+5,629
Fire transfers	-4,200	0	0	0
Fire repayment	+4,725	+3,432	0	-3,432
Account total (with fire).....	33,758	21,803	24,000	+2,197
Central Hazardous Materials Fund.....	9,978	9,978	9,855	-123
Net transfers	-65	-123	0	+123
Account total.....	9,913	9,855	9,855	0
Service Charges, Deposits, and Forfeitures.....	15,881	19,490	24,490	+5,000
Service Charges, Deposits, and Forfeitures Offset	-15,881	-19,490	-24,490	-5,000
Range Improvements	10,000	10,000	10,000	0

* Notes explaining the scoring assumptions for this table are found beginning on page A-16.

APPENDIX A

COMPARISON OF 2003, 2004, AND 2005 BUDGET AUTHORITY
(in thousands of dollars)

<u>Appropriation/ Bureau/Account</u>	<u>2003 Actual</u>	<u>2004 Enacted</u>	<u>2005 Request</u>	<u>Change from 2004</u>
BLM (continued)				
Miscellaneous Trust Funds	14,787	12,405	12,405	0
Subtotal, current appropriations (<i>without fire</i>)	1,886,507	1,793,229	1,759,355	-33,874
Fire transfers	+156,000	0	0	0
Fire repayment	-180,337	-127,470	0	+127,470
Subtotal, current appropriations (<i>with fire</i>).....	1,862,170	1,665,758	1,759,355	+93,596
Budget authority	[1,860,675]	[1,814,676]	[1,759,355]	[-55,322]
Supplementals	[+36,000]	[0]	[0]	[0]
Rescissions/reductions of new BA.....	[-10,603]	[-21,325]	[0]	[+21,325]
Net transfers	[+435]	[-123]	[0]	[+123]
Fire transfers	[+156,000]	[0]	[0]	[0]
Fire repayment	[-180,337]	[-127,470]	[0]	[+127,470]
Permanent Appropriations				
Permanent Operating Funds	305,038	416,332	947,643	+531,311
Miscellaneous Permanent Payments.....	156,592	184,063	290,928	+106,865
Miscellaneous Trust Funds	1,257	1,595	1,595	0
Subtotal, permanent appropriations	462,887	601,990	1,240,166	+638,176
Total, Bureau of Land Management (<i>without fire</i>).....	2,349,394	2,395,219	2,999,521	+604,302
Fire transfers	+156,000	0	0	0
Fire repayment	-180,337	-127,470	0	+127,470
Total, Bureau of Land Management (<i>with fire</i>).....	2,325,057	2,267,749	2,999,521	+731,772
Budget authority	[2,323,562]	[2,416,667]	[2,999,521]	[+582,854]
Supplementals	[+36,000]	[0]	[0]	[0]
Rescissions/reductions of new BA.....	[-10,603]	[-21,325]	[0]	[+21,325]
Net transfers	[+435]	[-123]	[0]	[+123]
Fire transfers	[+156,000]	[0]	[0]	[0]
Fire repayment	[-180,337]	[-127,470]	[0]	[+127,470]
MINERALS MANAGEMENT SERVICE				
Current Appropriations				
Royalty and Offshore Minerals Management.....	165,321	165,316	171,575	+6,259
Rescissions/reductions of new BA.....	-1,075	-2,037	0	+2,037
Net transfers	0	0	0	0
Account total.....	164,246	163,279	171,575	+8,296
Oil Spill Research	6,105	7,105	7,105	0
Rescissions/reductions of new BA.....	-40	-88	0	+88
Account total.....	6,065	7,017	7,105	+88
Subtotal, current appropriations.....	170,311	170,296	178,680	+8,384

COMPARISON OF 2003, 2004, AND 2005 BUDGET AUTHORITY
(in thousands of dollars)

<u>Appropriation/ Bureau/Account</u>	<u>2003 Actual</u>	<u>2004 Enacted</u>	<u>2005 Request</u>	<u>Change from 2004</u>
<i>MMS (continued)</i>				
Budget authority	[171,426]	[172,421]	[178,680]	[+6,259]
Rescissions/ reductions of new BA.....	[-1,115]	[-2,125]	[0]	[+2,125]
<i>Permanent Appropriations</i>				
Mineral Leasing and Associated Payments	948,080	1,098,906	1,123,715	+24,809
Leases of Lands Acquired for Flood Control				
Navigation, and Allied Purposes	1,742	1,472	1,505	+33
National Forests Fund, Payment to States.....	4,520	3,440	3,442	+2
Subtotal, permanent appropriations	954,342	1,103,818	1,128,662	+24,844
Total, Minerals Management Service.....	1,124,653	1,274,114	1,307,342	+33,228
Budget authority	[1,125,768]	[1,276,239]	[1,307,342]	[+31,103]
Rescissions/ reductions of new BA.....	[-1,115]	[-2,125]	[0]	[+2,125]
OFFICE OF SURFACE MINING RECLAMATION AND ENFORCEMENT				
<i>Current Appropriations</i>				
Regulation and Technology	105,188	106,699	108,905	+2,206
Rescissions/ reductions of new BA.....	-685	-1,315	0	+1,315
Account total.....	104,503	105,384	108,905	+3,521
Abandoned Mine Reclamation Fund.....	191,965	192,970	243,863	+50,893
Rescissions/ reductions of new BA.....	-1,467	-2,378	0	+2,378
Account total.....	190,498	190,592	243,863	+53,271
Abandoned Mine Land Fund transfer to Combined Benefits Fund	33,780	0	0	0
Subtotal, current appropriations.....	328,781	295,976	352,768	+56,792
Budget authority	[330,933]	[299,669]	[352,768]	[+53,099]
Rescissions/ reductions of new BA.....	[-2,152]	[-3,693]	[0]	[+3,693]
<i>Permanent Appropriations</i>				
Abandoned Mine Reclamation Fund.....	56,079	14,967	34,000	+19,033
Subtotal, permanent appropriations	56,079	14,967	34,000	+19,033
Total, Office of Surface Mining.....	384,860	310,943	386,768	+75,825
Budget authority	[387,012]	[314,636]	[386,768]	[+72,132]
Supplementals	[0]	[0]	[0]	[0]
Rescissions/ reductions of new BA.....	[-2,152]	[-3,693]	[0]	[+3,693]

APPENDIX A

COMPARISON OF 2003, 2004, AND 2005 BUDGET AUTHORITY
(in thousands of dollars)

<u>Appropriation/ Bureau/Account</u>	<u>2003 Actual</u>	<u>2004 Enacted</u>	<u>2005 Request</u>	<u>Change from 2004</u>
U.S. GEOLOGICAL SURVEY				
<i>Current Appropriations</i>				
Surveys, Investigations, and Research.....	925,287	949,686	919,788	-29,898
Rescissions/ reductions of new BA.....	-6,014	-11,702	0	+11,702
Account total.....	919,273	937,984	919,788	-18,196
Subtotal, current appropriations.....	919,273	937,984	919,788	-18,196
Budget authority	[925,287]	[949,686]	[919,788]	[-29,898]
Rescissions/ reductions of new BA.....	[-6,014]	[-11,702]	[0]	[+11,702]
<i>Permanent Appropriations</i>				
Operations and Maintenance of Quarters	50	48	48	0
Contributed Funds.....	738	737	737	0
Subtotal, permanent appropriations	788	785	785	0
Total, U.S. Geological Survey	920,061	938,769	920,573	-18,196
Budget authority	[926,075]	[950,471]	[920,573]	[-29,898]
Rescissions/ reductions of new BA.....	[-6,014]	[-11,702]	[0]	[+11,702]
FISH AND WILDLIFE SERVICE				
<i>Current Appropriations</i>				
Resource Management.....	917,429	963,352	950,987	-12,365
Supplementals.....	+5,000	0	0	0
Rescissions/ reductions of new BA.....	-5,963	-11,870	0	+11,870
Net transfers	+15,000	+5,000	0	-5,000
Account total.....	931,466	956,482	950,987	-5,495
<i>Transfer from Department of State for Niassa Reserve.</i>		[+663]		
<i>Transfer from Department of the Navy for Vieques</i>		[+2,450]		
Construction	54,427	60,554	22,111	-38,443
Rescissions/ reductions of new BA.....	-354	-746	0	+746
Account total (<i>without fire</i>)	54,073	59,808	22,111	-37,697
Fire transfers.....	-14,600	0	0	0
Fire repayment	+13,387	+11,930	0	-11,930
Account total (<i>with fire</i>).....	52,860	71,738	22,111	-49,627
Land Acquisition.....	73,370	43,628	45,041	+1,413
Rescissions/ reductions of new BA.....	-477	-538	0	+538
Net transfers	0	-4,968	0	+4,968
Account total (<i>without fire</i>)	72,893	38,122	45,041	6,919
Fire transfers.....	-13,900	0	0	0
Fire repayment	+14,963	+11,358	0	-11,358
Account total (<i>with fire</i>).....	73,956	49,480	45,041	-4,439

COMPARISON OF 2003, 2004, AND 2005 BUDGET AUTHORITY
(in thousands of dollars)

<u>Appropriation/ Bureau/Account</u>	<u>2003 Actual</u>	<u>2004 Enacted</u>	<u>2005 Request</u>	<u>Change from 2004</u>
FWS (continued)				
Landowner Incentive Program	40,000	30,000	50,000	+20,000
Rescissions/reductions of new BA.....	-260	-370	0	+370
Rescissions of prior year BA.....	-39,921	0	0	0
Account total.....	-181	29,630	50,000	+20,370
Private Stewardship Grants Program	10,000	7,500	10,000	+2,500
Rescissions/reductions of new BA.....	-65	-92	0	+92
Rescissions of prior year BA.....	-10,000	0	0	0
Account total.....	-65	7,408	10,000	+2,592
Multinational Species Conservation Fund	4,800	5,600	9,500	+3,900
Rescissions/reductions of new BA.....	-31	-69	0	+69
Account total.....	4,769	5,531	9,500	+3,969
North American Wetlands Conservation Fund	38,560	38,000	54,000	+16,000
Rescissions/reductions of new BA.....	-251	-468	0	+468
Account total.....	38,309	37,532	54,000	+16,468
Coop. Endangered Species Conservation Fund	81,000	82,614	90,000	+7,386
Rescissions/reductions of new BA.....	-526	-1,018	0	+1,018
Account total.....	80,474	81,596	90,000	+8,404
National Wildlife Refuge Fund	14,414	14,414	14,414	0
Rescissions/reductions of new BA.....	-94	-178	0	+178
Account total.....	14,320	14,236	14,414	+178
Neotropical Migratory Bird Conservation	3,000	4,000	0	-4,000
Rescissions/reductions of new BA.....	-19	-49	0	+49
Account total.....	2,981	3,951	0	-3,951
State and Tribal Wildlife Grants.....	65,000	70,000	80,000	+10,000
Rescissions/reductions of new BA.....	-423	-863	0	+863
Account total.....	64,577	69,137	80,000	+10,863
Subtotal, current appropriations (<i>without fire</i>)	1,263,616	1,303,433	1,326,053	+22,620
Fire transfers	-28,500	0	0	0
Fire repayment	+28,350	+23,288	0	-23,288
Subtotal, current appropriations (<i>with fire</i>).....	1,263,466	1,326,721	1,326,053	-668
Budget authority	[1,302,000]	[1,319,662]	[1,326,053]	[+6,391]
Supplementals	[+5,000]	[0]	[0]	[0]
Rescissions/reductions of new BA.....	[-8,463]	[-16,261]	[0]	[+16,261]
Rescissions of prior-year BA.....	[-49,921]	[0]	[0]	[0]
Net transfers	[+15,000]	[+32]	[0]	[-32]
Fire transfers	[-28,500]	[0]	[0]	[0]
Fire repayment	[+28,350]	[+23,288]	[0]	[-23,288]
<i>Transfer from Department of State for Niassa Reserve.</i>		[+663]		
<i>Transfer from Department of the Navy for Vieques</i>		[+2,450]		

APPENDIX A

COMPARISON OF 2003, 2004, AND 2005 BUDGET AUTHORITY
(in thousands of dollars)

<u>Appropriation/ Bureau/Account</u>	<u>2003 Actual</u>	<u>2004 Enacted</u>	<u>2005 Request</u>	<u>Change from 2004</u>
FWS (continued)				
<i>Permanent Appropriations</i>				
Sport Fish Restoration	451,890	468,438	496,402	+27,964
Net transfers	-121,938	-123,023	-126,547	-3,524
Account total.....	329,952	345,415	369,855	+24,440
Migratory Bird Conservation Account	43,802	42,250	43,250	+1,000
North American Wetlands Conservation Fund	447	500	500	0
National Wildlife Refuge Fund	6,985	6,300	6,400	+100
Miscellaneous Permanent Appropriations.....	2,995	2,810	2,810	0
Recreational Fee Demonstration Program	3,768	4,000	4,200	+200
Federal Aid in Wildlife Restoration.....	235,466	227,634	238,028	+10,394
Contributed Funds.....	2,338	4,100	4,100	0
Coop. Endangered Species Conservation Fund	34,835	35,094	36,721	+1,627
Subtotal, permanent appropriations	660,588	668,103	705,864	+37,761
Total, Fish and Wildlife (without fire)	1,924,204	1,971,536	2,031,917	+60,381
Fire transfers	-28,500	0	0	0
Fire repayment	+28,350	+23,288	0	-23,288
Total, Fish and Wildlife (with fire)	1,924,054	1,994,824	2,031,917	37,093
Budget authority	[2,084,526]	[2,110,788]	[2,158,464]	[+47,676]
Supplementals	[+5,000]	[0]	[0]	[0]
Rescissions/reductions of new BA.....	[-8,463]	[-16,261]	[0]	[+16,261]
Rescissions of prior-year BA.....	[-49,921]	[0]	[0]	[0]
Net transfers	[-106,938]	[-122,991]	[-126,547]	[-3,556]
Fire transfers	[-28,500]	[0]	[0]	[0]
Fire repayment	[+28,350]	[+23,288]	[0]	[-23,288]
NATIONAL PARK SERVICE				
<i>Current Appropriations</i>				
Operation of the National Park System.....	1,565,565	1,629,641	1,686,067	+56,426
Supplementals	+9,000	0	0	0
Rescissions/reductions of new BA.....	-10,235	-20,080	0	+20,080
Account total.....	1,564,330	1,609,561	1,686,067	+76,506
United State Park Police.....	78,431	78,859	81,204	+2,345
Rescissions/reductions of new BA.....	-510	-972	0	+972
Account total.....	77,921	77,887	81,204	+3,317
National Recreation and Preservation	61,667	62,544	37,736	-24,808
Rescissions/reductions of new BA.....	-401	-771	0	+771
Account total.....	61,266	61,773	37,736	-24,037
Construction	327,843	333,995	329,880	-4,115
Rescissions/reductions of new BA.....	-2,131	-4,115	0	+4,115
Net transfers	+2,500	0	0	0

COMPARISON OF 2003, 2004, AND 2005 BUDGET AUTHORITY
(in thousands of dollars)

<u>Appropriation/ Bureau/Account</u>	<u>2003 Actual</u>	<u>2004 Enacted</u>	<u>2005 Request</u>	<u>Change from 2004</u>
NPS (continued)				
Account total (without fire)	328,212	329,880	329,880	0
Fire transfers	-64,000	0	0	0
Fire repayment	+74,813	+52,296	0	-52,296
Account total (with fire).....	339,025	382,176	329,880	-52,296
<i>Department of Defense enacted for Ft. Baker (non-add)</i>		[+2,500]		
Rescission of contract authority (LWCF)	-30,000	-30,000	-30,000	0
Urban Park and Recreation Fund	300	305	0	-305
Rescissions/reductions of new BA.....	-2	-4	0	+4
Account total.....	298	301	0	-301
Land Acquisition and State Assistance	172,468	142,350	178,124	+35,774
Rescissions/reductions of new BA.....	-1,121	-1,754	0	+1,754
Net transfers	0	-5,000	0	+5,000
Account total (without fire)	171,347	135,596	178,124	+42,528
Fire transfers	-20,100	0	0	0
Fire repayment	+48,038	+16,424	0	-16,424
Account total (with fire).....	199,285	152,020	178,124	26,104
Historic Preservation Fund.....	69,000	74,500	77,533	+3,033
Rescissions/reductions of new BA.....	-448	-918	0	+918
Account total.....	68,552	73,582	77,533	+3,951
Subtotal, current appropriations (without fire)	2,241,926	2,258,580	2,360,544	+101,964
Fire transfers	-84,100	0	0	0
Fire repayment	+122,851	+68,720	0	-68,720
Subtotal, current appropriations (with fire).....	2,280,677	2,327,300	2,360,544	+33,244
Budget authority	[2,275,274]	[2,322,194]	[2,390,544]	[+68,350]
Supplementals	[+9,000]	[0]	[0]	[0]
Rescissions/reductions of new BA.....	[-14,848]	[-28,614]	[0]	[+28,614]
Net transfers, other	[+2,500]	[-5,000]	[0]	[+5,000]
Fire transfers	[-84,100]	[0]	[0]	[0]
Fire repayment	[+122,851]	[+68,720]	[0]	[-68,720]
Rescission of contract authority	[-30,000]	[-30,000]	[-30,000]	[0]
<i>Department of Defense enacted for Ft. Baker (non-add)</i>		[+2,500]		
Permanent Appropriations				
Recreational Fee Permanent Appropriations.....	148,651	149,155	157,201	+8,046
Other Permanent Appropriations.....	82,203	102,339	109,242	+6,903
Miscellaneous Trust Funds	15,316	15,308	15,308	0
LWCF Contract Authority.....	30,000	30,000	30,000	0
Subtotal, permanent appropriations	276,170	296,802	311,751	+14,949
Total, National Park Service (without fire)	2,518,096	2,555,382	2,672,295	+116,913
Fire transfers	-84,100	0	0	0
Fire repayment	+122,851	+68,720	0	-68,720

APPENDIX A

COMPARISON OF 2003, 2004, AND 2005 BUDGET AUTHORITY
(in thousands of dollars)

Appropriation/ Bureau/Account	2003 Actual	2004 Enacted	2005 Request	Change from 2004
NPS (continued)				
Total, National Park Service (with fire)	2,556,847	2,624,102	2,672,295	+48,193
Budget authority	[2,551,444]	[2,618,996]	[2,702,295]	[+83,299]
Supplementals, other	[+9,000]	[0]	[0]	[0]
Rescissions/reductions of new BA.....	[-14,848]	[-28,614]	[0]	[+28,614]
Net transfers, other	[+2,500]	[-5,000]	[0]	[+5,000]
Fire transfers	[-84,100]	[0]	[0]	[0]
Fire repayment	[+122,851]	[+68,720]	[0]	[-68,720]
Rescission of contract authority.....	[-30,000]	[-30,000]	[-30,000]	[0]
Department of Defense enacted for Ft. Baker (non-add)		[+2,500]		
BUREAU OF INDIAN AFFAIRS				
<i>Current Appropriations</i>				
Operation of Indian Programs	1,857,319	1,916,317	1,929,477	+13,160
Reappropriation of expiring balances.....	+9,690	0	0	0
Rescissions/reductions of new BA.....	-12,073	-23,612	0	+23,612
Account total.....	1,854,936	1,892,705	1,929,477	+36,772
Unobligated balances transferred for Cobell litigation activities (non-add)	[-2,900]			
Construction	348,252	351,154	283,126	-68,028
Rescissions/reductions of new BA.....	-2,264	-4,327	0	+4,327
Account total (without fire)	345,988	346,827	283,126	-63,701
Fire transfers	-43,400	0	0	0
Fire repayment	29,138	35,463	0	-35,463
Account total (with fire).....	331,726	382,290	283,126	-99,164
Indian Land and Water Claims and Settlements and Miscellaneous Payments to Indians	60,949	55,583	34,771	-20,812
Rescissions/reductions of new BA.....	-397	-686	0	+686
Net transfers	0	4,968	0	-4,968
Account total.....	60,552	59,865	34,771	-25,094
Indian Guaranteed Loan Program Account.....	5,493	6,497	6,421	-76
Rescissions/reductions of new BA.....	-36	-80	0	+80
Account total.....	5,457	6,417	6,421	+4
Subtotal, current appropriations (without fire)	2,266,933	2,305,814	2,253,795	-52,019
Fire transfers	-43,400	0	0	0
Fire repayment	+29,138	+35,463	0	-35,463
Subtotal, current appropriations (with fire).....	2,252,671	2,341,277	2,253,795	-87,482
Budget authority	[2,272,013]	[2,329,551]	[2,253,795]	[-75,756]
Reappropriation of expiring balances.....	[+9,690]	[0]	[0]	[0]
Rescissions/reductions of new BA.....	[-14,770]	[-28,705]	[0]	[+28,705]

COMPARISON OF 2003, 2004, AND 2005 BUDGET AUTHORITY
(in thousands of dollars)

<u>Appropriation/ Bureau/Account</u>	<u>2003 Actual</u>	<u>2004 Enacted</u>	<u>2005 Request</u>	<u>Change from 2004</u>
BIA (continued)				
Net transfers	[0]	[+4,968]	[0]	[-4,968]
Fire transfers	[-43,400]	[0]	[0]	[0]
Fire repayment	[+29,138]	[+35,463]	[0]	[-35,463]
Permanent Appropriations				
Operation and Maintenance of Quarters.....	4,839	4,900	4,950	+50
Miscellaneous Permanent Appropriations.....	77,506	84,650	85,985	+1,335
White Earth Settlement Fund	3,000	3,000	3,000	0
Indian Loan Guaranty and Insurance Fund, Liquidating Account.....	1,000	1,000	1,000	0
Indian Direct Loan Program Account.....	5,000	0	0	0
Indian Guaranteed Loan Program Account.....	0	1,000	0	-1,000
Revolving Fund for Loans, Liquidating Account.....	-4,000	-4,000	-4,000	0
Subtotal, permanent appropriations	87,345	90,550	90,935	+385
Total, Indian Affairs (without fire).....	2,354,278	2,396,364	2,344,730	-51,634
Fire transfers	-43,400	0	0	0
Fire repayment	+29,138	+35,463	0	-35,463
Total, Indian Affairs (with fire)	2,340,016	2,431,827	2,344,730	-87,097
Budget authority	[2,359,358]	[2,420,101]	[2,344,730]	[-75,371]
Reappropriation of expiring balances.....	[+9,690]	[0]	[0]	[0]
Rescissions/reductions of new BA.....	[-14,770]	[-28,705]	[0]	[+28,705]
Net transfers	[0]	[+4,968]	[0]	[-4,968]
Fire transfers	[-43,400]	[0]	[0]	[0]
Fire repayment	[+29,138]	[+35,463]	[0]	[-35,463]

DEPARTMENTAL OFFICES**DEPARTMENTAL MANAGEMENT****Current Appropriations**

Salaries and Expenses.....	72,427	84,033	99,103	+15,070
Supplementals	0	0	0	0
Rescissions/reductions of new BA.....	-471	-1,035	0	+1,035
Net transfers	+564	0	0	0
Account total.....	72,520	82,998	99,103	+16,105
Payment in Lieu of Taxes	220,000	227,500	226,000	-1,500
Rescissions/reductions of new BA.....	-1,430	-2,803	0	+2,803
Account total.....	218,570	224,697	226,000	+1,303
Working Capital Fund.....	0	11,700	0	-11,700
Rescissions/reductions of new BA.....	0	-144	0	+144
Rescissions of prior year balances	0	-20,000	0	+20,000
Account total.....	0	-8,444	0	+8,444

APPENDIX A

COMPARISON OF 2003, 2004, AND 2005 BUDGET AUTHORITY (in thousands of dollars)

<u>Appropriation/ Bureau/Account</u>	2003 Actual	2004 Enacted	2005 Request	Change from 2004
Special Foreign Currency	0	0	0	0
Rescissions of prior year balances	0	-1,400	0	+1,400
Account total.....	0	-1,400	0	+1,400
Subtotal, current appropriations.....	291,090	297,851	325,103	+27,252
Total, Departmental Management.....	291,090	297,851	325,103	+27,252
Budget authority	[292,427]	[323,233]	[325,103]	[+1,870]
Rescissions/reductions of new BA.....	[-1,901]	[-3,982]	[0]	[+3,982]
Rescissions of prior year balances	[0]	[-21,400]	[0]	[+21,400]
Net transfers	[+564]	[0]	[0]	[0]

INSULAR AFFAIRS

Current Appropriations

Assistance to Territories	76,219	76,343	72,935	-3,408
Rescissions/reductions of new BA.....	-316	-599	0	+599
Account total.....	75,903	75,744	72,935	-2,809
Compact of Free Association.....	20,985	6,434	5,941	-493
Rescissions/reductions of new BA.....	-58	-55	0	+55
Account total.....	20,926	6,379	5,941	-438
Subtotal, current appropriations.....	96,829	82,123	78,876	-3,247
Budget authority	[97,203]	[82,777]	[78,876]	[-3,901]
Rescissions/reductions of new BA.....	[-374]	[-654]	[0]	[+654]

Permanent Appropriations

Compact of Free Association.....	145,485	193,443	194,968	+1,525
Payments to the U.S. Territories, Fiscal Assistance	94,822	108,000	108,000	0
Subtotal, permanent appropriations	240,307	301,443	302,968	1,525
Total, Insular Affairs	337,136	383,566	381,844	-1,722
Budget authority	[337,510]	[384,220]	[381,844]	[-2,376]
Rescissions/reductions of new BA.....	[-374]	[-654]	[0]	[+654]

OFFICE OF THE SOLICITOR

Current Appropriations

Office of the Solicitor	47,773	50,374	53,453	+3,079
Rescissions/reductions of new BA.....	-311	-621	0	+621
Account total.....	47,462	49,753	53,453	+3,700
Subtotal, current appropriations.....	47,462	49,753	53,453	+3,700

COMPARISON OF 2003, 2004, AND 2005 BUDGET AUTHORITY
(in thousands of dollars)

<u>Appropriation/ Bureau/Account</u>	<u>2003 Actual</u>	<u>2004 Enacted</u>	<u>2005 Request</u>	<u>Change from 2004</u>
SOL (continued)				
Total, Office of the Solicitor	47,462	49,753	53,453	+3,700
Budget authority	[47,773]	[50,374]	[53,453]	[+3,079]
Rescissions/reductions of new BA.....	[-311]	[-621]	[0]	[+621]
OFFICE OF INSPECTOR GENERAL				
<i>Current Appropriations</i>				
Office of Inspector General.....	36,239	38,749	39,400	+651
Rescissions/reductions of new BA.....	-236	-477	0	+477
Net transfers	-564	0	0	0
Account total.....	35,439	38,272	39,400	+1,128
Subtotal, current appropriations.....	35,439	38,272	39,400	+1,128
Total, Office of Inspector General.....	35,439	38,272	39,400	+1,128
Budget authority	[36,239]	[38,749]	[39,400]	[+651]
Rescissions/reductions of new BA.....	[-236]	[-477]	[0]	[+477]
Net transfers	[-564]	[0]	[0]	[0]
OFFICE OF THE SPECIAL TRUSTEE FOR AMERICAN INDIANS				
<i>Current Appropriations</i>				
Federal Trust Programs	141,277	189,641	247,666	+58,025
Rescissions/reductions of new BA.....	-918	-2,337	0	+2,337
Account total.....	140,359	187,304	247,666	+60,362
Indian Land Consolidation.....	7,980	21,980	75,000	+53,020
Rescissions/reductions of new BA.....	-52	-271	0	+271
Account total.....	7,928	21,709	75,000	+53,291
Subtotal, current appropriations.....	148,287	209,013	322,666	+113,653
Budget authority	[149,257]	[211,621]	[322,666]	[+111,045]
Rescissions/reductions of new BA.....	[-970]	[-2,608]	[0]	[+2,608]
<i>Permanent Appropriations</i>				
Payment for Trust Accounting Deficiencies.....	0	6,000	0	-6,000
Tribal Special Funds.....	238,090	252,307	267,445	+15,138
Tribal Trust Fund.....	119,145	126,293	133,871	+7,578
Subtotal, permanent appropriations	357,235	384,600	401,316	+16,716
Total, Office of the Special Trustee for American Indians	505,522	593,613	723,982	+130,369

APPENDIX A

COMPARISON OF 2003, 2004, AND 2005 BUDGET AUTHORITY
(in thousands of dollars)

<u>Appropriation/ Bureau/Account</u>	<u>2003 Actual</u>	<u>2004 Enacted</u>	<u>2005 Request</u>	<u>Change from 2004</u>
<i>OST (continued)</i>				
Budget authority	[506,492]	[596,221]	[723,982]	[+127,761]
Rescissions/ reductions of new BA.....	[-970]	[-2,608]	[0]	[+2,608]
NATURAL RESOURCE DAMAGE ASSESSMENT & RESTORATION				
<i>Current Appropriations</i>				
Natural Resource Damage Assessment Fund.....	5,538	5,633	5,818	+185
Rescissions/ reductions of new BA.....	-36	-69	0	+69
Subtotal, current appropriations.....	5,502	5,564	5,818	+254
Subtotal, current appropriations.....	5,502	5,564	5,818	+254
Budget authority	[5,538]	[5,633]	[5,818]	[+185]
Rescissions/ reductions of new BA.....	[-36]	[-69]	[0]	[+69]
<i>Permanent Appropriations</i>				
Natural Resource Damage Assessment and Restoration Fund.....	27,618	39,400	36,400	-3,000
Net transfers	-1,878	-1,000	-700	+300
Account total.....	25,740	38,400	35,700	-2,700
Subtotal, permanent appropriations	25,740	38,400	35,700	-2,700
Total, Natural Resource Damage Assessment and Restoration	31,242	43,964	41,518	-2,446
Budget authority	[33,156]	[45,033]	[42,218]	[-2,815]
Rescissions/ reductions of new BA.....	[-36]	[-69]	[0]	[+69]
Net transfers	[-1,878]	[-1,000]	[-700]	[+300]
Total, Departmental Offices	1,247,891	1,407,019	1,565,300	+158,281
Subtotal, current appropriations.....	624,609	682,576	825,316	+142,740
Budget authority	[628,437]	[712,387]	[825,316]	[112,929]
Rescissions/ reductions of new BA.....	[-3,828]	[-8,411]	[0]	[+8,411]
Rescissions of prior year balances	[0]	[-21,400]	[0]	[+21,400]
Subtotal, permanent appropriations	623,282	724,443	739,984	15,541
Budget authority	[1,253,597]	[1,437,830]	[1,566,000]	[+128,170]
Rescissions/ reductions of new BA.....	[-3,828]	[-8,411]	[0]	[+8,411]
Rescissions of prior year balances	[0]	[-21,400]	[0]	[+21,400]
Net transfers	[-1,878]	[-1,000]	[-700]	[+300]

COMPARISON OF 2003, 2004, AND 2005 BUDGET AUTHORITY
(in thousands of dollars)

<u>Appropriation/ Bureau/Account</u>	<u>2003 Actual</u>	<u>2004 Enacted</u>	<u>2005 Request</u>	<u>Change from 2004</u>
NATIONAL INDIAN GAMING COMMISSION				
<i>Permanent Appropriations</i>				
National Indian Gaming Commission, Gaming Activity Fees	7,891	11,000	12,000	+1,000
Subtotal, permanent appropriations	7,891	11,000	12,000	+1,000
Total, National Indian Gaming Commission	7,891	11,000	12,000	+1,000
Budget authority	[7,891]	[11,000]	[12,000]	[+1,000]
Total, Interior & Related Agencies (w/o fire)	12,831,330	13,260,346	14,240,446	+980,100
Fire transfers	0	0	0	0
Fire repayment	0	0	0	0
Total, Interior & Related Agencies (with fire)	12,831,330	13,260,346	14,240,446	+980,100
Grand total, current authority	[9,766,047]	[9,920,247]	[10,006,299]	[+86,052]
Reappropriation of expiring balances	[+9,690]	[0]	[0]	[0]
Supplementals, other	[+50,000]	[0]	[0]	[0]
Rescissions / reductions of new BA	[-61,793]	[-120,836]	[0]	[+120,836]
Rescission of prior-year BA	[-49,921]	[-21,400]	[0]	[+21,400]
Net transfers, other	[+17,935]	[-123]	[0]	[+123]
Rescission of contract authority	[-30,000]	[-30,000]	[-30,000]	[0]
Net, current authority	[9,701,958]	[9,747,888]	[9,976,299]	[+228,411]
<i>Department of Defense enacted for Ft. Baker (non-add)</i>		[+2,500]		
Grand total, permanent authority	[3,131,250]	[3,513,458]	[4,264,847]	[+751,389]
Net transfers	[-1,878]	[-1,000]	[-700]	[+300]
Net, permanent authority	[3,129,372]	[3,512,458]	[4,264,147]	[751,689]

ENERGY AND WATER DEVELOPMENT**BUREAU OF RECLAMATION***Current Appropriations*

Water and Related Resources	813,491	857,498	828,476	-29,022
Supplementals	+25,000	0	0	0
Rescissions / reductions of new BA	-5,288	-5,059	0	+5,059
Subtotal, current appropriations	833,203	852,439	828,476	-23,963
Policy and Administration	54,870	55,525	58,153	+2,628
Rescissions / reductions of new BA	-357	-328	0	+328
Account total	54,513	55,197	58,153	+2,956

APPENDIX A

COMPARISON OF 2003, 2004, AND 2005 BUDGET AUTHORITY
(in thousands of dollars)

<u>Appropriation/ Bureau/Account</u>	<u>2003 Actual</u>	<u>2004 Enacted</u>	<u>2005 Request</u>	<u>Change from 2004</u>
Reclamation <i>(continued)</i>				
Working Capital Fund.....	0	0	0	0
Rescissions of prior-year BA.....	0	-4,525	0	+4,525
Account total.....	0	-4,525	0	+4,525
Loan Program.....	0	200	0	-200
Rescissions/reductions of new BA.....	0	-1	0	+1
Account total.....	0	199	0	-199
California Bay-Delta Restoration.....	0	0	15,000	+15,000
Central Valley Project Restoration Fund.....	48,904	39,600	54,695	+15,095
Rescissions/reductions of new BA.....	-61	-52	0	+52
Account total.....	48,843	39,548	54,695	15,147
<i>This request is offset in 2005 by a proposal to raise \$30.8 million in additional revenues from CVP water and power users resulting in net discretionary budget authority of \$847.2 million.</i>				
Subtotal, current appropriations.....	936,559	942,858	956,324	+13,466
Budget authority.....	[917,265]	[952,823]	[956,324]	[+3,501]
Supplementals.....	[+25,000]	[0]	[0]	[0]
Rescissions/reductions of new BA.....	[-5,706]	[-5,440]	[0]	[+5,440]
Rescissions of balances.....	[0]	[-4,525]	[0]	[+4,525]
Permanent Appropriations				
Colorado River Dam Fund, Boulder Canyon Project .	68,761	80,166	85,841	+5,675
Miscellaneous Permanent Appropriations.....	219	280	280	0
Loan Program Subsidy Reestimate.....	427	0	0	0
Loan Program Liquidating Account.....	0	-2,511	-2,546	-35
San Gabriel Basin Restoration Fund.....	278	280	0	-280
Reclamation Trust Funds.....	2,942	5,500	7,000	+1,500
Subtotal, permanent appropriations.....	72,627	83,715	90,575	+6,860
Total, Bureau of Reclamation.....	1,009,186	1,026,573	1,046,899	+20,326
Budget authority.....	[989,892]	[1,036,538]	[1,046,899]	[+10,361]
Supplementals.....	[+25,000]	[0]	[0]	[0]
Rescissions/reductions of new BA.....	[-5,706]	[-5,440]	[0]	[+5,440]
Rescissions of prior-year BA.....	[0]	[-4,525]	[0]	[+4,525]
Discretionary Offsets.....	[0]	[0]	[0]	[0]
CENTRAL UTAH PROJECT				
Current Appropriations				
Central Utah Project Completion Account.....	36,228	38,191	46,275	+8,084
Rescissions/reductions of new BA.....	-235	-225	0	+225
Net transfers.....	-11,186	-9,367	-15,469	-6,102
Account total.....	24,807	28,599	30,806	+2,207

COMPARISON OF 2003, 2004, AND 2005 BUDGET AUTHORITY
(in thousands of dollars)

<u>Appropriation/ Bureau/Account</u>	<u>2003 Actual</u>	<u>2004 Enacted</u>	<u>2005 Request</u>	<u>Change from 2004</u>
<i>CUP (continued)</i>				
Utah Reclamation Mitigation & Conservation Acc't...	11,186	9,367	15,469	+6,102
Subtotal, current appropriations.....	35,993	37,966	46,275	+8,309
Budget authority	[47,414]	[47,558]	[61,744]	[+14,186]
Rescissions/ reductions of new BA.....	[-235]	[-225]	[0]	[+225]
Net transfers	[-11,186]	[-9,367]	[-15,469]	[-6,102]
<i>Permanent Appropriations</i>				
Utah Reclamation Mitigation & Conservation Acc't...	4,861	0	0	0
Subtotal, permanent appropriations	4,861	0	0	0
Total, Central Utah Project	40,854	37,966	46,275	+8,309
Budget Authority	[52,275]	[47,558]	[61,744]	[+14,186]
Rescissions/ reductions of new BA.....	[-235]	[-225]	[0]	[+225]
Net transfers	[-11,186]	[-9,367]	[-15,469]	[-6,102]
Total, Energy & Water Development.....	1,050,040	1,064,539	1,093,174	28,635
Grand total, current authority	[964,679]	[1,000,381]	[1,018,068]	[+17,687]
Supplementals	[+25,000]	[0]	[0]	[0]
Rescissions/ reductions of new BA.....	[-5,941]	[-5,665]	[0]	[+5,665]
Net transfers	[-11,186]	[-9,367]	[-15,469]	[-6,102]
Rescissions of prior-year BA.....	[0]	[-4,525]	[0]	[+4,525]
Net, current authority.....	[972,552]	[980,824]	[1,002,599]	[+21,775]
Grand total, permanent authority	[77,488]	[83,715]	[90,575]	[+6,860]
Total, Dept. of the Interior (without fire)	13,881,370	14,324,885	15,333,620	+1,008,735
Total, Dept. of the Interior (with fire).....	13,881,370	14,324,885	15,333,620	1,008,735
Grand total, current authority	[10,730,725]	[10,920,628]	[11,024,367]	[+103,739]
Reappropriation of expiring balances.....	[+9,690]	[0]	[0]	[0]
Supplementals	[+75,000]	[0]	[0]	[0]
Rescissions/ reductions of new BA.....	[-67,734]	[-126,501]	[0]	[+126,501]
Rescission of prior-year BA	[-49,921]	[-25,925]	[0]	[+25,925]
Net transfers	[+6,749]	[-9,490]	[-15,469]	[-5,979]
Rescission of contract authority	[-30,000]	[-30,000]	[-30,000]	[0]
Net, current authority	[10,674,509]	[10,728,712]	[10,978,898]	[+250,186]
<i>Department of Defense enacted for Ft. Baker (non-add)</i>		[+2,500]		
Grand total, permanent authority	[3,208,738]	[3,597,173]	[4,355,422]	[+758,249]
Rescissions/ reductions of new BA.....	[-1,878]	[-1,000]	[-700]	[+300]
Net, permanent authority	[3,206,860]	[3,596,173]	[4,354,722]	[+758,549]

COMPARISON OF 2003, 2004, AND 2005 BUDGET AUTHORITY

EXPLANATORY NOTES

The budget estimates in the "Budget in Brief" differ from the presentation in the President's budget somewhat. This difference shows up in the totals set out in OMB's and Interior's tables. The President's budget presentation uses a system of budget scoring required by the Budget Enforcement Act that is based on "net discretionary budget authority". This document almost exclusively uses a system of scoring based on "current authority", which portrays the amounts that Congress appropriates each year to carry out the Department's programs. The differences are slight relative to the size of the budget, about \$130 million overall for 2005. The different scoring can be seen in the budgets of BLM, OIA, Reclamation, and CUPCA. Both BLM and OIA have current accounts or portions of accounts that are classified as mandatory. Additionally, receipts offset some account totals. BLM's Service Charges, Deposits and Forfeitures and Reclamation's Central Valley Project include a discretionary offset (receipt) that nets into its discretionary bottom line. The Budget proposes a new \$30 million offset to Reclamation's Water and Related Resources. The Utah Mitigation account for CUPCA is also adjusted for 2003 discretionary receipts. The account also includes a permanent appropriation scored as discretionary rather than mandatory. The 2005 Budget proposes to directly fund the Utah Mitigation account, which will eliminate the need for discretionary receipts and permanent, discretionary spending. For all other bureaus and offices the totals under either system should be identical. A current to discretionary "bridge" is shown in the table at the front of the bureau section of this document.

OMB presents the President's budget request to the Congress in "millions of dollars". The presentation in the "Budget in Brief" is based on amounts in "thousands of dollars", the level at which Congress appropriates. When several amounts that have been rounded to million of dollars are added or subtracted, small differences in the sum of these rounded numbers may be created as compared to the sum of the same numbers unrounded. This rounding effect may result in slight differences between the totals in the President's budget and totals in this document.

In addition to the discretionary/ current difference and the rounding effect, there are some underlying "scoring" assumptions of which users of this appendix should be aware to understand fully the numbers presented. These assumptions are described in the following.

2003 Actuals

- The Interior and Related Agencies and the Energy and Water bills were part of the Consolidated Appropriations Resolution, 2003, PL 108-7 signed on February 20, 2003. This bill included an across-the-board reduction of 0.65 percent as well as a rescission of prior year unobligated balances in the FWS's Private Stewardship and Landowner Incentive accounts.
- PL 108-11, signed April 16, 2003, provided emergency supplemental funding to the Reclamation's Water and Related Resources (\$25.0 million) for security activities and NPS's operation of the National Park System (\$9.0 million) for maintenance.
- PL 108-83, the 2003 Emergency Supplemental, was signed on September 30, 2003 providing \$5.0 million to FWS's Resource Management account for Midway airport and \$36.0 million to the Wildland Fire Management account for land and construction repayments. Due to the lateness of the appropriations, these repayments were not made until 2004.
- In 2003 the land and construction accounts received a repayment of \$189.0 million in March for suppression costs associated with the 2002 fire season. In August and September the land and construction accounts transferred \$164.0 million back to the Wildland Fire account for 2003 sup-

EXPLANATORY NOTES (CONTINUED)

pression. All transfers are scored and accounted for as budget authority transfers to comply with scoring rules. Appendix A provides totals with and without these transfers.

- BLM's operating accounts received \$500,000 from the land and construction accounts under section 102 authority for Columbia shuttle recovery activities.
- The BLM's Management of Lands and Resources appropriation includes a separate appropriation for Mining Law administration that is to be reduced by the use of mining claim fees until the appropriation is reduced to zero. In 2003, BLM was unable to reduce the \$32.696 million appropriation for Mining Law administration to zero. This resulted in an appropriation of \$5.733 million.
- OSM's Regulation and Technology appropriation includes authority to retain civil penalties. The actual collections totaled \$96,000 versus the estimate of \$275,000 resulting in a final appropriation less \$179,000 than what is in the Committee support table.
- The figure for BLM's Permanent Payment excludes \$98.8 million general fund payment because it would overstate the actual payments to western Oregon and California. This is a difference from the MAX system data.

2004 Enacted

- The Interior and Related Agencies Appropriations Act, PL 108-108, was signed November 10, 2003 and the Energy and Water Development Appropriations Act, PL 108-137, was signed December 1, 2003. The Interior and Related Agencies bill included an across-the-board reduction of 0.646 percent; the Energy and Water bill had no reduction. The 2004 Consolidated Appropriations Act, PL 108-199, just enacted at press time, includes: another across-the-board reduction of 0.59 percent; an additional \$100,000 for an Office of Native Hawaiian Relations within the Office of the Secretary; an exemption from the 0.646 percent reduction for the \$99 million provided in the 2004 Interior and Related Agencies bill for fire repayments (it is not exempt from the 0.59 percent reduction included in the Consolidated bill); Secretarial discretion to allocate the two across-the-board reductions within BIA's Land and Water Settlements account; and several non-budgetary technical changes.
- The 2004 construction and land accounts include the repayments for the 2003 fire season – the \$36.0 million appropriated at the very end of 2003 and the \$98.416 million (net the 0.59 percent reduction) provided in 2004. Appendix A shows totals with and without the fire repayments. When discussing program changes from 2004 to 2005 these amounts are not included.
- The figure for BLM's Permanent Payment excludes \$105.7 million general fund payment because it would overstate the actual payments to western Oregon and California. This is a difference from the MAX system data.

2004 Authorization Proposals

- **OST Accounting for Trust Deficiencies** – In 1998, OST identified a difference between the OST investment balances and the underlying individual Indian Monies (IIM) account balances. Since that time, approximately \$700,000 has been recovered as a result of historical account reconciliation efforts. An approximate \$6 million discrepancy currently exists between the investment balances and the IIM subsidiary accounts. The Administration has proposed legislation to balance the accounts that would authorize up to \$6 million be made available to credit the investment balances. This amount is shown in Appendix A.

EXPLANATORY NOTES (CONTINUED)

2005 Estimates

- The figure for BLM's Permanent Payment excludes \$97.7 million general fund payment because it would overstate the actual payments to western Oregon and California. This is a difference from the MAX system data.

2005 Appropriations Proposals

- **OSM Abandoned Mine Reclamation** – The budget proposes legislation to extend the fee on all domestic coal production and to modify the Surface Mining Control and Reclamation Act to direct dollars toward the most serious reclamation problems. The new legislation would authorize \$53.0 million a year for ten years from the unappropriated Fund share balances to States and Indian tribes that have been certified under section 411(a) of the act as having completed their reclamation needs. Certified States and Tribes would not receive any allocations from the extended coal fee.
- **Reclamation Hydropower** – The budget proposes to finance the costs of operating and maintaining certain Bureau of Reclamation hydropower facilities directly from fees collected by the Western Area Power Administration. Each year, WAPA would provide an agreed upon amount to Reclamation for such expenses. The transferred funds would be treated as an offsetting collection. The \$828.476 million request for the Water and Related Resources on a net basis totals \$798.476 million.

2005 Authorization Proposals

- **BLM Land Sales** – The Administration will propose legislation to enhance BLM's land sale authority under the Federal Lands Transaction Facilitation Act to: allow BLM to use updated management plans to identify areas suitable for disposal, allow a portion of the receipts to be used by BLM for restoration projects, and cap receipt retention at \$100 million per year. BLM is currently limited to selling lands that had been identified for disposal in land use plans that were in effect prior to enactment of FLTFA. Use of the receipts is currently limited to the purchase of other lands for conservation purposes. The proposal is estimated to increase BLM's Permanent Operating account by \$24.0 million in 2005.
- **NPS Yosemite Management Fund** – Also to be proposed is legislation that would authorize NPS to charge rental payments to the city of San Francisco for the Hetch Hetchy Reservoir in Yosemite National Park and retain the receipts for activities in Yosemite National Park. The proposal is estimated to increase funds in the NPS Recreation Fee Permanent account by \$8.0 million annually.

2005 REQUEST BY MISSION GOAL

Resource Protection

(in millions of dollars)

Appropriation/ Bureau/Account	Improve health of watersheds & landscapes	Sustain biological communities	Protect cultural & heritage resources
INTERIOR AND RELATED AGENCIES			
BUREAU OF LAND MANAGEMENT			
Management of Land and Resources.....	119	73	76
Wildland Fire Management.....	97	0	0
Land Acquisition.....	3	5	11
Oregon and California Grant Lands	9	5	0
Range Improvements	9	1	0
Miscellaneous Trust.....	1	0	0
OFFICE OF SURFACE MINING RECLAMATION AND ENFORCEMENT			
Regulation and Technology.....	0	0	0
Abandoned Mine Reclamation Fund.....	81	0	0
U.S. GEOLOGICAL SURVEY			
Surveys Investigations and Research.....	38	106	0
FISH AND WILDLIFE SERVICE			
Resource Management.....	162	541	3
Construction	0	7	0
Land Acquisition.....	0	45	0
Landowner Incentive Program.....	0	50	0
Private Stewardship Grants	0	10	0
State Wildlife Grants Fund	0	80	0
N. American Wetlands Conserv. Fund	0	54	0
Cooperative Endangered Species Conserv	0	90	0
Multinational Species Conserv. Fund	0	10	0
NATIONAL PARK SERVICE			
Operation of the National Park System.....	231	176	495
U.S. Park Police	0	0	16
National Recreation and Preservation.....	4	4	23
Historic Preservation Fund	0	0	65
Construction	22	22	66
Land Acquisition.....	46	22	48
LWCF rescission.....	0	0	-30
NATURAL RESOURCE DAMAGE ASSESSMENT & RESTORATION			
Natural Resource Damage Assessment Fund.....	6	0	0
TOTAL, INTERIOR AND RELATED AGENCIES.....	731	1,301	774

Note: Numbers may not appear to add due to rounding.

APPENDIX B

**2005 REQUEST BY MISSION GOAL
Resource Protection (continued)
(in millions of dollars)**

Appropriation/ Bureau/Account	Improve health of watersheds & landscapes	Sustain biological communities	Protect cultural & heritage resources
ENERGY AND WATER DEVELOPMENT			
BUREAU OF RECLAMATION			
Water and Related Resources.....	22	3	0
Policy and Administration	2	0	0
CENTRAL UTAH PROJECT			
Central Utah Project	0	1	0
Utah Reclamation and Mitigation	1	13	0
TOTAL, ENERGY AND WATER DEVELOPMENT	25	17	0
TOTAL, DEPARTMENT OF THE INTERIOR.....	756	1,318	774

**2005 REQUEST BY MISSION GOAL
Resource Use
(in millions of dollars)**

Appropriation/ Bureau/Account	Energy	Non- energy use	Forage	Forest Products	Water	Power
INTERIOR AND RELATED AGENCIES						
BUREAU OF LAND MANAGEMENT						
Management of Land and Resources.....	174	21	61	12	0	0
Wildland Fire Management.....	0	0	0	0	0	0
Central Hazardous Material Fund	0	0	0	0	0	0
Construction and Access.....	0	0	0	0	0	0
Land Acquisition.....	0	0	0	0	0	0
Oregon and California Grant Lands	2	0	1	70	0	0
Range Improvements	0	0	0	0	0	0
Service Charges	14	1	0	0	0	0
Service Charges Offset	-14	-1	0	0	0	0

Note: Numbers may not appear to add due to rounding.

2005 REQUEST BY MISSION GOAL
Resource Use (continued)
(in millions of dollars)

Appropriation/ Bureau/Account	Energy	Non- energy use	Forage	Forest Products	Water	Power
MINERALS MANAGEMENT SERVICE						
Royalty and Offshore Minerals Management	156	1	0	0	0	0
ROMM Offsetting Collections - NON ADD	94	2	0	0	0	0
Oil Spill Research	7	0	0	0	0	0
OFFICE OF SURFACE MINING RECLAMATION AND ENFORCEMENT						
Regulation and Technology	109	0	0	0	0	0
Abandoned Mine Reclamation Fund.....	3	0	0	0	0	0
U.S. GEOLOGICAL SURVEY						
Surveys Investigations and Research.....	25	48	0	0	0	0
FISH AND WILDLIFE SERVICE						
Resource Management	8	1	7	7	3	1
Construction	0	0	0	0	3	0
TOTAL, INTERIOR AND RELATED AGENCIES.....	484	71	69	88	6	1
 ENERGY AND WATER DEVELOPMENT						
BUREAU OF RECLAMATION						
Water and Related Resources.....	0	0	0	0	662	104
Policy and Administration	0	0	0	0	46	7
Central Valley Project Restoration.....	0	0	0	0	55	0
California Bay Delta	0	0	0	0	15	0
CENTRAL UTAH PROJECT						
Central Utah Project	0	0	0	0	29	0
Utah Reclamation and Mitigation	0	0	0	0	0	0
TOTAL, ENERGY AND WATER DEVELOPMENT	0	0	0	0	807	111
TOTAL, DEPARTMENT OF THE INTERIOR.....	484	71	69	88	815	113

Note: Numbers may not appear to add due to rounding.

APPENDIX B

2005 REQUEST BY MISSION GOAL
Recreation
(in millions of dollars)

<u>Appropriation/ Bureau/Account</u>	<u>Quality Experience including Access (Goal 1)</u>	<u>Fair Market Value (Goal 2)</u>
INTERIOR AND RELATED AGENCIES		
BUREAU OF LAND MANAGEMENT		
Management of Land and Resources.....	51	9
Construction and Access.....	3	0
Oregon and California Grant Lands	6	0
FISH AND WILDLIFE SERVICE		
Resource Management.....	67	110
Construction	2	0
NATIONAL PARK SERVICE		
Operation of the National Park System.....	417	15
U.S. Park Police	32	0
National Recreation and Preservation.....	5	0
Historic Preservation Fund	12	0
Construction	66	0
Land Acquisition.....	62	0
TOTAL, INTERIOR AND RELATED AGENCIES.....	722	135
ENERGY AND WATER DEVELOPMENT		
BUREAU OF RECLAMATION		
Water and Related Resources.....	38	0
Underfinancing	2	0
Policy and Administration	3	0
TOTAL, ENERGY AND WATER DEVELOPMENT	43	0
TOTAL, DEPARTMENT OF THE INTERIOR.....	765	135

Note: Numbers may not appear to add due to rounding.

2005 REQUEST BY MISSION GOAL
Serving Communities
(in millions of dollars)

Appropriation/ Bureau/Account	Protect Lives and Property (Goal 1)	Advance Knowledge through Scientific Leadership (Goal 2)	Fulfill Indian Trust Responsibility (Goal 3)	Quality Communities for Tribes and Alaska Natives (Goal 4)	Increase Economic Self-Sufficiency for Insular Areas (Goal 5)
INTERIOR AND RELATED AGENCIES					
BUREAU OF LAND MANAGEMENT					
MANAGEMENT OF LAND AND RESOURCES.....	240	0	0	0	0
WILDLAND FIRE MANAGEMENT.....	645	0	0	0	0
CENTRAL HAZARDOUS MATERIAL FUND.....	10	0	0	0	0
CONSTRUCTION AND ACCESS.....	4	0	0	0	0
LAND ACQUISITION.....	5	0	0	0	0
OREGON AND CALIFORNIA GRANT LANDS.....	22	0	0	0	0
SERVICE CHARGES.....	9	0	0	0	0
SERVICE CHARGES OFFSET.....	-9	0	0	0	0
MISCELLANEOUS TRUST.....	13	0	0	0	0
MINERALS MANAGEMENT SERVICE					
ROYALTY AND OFFSHORE MINERALS MANAGEMENT.....	0	0	15	0	0
ROMM OFFSETTING COLLECTIONS - NON ADD.....	0	0	7	0	0
OIL SPILL RESEARCH.....	0	0	0	0	0
OFFICE OF SURFACE MINING RECLAMATION AND ENFORCEMENT					
Regulation and Technology.....	0	0	0	0	0
Abandoned Mine Reclamation Fund.....	160	0	0	0	0
U.S. GEOLOGICAL SURVEY					
SURVEYS INVESTIGATIONS AND RESEARCH.....	73	631	0	0	0
FISH AND WILDLIFE SERVICE					
RESOURCE MANAGEMENT.....	34	0	5	0	0
CONSTRUCTION.....	10	0	0	0	0
NATIONAL WILDLIFE REFUGE FUND.....	14	0	0	0	0
NATIONAL PARK SERVICE					
OPERATION OF THE NATIONAL PARK SYSTEM.....	352	0	0	0	0
U.S. PARK POLICE.....	34	0	0	0	0
CONSTRUCTION.....	153	0	0	0	0

Note: Numbers may not appear to add due to rounding.

APPENDIX B

2005 REQUEST BY MISSION GOAL
Serving Communities *(continued)*
 (in millions of dollars)

Appropriation/ Bureau/Account	<i>Protect Lives and Property (Goal 1)</i>	<i>Advance Knowledge through Scientific Leadership (Goal 2)</i>	<i>Fulfill Indian Trust Responsibility (Goal 3)</i>	<i>Quality Communities for Tribes and Alaska Natives (Goal 4)</i>	<i>Increase Economic Self-Sufficiency for Insular Areas (Goal 5)</i>
BUREAU OF INDIAN AFFAIRS					
OPERATION OF INDIAN PROGRAMS	52	0	405	1,472	0
CONSTRUCTION	38	0	15	230	0
INDIAN LAND AND WATER SETTLEMENTS	0	0	35	0	0
INDIAN GUARANTEED LOAN PROGRAM	0	0	0	6	0
DEPARTMENTAL MANAGEMENT					
PAYMENT IN LIEU OF TAXES	226	0	0	0	0
INSULAR AFFAIRS					
ASSISTANCE TO TERRITORIES	0	0	0	0	73
COMPACT OF FREE ASSOCIATION	0	0	0	0	6
OFFICE OF THE SPECIAL TRUSTEE FOR AMERICAN INDIANS					
FEDERAL PROGRAMS	0	0	248	0	0
INDIAN LAND CONSOLIDATION	0	0	75	0	0
TOTAL, INTERIOR AND RELATED AGENCIES.....	2,086	631	797	1,709	79
 ENERGY AND WATER DEVELOPMENT					
TOTAL, ENERGY AND WATER DEVELOPMENT	0	0	0	0	0
TOTAL, DEPARTMENT OF THE INTERIOR.....	2,086	631	797	1,709	79

Note: Numbers may not appear to add due to rounding.

2005 REQUEST BY MISSION GOAL
 Management Excellence
 (in millions of dollars)

<u>Appropriation/ Bureau/Account</u>	<u>Departmental oversight & other</u>
INTERIOR AND RELATED AGENCIES	
DEPARTMENTAL MANAGEMENT	
Salaries and Expenses	99
OFFICE OF THE SOLICITOR	
Salaries and Expenses	53
OFFICE OF THE INSPECTOR GENERAL	
Salaries and Expenses	39
TOTAL, INTERIOR AND RELATED AGENCIES.....	192
 ENERGY AND WATER DEVELOPMENT	
TOTAL, ENERGY AND WATER DEVELOPMENT	0
TOTAL, DEPARTMENT OF THE INTERIOR.....	192

Note: Numbers may not appear to add due to rounding.

MAINTAINING AMERICA'S HERITAGE

(in thousands of dollars)

<u>Bureau/Account</u>	<u>2003 Actual</u>	<u>2004 Enacted</u>	<u>2005 Request</u>	<u>2005 Compared to 2004</u>
MAINTENANCE				
Bureau of Land Management				
Management of Land and Resources	82,786	81,533	76,468	-5,065
Oregon and California Grant Lands.....	10,887	10,777	10,782	+5
Wildland Fire Management	12,294	12,221	12,374	+153
Subtotal, BLM	105,967	104,531	99,624	-4,907
U.S. Geological Survey				
Surveys, Investigations, and Research	34,540	34,051	33,352	-699
Fish and Wildlife Service				
Resource Management	114,379	119,029	117,502	-1,527
National Park Service				
Operation of the National Park System	519,970	559,211	586,093	+26,882
Bureau of Indian Affairs				
Operation of Indian Programs	75,392	76,934	74,551	-2,383
Subtotal, Maintenance	850,248	893,756	911,122	+17,366
CONSTRUCTION				
Bureau of Land Management	11,898	10,976	6,476	-4,500
Fish and Wildlife Service.....	54,073	35,393	22,111	-13,282
National Park Service	328,212	329,880	329,880	0
Bureau of Indian Affairs.....	345,988	346,827	283,126	-63,701
Subtotal, Construction.....	740,171	723,076	641,593	-81,483
TOTAL, DEPARTMENT OF THE INTERIOR.	1,590,419	1,616,832	1,552,715	-64,177
TOTALS BY BUREAU				
Bureau of Land Management.....	117,865	115,507	106,100	-9,407
U.S. Geological Survey	34,540	34,051	33,352	-699
Fish and Wildlife Service.....	168,452	154,422	139,613	-14,809
National Park Service	848,182	889,091	915,973	+26,882
Bureau of Indian Affairs.....	421,380	423,761	357,677	-66,084
TOTAL, DEPARTMENT OF THE INTERIOR	1,590,419	1,616,832	1,552,715	-64,117

CONSTRUCTION PROGRAM

Interior and Related Agencies

(in thousands of dollars)

<u>BUREAU/STATE/PROJECT</u>	<u>Estimated Cost</u>	<u>Thru 2004</u>	<u>2005 Request</u>
BUREAU OF LAND MANAGEMENT			
Alaska			
Campbell Creek Science Center Security and Safety Improvements Provide safety and security improvements including a proximity card reader system, an intruder alarm system, a panic button, a backup emergency generator; replace internal and external doors; and increase lighting in the employee parking lot.	426	0	426
Arizona			
San Pedro Riparian National Conservation Area Education Amphitheater, Phase I Construct an amphitheater to serve as a regional outdoor environmental education facility.	211	0	101
Wild Horse and Burros Corrals, Phase II Build a wild horse and burro facility near Kingman with a capacity of 500 animals – 300 animals in corral pens and 200 in large five-acre turn-out pens.	1,412	452	960
California			
Amboy Crater Recreation Site Construct hiking trails, shaded picnic tables, and an overlook.	600	285	315
South Dunes Operations Center, Phase II Build a 3,000-square-foot operations center to include ranger, public contact, and emergency medical stations.	1,346	450	896
Colorado			
Bridgeport Bridge, Phase II Construct a bridge over the Gunnison River for hiking and equestrian access into the Dominguez Wilderness Study Area.	906	436	470
Salida East Recreation Site Develop trails and shelters; construct a vault toilet; improve existing roads and parking area; install culverts; and upgrade the boat ramp and rock barriers.	166	0	166

APPENDIX D

**CONSTRUCTION PROGRAM
Interior and Related Agencies
(in thousands of dollars)**

Bureau/State/Project	Estimated Cost	Thru 2004	2005 Request
Idaho			
Kelly Island Campground Reconstruction and Group Site Expansion Reconstruct a 16-unit fee campground; construct a pavilion with picnic tables, trails with benches, group campsites, loop gravel road, bank barbs; develop potable water sources; and improve host site and fee collection station.	453	0	453
Nevada			
Crowley Jordan Road Repair, Phase II Upgrade 27 miles of road to include raising and rehabilitation, installation of culverts, pipe arches, and replacement of aggregate and rip-rap.	348	40	308
Oregon			
Vale Facilities Security Upgrades Make security improvements including upgrading key card reader equipment, installing a panic alarm, additional exterior area and interior motion lighting, security fencing at three sites, surveillance cameras, intercoms at visitor and wareyard entrances, additional electronic gates at Baker and National Historic Oregon Trail Interpretive Center, vehicle barriers at office buildings, and backup generators.	567	0	567
Utah			
Browns Park/Massey Junction/ Buck Canyon Recreation Sanitation Install four single-unit vault toilets.	184	0	184
Cleveland Lloyd Dinosaur Quarry, Phase II Refurbish the visitor center and replace two outmoded buildings with a single new one.	1,005	445	560
Hell Roaring Rims Campground Construct a 60-unit campground and nine vault toilets along the border of Canyonlands National Park.	509	0	509
Wedge Overlook Site Construct two miles of road, install three vault toilets, erect fencing, and build 30 campsites as well as a day use area.	277	0	277
Wyoming			
Scab Creek Road and Campground, Phase III Complete reconstruction of a road and campground; drill a water well; install vault toilets; build a corral; and construct parking spaces for vehicles, campers, and horse trailers.	659	459	200

CONSTRUCTION PROGRAM
Interior and Related Agencies
(in thousands of dollars)

<u>Bureau/State/Project</u>	<u>Estimated Cost</u>	<u>Thru 2004</u>	<u>2005 Request</u>
Wyoming <i>(continued)</i>			
Trappers Route Recreation Sites, Phase I Develop recreational facilities along the North Platte River which include replacing a vault toilet and installing an additional facility; construction of a 10-unit campground, one-mile of road, one-mile trail, fences and traffic barriers; surfacing of access roads, trails, and parking areas; and restoration of riparian areas.	300	0	84
TOTAL, BUREAU OF LAND MANAGEMENT			6,476
 FISH AND WILDLIFE SERVICE			
Alaska			
King Salmon Administrative Site Design the Seismic Safety Rehabilitation Office storage building.	347	0	65
California			
Klamath Basin National Wildlife Refuge Complex Construct alternative water supply and management facilities.	9,787	5,300	1,000
Colorado			
Arapaho National Wildlife Refuge Design the rehabilitation and construction of Muskrat Dam.	800	800	800
Maine			
Craig Brook National Fish Hatchery Design and construct a wastewater treatment facility for compliance with State of Maine effluent standards.	4,599	200	1,950
Green Lake National Fish Hatchery Design a wastewater treatment facility for compliance with State of Maine effluent standards.	6,488	0	658
South Dakota			
Lacreek National Wildlife Refuge Complete re-construction of the Little White River Dam.	5,521	1,321	4,200
Utah			
Fish Springs National Wildlife Refuge Design seismic safety rehabilitation of six buildings.	415	0	115

APPENDIX D

**CONSTRUCTION PROGRAM
Interior and Related Agencies
(in thousands of dollars)**

Bureau/State/Project	Estimated Cost	Thru 2004	2005 Request
Servicewide			
Bridge Safety – Bridge Reinspections Reinspect 300 of the Service's 700+ bridges to ensure that bridges remain in a safe operating condition and are capable of carrying loads within design limits	575	0	575
Dam Safety – Dam Reinspections Perform annual safety inspections and evaluations of high and significant hazard dams.	730	0	730
Environmental Compliance Management	—	—	1,400
Core Engineering Services	—	—	6,117
Survey Aircraft Replacement Program	10,000	1,000	1,000
Seismic Safety Program	—	—	200
Waste Prevention and Recycling	—	—	150
Cost Allocation Methodology	—	—	3,151
TOTAL, FISH AND WILDLIFE SERVICE			22,111
 NATIONAL PARK SERVICE			
Alaska			
Denali National Park and Preserve Replace Eielson Visitor Center.	7,420	0	7,420
Klondike Gold Rush National Historical Park Construct historic resource support center and protect museum collections.	739	0	739
Western Arctic National Parklands Construct Northwest Alaska Heritage Center and administrative headquarters. (completion)	15,399	691	14,708
Wrangell-St. Elias National Park and Preserve Construct museum to preserve and interpret the Ahtna culture.	1,135	0	1,135
Arkansas			
Hot Springs National Park Rehabilitate Bathhouses for adaptive reuse.	17,966	6,918	4,989
California			
Lassen Volcanic National Park Replace condemned ski chalet with improved visitor services facilities.	10,051	0	10,051
Pinnacles National Monument Relocate and replace flood-prone West Side maintenance and visitor facilities.	4,610	0	4,610

CONSTRUCTION PROGRAM
Interior and Related Agencies
(in thousands of dollars)

<u>Bureau/State/Project</u>	<u>Estimated Cost</u>	<u>Thru 2004</u>	<u>2005 Request</u>
California <i>(continued)</i>			
Point Reyes National Seashore Restore Lifeboat Station Marine Railway.	1,885	0	1,885
Point Reyes National Seashore Coastal watershed restoration and enhancement.	2,077	0	2,077
San Francisco Maritime National Historical Park Repair historic Sala Burton Maritime Museum building.	4,183	0	4,183
Connecticut			
Weir Farm National Historic Site Replace maintenance, curatorial, and admin facilities.	3,536	0	3,536
District of Columbia			
Rock Creek Park Preserve and protect Meridian Hill Park.	3,007	0	3,007
White House Provide structural and utility rehabilitation for the Executive Residence.	44,754	19,421	9,938
Florida			
Big Cypress National Preserve Complete rehabilitation of off-road vehicle trails.	5,551	4,982	569
Everglades National Park Complete modified water delivery system.	191,004	182,927	8,077
Georgia			
Chattahoochee River National Recreation Area. Reduce resource damage by providing river recreation access.	2,125	0	2,125
Cumberland Island National Seashore Stabilize Dungeness Ruins.	1,285	0	1,285
Martin Luther King, Jr., National Historic Site Restore Ebenezer Baptist Church, Phase II. (Phase I funding of \$1.2 million was received via a Save America's Treasures grant in 1999.)	3,659	1,200	2,459
Hawaii			
Kalaupapa National Historical Park Preserve historic buildings, correct safety problems.	3,928	0	3,928

APPENDIX D

**CONSTRUCTION PROGRAM
Interior and Related Agencies
(in thousands of dollars)**

<u>Bureau/State/Project</u>	<u>Estimated Cost</u>	<u>Thru 2004</u>	<u>2005 Request</u>
Hawaii <i>(continued)</i>			
Pu'uhonua o Honaunau National Historical Park Remove and replace administrative buildings from archeological site.	1,112	0	1,112
Kansas			
Fort Larned National Historic Site Correct structural problems in Old Commissary.	869	0	869
Fort Larned National Historic Site Stabilize and restore North Officers' Quarters.	1,114	0	1,114
Louisiana			
Cane River Creole National Historical Park Stabilize and preserve Magnolia Plantation structures.	1,068	0	1,068
Maryland			
Chesapeake and Ohio Canal National Historical Park Repair and rehabilitate Great Falls Visitor Center and facilities.	1,776	0	1,776
Fort Washington Park Stabilize Fort Washington.	9,926	3,390	3,660
Hampton National Historic Site Install environmental controls in Hampton Mansion.	1,546	0	1,546
Monocacy National Battlefield Relocate flood-prone visitor center to Best Farm.	3,539	0	3,539
Massachusetts			
Boston Harbor Islands National Recreation Area Construct floating docks to provide safe access to Little Brewster Island.	800	0	800
Boston National Historical Park Rehabilitate Building 5.	2,963	0	2,963
Boston National Historical Park Rehabilitate Building 125.	1,187	0	1,187
Boston National Historical Park Rehabilitate Commandant's House.	774	0	774
Frederick Law Olmsted National Historic Site Upgrade life/safety systems and rehabilitate historic structures.	2,011	0	2,011

CONSTRUCTION PROGRAM
Interior and Related Agencies
(in thousands of dollars)

<u>Bureau/State/Project</u>	<u>Estimated Cost</u>	<u>Thru 2004</u>	<u>2005 Request</u>
Massachusetts <i>(continued)</i>			
Saugus Iron Works National Historic Site Rehabilitate resources for accessibility and safety.	1,283	0	1,283
New Jersey			
Delaware Water Gap National Recreation Area Replace Depew recreation site.	2,760	462	2,298
New York			
Fire Island National Seashore Rehabilitate Sailors Haven marina and ferry dock.	2,374	0	2,374
Fire Island National Seashore Replace West Entrance ranger station and construct restrooms.	735	0	735
North Carolina			
Great Smoky Mountains National Park Replace Smokemont water and sewer with municipal system.	2,171	0	2,171
Oregon			
Crater Lake National Park Rehabilitate historic cafeteria building and relocate rim parking area.	8,741	0	8,741
Pennsylvania			
Allegheny Portage Railroad National Historic Site Rehabilitate historic trace corridor trail.	861	0	861
Flight 93 National Memorial Construct starter public facilities and services.	806	0	806
Independence National Historical Park Construct security fence and screening structure, Phase I.	5,436	0	2,000
Texas			
Big Bend National Park Replace Chisos Basin water supply.	2,000	0	2,000
Virginia			
Manassas National Battlefield Park Rehabilitate historic Brawner Farm for visitor use.	2,317	0	2,317
Petersburg National Battlefield Consolidate, rehabilitate, and replace park maintenance facilities.	812	0	812

APPENDIX D

**CONSTRUCTION PROGRAM
Interior and Related Agencies
(in thousands of dollars)**

<u>Bureau/State/Project</u>	<u>Estimated Cost</u>	<u>Thru 2004</u>	<u>2005 Request</u>
Virginia (continued)			
Wolf Trap Farm Park Replace main gate facility at Filene Center, Phase I.	7,033	0	4,120
Washington			
Olympic National Park Remove salmon obstructions and construct bridge and culvert.	1,940	0	1,940
Olympic National Park Restoration of Elwha River Ecosystem.	144,348	96,777	26,950
Wisconsin			
Apostle Islands National Lakeshore Restore Raspberry Island Light Station.	1,136	0	1,136
Wyoming			
Grand Teton National Park Complete reconstruction of the West Entrance Station	3,352	1,865	1,487
Yellowstone National Park Construct a new visitor center at Moose Visitor Center..	7,963	2,963	5,000
Yellowstone National Park Replace existing Court facilities with a new Courthouse. (Scheduled per Court deadline)	2,655	0	2,655
Yellowstone National Park Replace Madison wastewater facilities.	3,956	0	3,956
Yellowstone National Park Replace winter snowcoaches and improve support infrastructure.	2,869	1,869	1,000
Yellowstone National Park Restoration of Old House at Old Faithful Inn, Phase II.	26,390	5,899	9,801
Other			
Various Parks Emergency storm damage reconstruction and recovery.	14,000	0	14,000
Servicewide			
Special Programs	—	—	53,800
Construction Planning	—	—	21,220
Construction Program Management/Operations	—	—	27,364
General Management Planning	—	—	13,313
TOTAL, NATIONAL PARK SERVICE			329,880

CONSTRUCTION PROGRAM
Interior and Related Agencies
(in thousands of dollars)

<u>Bureau/State/Project</u>	<u>Estimated Cost</u>	<u>Thru 2004</u>	<u>2005 Request</u>
BUREAU OF INDIAN AFFAIRS			
<i>Education Construction</i>			
Replacement School Construction	—	—	68,546
Replace schools in accordance with an established Priority List as listed below.			
Arizona			
Leupp Boarding School			
New Mexico			
Beclabito Day School			
Bread Springs Day School			
Ojo Encino Day School			
Oregon			
Chemawa Indian School Dormitory			
Multiple State	—	—	9,991
Advanced Planning and Design			
Tribal School Demonstration Program	—	—	9,926
Replace schools using a cost share program. Projects to be determined..			
Employee Housing Repair	—	—	3,081
Repair critical life safety related deficiencies in BIA employee housing.			
Major Facilities Improvement and Repair	—	—	25,557
Repair critical life safety items, consolidate or close under-utilized facilities, and repair education facilities for BIA funded schools as listed below.			
Arizona			
Greasewood Springs Community School			
Winslow Dorm			
Minnesota			
Nay Ah Shing School			
Montana			
Northern Cheyenne Tribal School (Busby)			
North Dakota			
Tate Tope School			

APPENDIX D

CONSTRUCTION PROGRAM
Interior and Related Agencies
(in thousands of dollars)

<u>Bureau/State/Project</u>	<u>Estimated Cost</u>	<u>Thru 2004</u>	<u>2005 Request</u>
Other Repair and Maintenance	—	—	111,982
<i>Subtotal, Education Construction</i>			229,083
Public Safety and Justice Construction			
Multiple States			
Facilities Improvement and Repair Address detention facilities improvement and repair needs, with emphasis on critical health and safety items identified in safety reports.	—	—	1,387
Fire Protection and Coordination Procure fire trucks and equipment and install fire sprinklers and fire and smoke alarms in dormitories, detention centers, and other buildings.	—	—	3,598
<i>Subtotal, Public Safety and Justice Construction</i>			4,985
Resources Management Construction			
New Mexico			
Navajo Indian Irrigation Project	765,000	579,374	12,936
Multiple States			
Engineering and Supervision Irrigation project engineering and supervision.	—	—	2,096
Survey and Design	—	—	304
Safety of Dams – Corrective Construction			
Arizona			
Bog Tank Dam	5,000	—	250
Horseshoe Cienega	3,750	—	750
Tsalie	6,150	—	850
Montana			
Jocko	6,250	—	1,250
Lower Dry Fork	4,700	—	700
New Mexico			
Asaayi	6,450	—	6,000
Santa Anna	11,450	9,450	2,000
Todacheene	3,750	—	750

CONSTRUCTION PROGRAM
Interior and Related Agencies
(in thousands of dollars)

<u>Bureau/State/Project</u>	<u>Estimated Cost</u>	<u>Thru 2004</u>	<u>2005 Request</u>
Oregon			
Chiloquin Dam Removal	2,150	0	2,150
South Dakota			
Allen Dam	3,700	300	3,000
Multiple States			
Emergency Management Systems	—	—	2,624
Inspection of Dams, Program Coordination	—	—	2,542
Dam Maintenance	—	—	1,962
Federal Energy Regulatory Commission Activities	—	—	693
<i>Subtotal, Resources Management Construction</i>			40,857
General Administration			
Multiple States			
Telecommunications Improvement and Repair	—	—	907
Facilities Improvement and Repair	—	—	1,249
Construction Program Management	—	—	6,045
<i>Subtotal, General Administration Construction</i>			8,201
TOTAL, BUREAU OF INDIAN AFFAIRS			283,126

APPENDIX D

**CONSTRUCTION PROGRAM
Energy and Water Development
(in thousands of dollars)**

<u>BUREAU/STATE/PROJECT</u>	<u>Estimated Cost</u>	<u>Thru 2004</u>	<u>2005 Request</u>
BUREAU OF RECLAMATION			
Arizona			
Central Arizona Project	4,448,889	3,532,425	33,794
Colorado River Basin Salinity Control, Title I	453,790	413,856	781
Colorado River Front Work & Levee System	207,523	111,997	3,647
Fort McDowell Indian Water Rights Settlement	2,209	1,396	712
Southern Arizona Water Rights Settlement Act	68,331	32,942	5,078
Tres Rios Wetlands Demonstration	8,868	6,530	400
California			
American River Division, CVP	206,044	168,761	0
Auburn-Folsom South Unit, CVP	2,892,940	399,773	6,522
Calleguas Water Recycling	20,000	5,834	1,000
Delta Division, CVP	347,798	263,217	5,287
Long Beach Water Reclamation	18,736	8,329	1,000
Miscellaneous Project Programs, CVP *	827,853	496,973	35,185
North San Diego County Water Reclamation	20,000	12,991	2,000
Orange County Water Reclamation	20,000	11,296	2,000
Sacramento River Division, CVP	529,717	417,588	1,800
Salton Sea Research Project	40,000	17,205	1,000
San Diego Area Water Reclamation	172,590	73,739	3,500
San Felipe Division, CVP	380,094	313,297	698
San Gabriel Basin Project	38,090	30,020	500
San Joaquin Division, CVP *	838,055	147,152	18,861
Shasta Division, CVP *	303,082	290,988	1,190
Trinity River Division, CVP *	377,399	352,686	5,335
West San Joaquin Division, San Luis Unit, CVP	1,688,472	599,402	35,788
<i>* Request amounts include CVP Restoration Fund.</i>			
Colorado			
Animas-La Plata Project	505,764	181,431	52,000
Idaho			
Minidoka Northside Drain Water Project	1,830	1,317	200
Minidoka Project, Grassy Lake Dam, Safety of Dams Proj.	6,300	3,690	2,300
Nevada			
Lake Mead/Las Vegas Wash Program	10,000	6,506	1,450
North Dakota			
Garrison Diversion Unit	1,564,782	741,521	18,625
Oregon			
Savage Rapids Dam Removal	na	628	2,000
South Dakota			
Mid-Dakota Rural Water Project	144,026	127,026	17,000

CONSTRUCTION PROGRAM
Energy and Water Development
(in thousands of dollars)

<u>BUREAU/STATE/PROJECT</u>	<u>Estimated Cost</u>	<u>Thru 2004</u>	<u>2005 REQUEST</u>
South Dakota <i>(continued)</i>			
Mni Wiconi Project	404,907	250,687	18,246
Perkins County Rural Water System	20,330	7,571	500
Texas			
Lower Rio Grande Water Conservation	47,000	5,452	50
Utah			
Provo River Project, Deer Creek Dam, SOD	24,000	15,700	6,050
Weber Basin Project	19,639	16,850	0
Weber Basin Project, Pineview Dam, SOD	17,992	16,547	1,375
Washington			
Yakima River Basin Water Enhancement Project	256,478	54,313	9,190
Multiple-State Projects			
CO River Basin Salinity Control, Title II Basinwide	175,000	75,059	9,064
CO River Storage Project, Section 8	92,333	60,677	1,995
Columbia and Snake Rivers FCRPS ESA Implementation	na	87,574	17,500
Endangered Species Recovery Implementation	na	117,069	10,329
Lewis and Clark Rural Water	295,403	24,407	17,500
Safety of Dams Corrective Actions/Studies	1,247,425	972,111	44,278
TOTAL, BUREAU OF RECLAMATION			395,730
<i>Note: Projects include only construction funding and therefore may differ from funding amounts shown in Highlights of Budget Changes section.</i>			
CENTRAL UTAH PROJECT			
Central Utah Project	726,484	242,012	28,372
TOTAL, CENTRAL UTAH PROJECT			28,372

COOPERATIVE CONSERVATION INITIATIVE

(in thousands of dollars)

Program	2003 Actual	2004 Enacted	2005 Estimate	2005 Compared to 2004
COOPERATIVE CONSERVATION INITIATIVE				
CCI Conservation Challenge Cost Share				
Bureau of Land Management	5,000	7,408	10,000	+2,592
Fish and Wildlife Service	2,981	5,927	7,600	+1,673
National Park Service	4,967	7,871	11,996	+4,125
Subtotal	<u>12,948</u>	<u>21,206</u>	<u>29,596</u>	<u>+8,390</u>
Traditional Challenge Cost Share Grants				
Bureau of Land Management	8,882	8,769	11,000	+2,231
Fish and Wildlife Service	1,864	3,827	4,400	+573
National Park Service				
Traditional	1,974	1,950	3,978	+2,028
Lewis & Clark	4,961	4,902	4,996	+94
Subtotal	<u>17,681</u>	<u>19,448</u>	<u>24,374</u>	<u>+4,926</u>
Other CCI Programs				
Fish and Wildlife Service				
Coastal Program	11,021	10,186	13,060	+2,874
Migratory Bird Joint Ventures	7,369	10,225	11,449	+1,224
Partners for Fish & Wildlife	37,825	42,401	50,000	+7,599
Departmental Management				
Take Pride in America	0	493	1,000	+507
TOTAL, COOPERATIVE CONSERVATION INITIATIVE	<u>86,844</u>	<u>103,959</u>	<u>129,479</u>	<u>+25,520</u>
OTHER SUPPORTING CONSERVATION				
GRANT PROGRAMS				
Fish and Wildlife Service				
Landowner Incentive Program	39,740	29,630	50,000	+20,370
Private Stewardship Grants	9,935	7,408	10,000	+2,592
North American Wetlands Conservation Fund	38,309	37,532	54,000	+16,468
Coop. Endangered Species Conserv. Fund	80,473	81,596	90,000	+8,404
State and Tribal Wildlife Grants	64,577	69,137	80,000	+10,863
Subtotal, FWS Supporting Grant Programs	<u>233,034</u>	<u>225,303</u>	<u>284,000</u>	<u>+58,697</u>
National Park Service				
Land and Water Conservation Fund State Grants	97,363	93,829	93,829	+0
TOTAL CCI AND OTHER SUPPORTING CONSERVATION GRANT PROGRAMS	<u>417,241</u>	<u>423,091</u>	<u>507,308</u>	<u>+84,217</u>

LAND ACQUISITION PROGRAM

Land and Water Conservation Fund

(in thousands of dollars)

<u>State/Project</u>	<u>Acres</u>	<u>2005 Request</u>
BUREAU OF LAND MANAGEMENT		
Acquisition Management and Land Exchange Processing		3,000
Land Exchange Equalization Payments.....		500
Emergencies and Hardships.....		1,500
Arizona		
Agua Fria National Monument.....	85	500
California		
California Wilderness	1,500	1,000
Santa Rosa & San Jacinto Mountains National Monument ...	2,110	1,000
Subtotal.....		2,000
Colorado		
Canyons of the Ancients National Monument	1,180	1,000
Colorado Canyons National Conservation Area.....	1,925	1,500
Subtotal.....		2,500
Idaho		
Henrys Lake Area of Critical Environmental Concern.....	1,100	1,000
Lower Salmon River Area of Critical Environmental Concern	400	1,000
Upper Snake/South Fork Snake River Area of Critical Environmental Concern/Special Recreation Management Area	630	2,000
Subtotal.....		4,000
Montana		
Chain-of-Lakes Resource Management Area/Lewis and Clark National Historic Trail.....	4,090	3,500
New Mexico		
El Malpais National Conservation Area	500	500
Rio Grande National Wild and Scenic River	6,420	2,700
Subtotal.....		3,200
Oregon		
Grande Ronde National Wild and Scenic River	1,820	1,000
Sandy River/Oregon National Historic Trail.....	310	1,500
Subtotal.....		2,500
Wyoming		
North Platte River Special Recreation Management Area	160	800
Subtotal, Bureau of Land Management		24,000

LAND ACQUISITION PROGRAM
Land and Water Conservation Fund
(in thousands of dollars)

<u>State/Project</u>	<u>Acres</u>	<u>2005 Request</u>
FISH AND WILDLIFE SERVICE		
Acquisition Management.....		8,365
Cost Allocation Methodology.....		2,000
Emergencies and Hardships.....		2,000
Inholdings		2,500
Exchanges.....		1,000
Alaska		
Alaska Peninsula National Wildlife Refuge.....	120	121
Yukon River Delta National Wildlife Refuge.....	23,333	<u>1,750</u>
Subtotal.....		1,871
Arkansas		
Cache River National Wildlife Refuge.....	482	850
California		
San Diego National Wildlife Refuge.....	70	1,000
Colorado		
Baca National Wildlife Refuge.....	8,073	2,600
Florida		
Great White Heron National Wildlife Refuge.....	55	750
St. Marks National Wildlife Refuge.....	645	<u>1,000</u>
Subtotal.....		1,750
Illinois		
Cypress Creek National Wildlife Refuge.....	85	127
Missouri		
Big Muddy National Fish and Wildlife Refuge.....	666	750
New Jersey		
Edwin B. Forsythe National Wildlife Refuge.....	68	750
Oregon		
Upper Klamath Lake National Wildlife Refuge.....	2,560	4,578
Pennsylvania		
Erie National Wildlife Refuge.....	469	250
Texas		
Balcones Canyonlands National Wildlife Refuge.....	150	400
Laguna Atascosa National Wildlife Refuge.....	2,000	1,000
Lower Rio Grande Valley National Wildlife Refuge.....	468	<u>600</u>
Subtotal.....		2,000

LAND ACQUISITION PROGRAM
Land and Water Conservation Fund
(in thousands of dollars)

<u>State/Project</u>	<u>Acres</u>	<u>2005 Request</u>
Washington		
Northern Boundary Quinault Indian Reservation, Settlement Acquisition.....	420	10,000
Multi-State		
Silvio Conte National Fish and Wildlife Refuge (NH/VT/MA/CN)	303	1,000
Northern Tallgrass Prairie, National Wildlife Refuge (MN/IA)	386	500
Upper Mississippi River National Fish and Wildlife Refuge (MN/WI/IA/IL)	228	500
Dakota Tallgrass Prairie Wildlife Management Area (ND/SD)	6,500	650
Subtotal		<u>2,650</u>
Subtotal, Fish and Wildlife Service		45,041
 NATIONAL PARK SERVICE		
Acquisition Administration		10,511
Emergency/Hardships		4,000
Inholdings/Exchanges		4,000
California		
Pinnacles National Monument.....	1,967	5,300
District of Columbia		
National Capital Parks	0.5	2,479
Florida		
Big Cypress National Preserve (Collier mineral rights)	135,960	40,000
Oregon		
Fort Clatsop National Monument.....	1,042	6,250
Pennsylvania		
Flight 93 National Memorial	250	2,214
Texas		
Big Thicket National Preserve	2,445	4,541
Multi-State		
Civil War Battlefields	TBD	5,000
Subtotal, National Park Service.....		<u>84,295</u>
TOTAL, DEPARTMENT OF THE INTERIOR.....		<u>153,336</u>

EVERGLADES RESTORATION

(in thousands of dollars)

<u>Bureau/Account/Program Activity</u>	<u>2004 Estimate</u>	<u>2005 Request</u>	<u>2004 Compared to 2005</u>
U.S. GEOLOGICAL SURVEY			
Surveys, Investigations, and Research	7,847	7,847	+0
FISH AND WILDLIFE SERVICE			
Resource Management			
Comprehensive Everglades Restoration Plan			
Implementation	3,309	3,351	+42
Ecological Services	2,523	2,554	+31
Refuges and Wildlife	9,784	4,906	-4,878
Law Enforcement	628	636	+8
Fisheries	98	100	+2
Land Acquisition			
Great White Heron	0	750	+750
Total, Fish and Wildlife Service	16,342	12,297	-4,045
Comprehensive Everglades Restoration Plan			
Reimbursable Agreement with Corps of Engineers	[2,824]	[2,900]	[+76]
NATIONAL PARK SERVICE			
Operation of the National Park System			
Park Management	23,991	24,780	+789
Comprehensive Everglades Restoration Plan			
Implementation	5,463	5,463	+0
Task Force	1,308	1,308	+0
Everglades Research	3,937	3,937	+0
Construction			
Modified Water Deliveries Project	12,830	8,077	-4,753
Land Acquisition			
Big Cypress Mineral Rights Acquisition	0	40,000	+40,000
Everglades Acquisition Management	1,800	1,800	+0
Grant to the State of Florida	-5,000	0	+5,000
Total, National Park Service	44,329	85,365	+41,036
BUREAU OF INDIAN AFFAIRS			
Operation of Indian Programs			
Seminole, Miccosukee Tribe Water Studies	391	396	+5
Seminole Everglades Restoration	148	0	-148
Total, Bureau of Indian Affairs	539	396	-143
TOTAL, DEPARTMENT OF THE INTERIOR	69,057	105,905	+36,848

* Reflects the transfer of \$50 million in prior year balances from the National Park Service's Land Acquisition account to the Fish and Wildlife Service's Resource Management account.

INVASIVE SPECIES

(in thousands of dollars)

Bureau/Goal	2003 Actual	2004 Estimate	2005 Request
BUREAU OF LAND MANAGEMENT	7,700	8,107	8,107
Prevention	1,540	1,646	1,646
Early Detection and Rapid Response	1,540	1,646	1,646
Control and Management	3,080	3,169	3,169
Restoration	1,540	1,646	1,646
Research.....	0	0	0
Education and Public Awareness	0	0	0
Leadership and International Cooperation.....	0	0	0
BUREAU OF RECLAMATION	2,129	2,729	2,729
Prevention	246	246	269
Early Detection and Rapid Response	97	97	59
Control and Management	1,645	2,245	2,045
Restoration	141	141	356
Research.....	0	0	0
Education and Public Awareness	0	0	0
Leadership and international Cooperation	0	0	0
U.S. GEOLOGICAL SURVEY	8,450	10,975	11,975
Prevention	0	0	0
Early Detection and Rapid Response	650	1,650	1,650
Control and Management	0	0	0
Restoration	0	0	0
Research.....	7,800	9,325	10,325
Education and Public Awareness	0	0	0
Leadership and International Cooperation.....	0	0	0
FISH AND WILDLIFE SERVICE	19,134	21,578	20,775
Prevention	1,457	1,715	1,722
Early Detection and Rapid Response	2,490	2,769	2,773
Control and Management	8,861	10,807	9,119
Restoration	6,326	6,287	7,161
Research.....	0	0	0
Education and Public Awareness	0	0	0
Leadership and International Cooperation.....	0	0	0
NATIONAL PARK SERVICE	9,900	9,900	9,900
Prevention	320	320	320
Early Detection and Rapid Response	320	320	320
Control and Management	8,940	8,940	8,940
Restoration	320	320	320
Research.....	0	0	0
Education and Public Awareness	0	0	0
Leadership and International Cooperation.....	0	0	0

INVASIVE SPECIES
(in thousands of dollars)

<u>Bureau/Goal</u>	<u>2003 Actual</u>	<u>2004 Estimate</u>	<u>2005 Request</u>
BUREAU OF INDIAN AFFAIRS	1,999	2,083	2,086
Prevention	100	104	104
Early Detection and Rapid Response.....	400	417	418
Control and Management.....	1,199	1,250	1,252
Restoration	100	104	104
Research.....	200	208	208
Education and Public Awareness	0	0	0
Leadership and International Cooperation.....	0	0	0
OFFICE OF INSULAR AFFAIRS	2,335	2,321	2,700
Prevention	0	186	186
Early Detection and Rapid Response.....	540	425	425
Control and Management.....	1,795	1,510	1,889
Restoration	0	200	200
Research.....	0	0	0
Education and Public Awareness	0	0	0
Leadership and International Cooperation.....	0	0	0
TOTAL, DEPARTMENT OF THE INTERIOR.....	51,647	57,693	58,272
SUMMARY BY GOAL			
Prevention	3,663	4,217	4,247
Early Detection and Rapid Response.....	6,037	7,324	7,291
Control and Management.....	25,520	27,921	26,414
Restoration	8,427	8,698	9,787
Research.....	8,000	9,533	10,533
Education and Public Awareness	0	0	0
TOTAL, DEPARTMENT OF THE INTERIOR.....	51,647	57,693	58,272

GRANTS AND PAYMENTS

(in thousands of dollars)

<u>Bureau/Grant or Payment</u>	<u>2003 Actual</u>	<u>2004 Estimate</u>	<u>2005 Request</u>	<u>2005 Compared to 2004</u>
BUREAU OF LAND MANAGEMENT				
General Fund Payments to				
Counties and Native Corporations	104,038	110,686	102,667	-8,019
Payments to States and Counties from Shared				
Receipts including NPRA and SNLMA Payments	52,835	73,836	188,269	+114,433
MINERALS MANAGEMENT SERVICE				
8(g) Payments to States.....	65,489	59,573	54,572	-5,001
Cooperative and Delegated Audits of				
Oil and Gas Operations.....	8,495	8,495	9,045	+550
Shared Receipts from Mineral Leasing	954,342	1,103,818	1,128,662	+24,844
OFFICE OF SURFACE MINING				
Small Operator Assistance Program.....	1,487	1,478	1,478	0
State Abandoned Mine Reclamation Grants	158,547	158,601	149,601	-9,000
State Regulatory Grants.....	57,701	56,863	58,013	+1,150
BUREAU OF RECLAMATION				
Boulder Canyon Project Payments/ AZ, NV	600	600	600	0
Water Reclamation/ Reuse Program.....	19,703	28,501	11,530	-16,971
FISH AND WILDLIFE SERVICE				
Boating Infrastructure Grants.....	8,000	8,000	8,000	0
Clean Vessel Act Grants.....	10,000	10,000	10,000	0
Coastal Wetlands Conservation	12,201	12,648	13,403	+755
Coop. Endangered Species Conservation Fund.....	77,891	79,043	87,415	+8,372
Federal Aid to Sport Fish Restoration	264,237	279,518	302,256	+22,738
Federal Aid to Wildlife Restoration	204,600	194,936	206,406	+11,470
Fish and Wildlife Foundation	7,620	7,575	7,670	+95
Hunter Education and Safety Grant Program.....	8,000	8,000	8,000	0
Landowner Incentive Grants	-181	28,741	48,500	+19,759
Multinational Species Conservation Fund	4,449	5,211	9,060	+3,849
Multi-state Conservation Grant Program	6,000	6,000	6,000	0
National Wildlife Refuge Fund	17,322	17,966	17,328	-638
Neotropical Migratory Bird Conservation.....	2,892	3,832	[3,880]	*[+48]
North American Wetlands Conservation Fund	61,079	62,476	77,771	+15,295
Private Stewardship Grants	-65	7,038	9,500	+2,462
State and Tribal Wildlife Grants	62,641	67,063	77,600	+10,537
National Outreach Program.....	10,000	10,000	10,000	0
NATIONAL PARK SERVICE				
Chesapeake Bay Gateway Grants	1,987	2,469	0	-2,469
Civil War Battlefield Sites Matching Grants	0	1,975	5,000	+3,025
Heritage Partnership Program	14,162	14,153	2,378	-11,775
Historic Preservation Grants – HBCU.....	0	2,963	0	-2,963

GRANTS AND PAYMENTS
(in thousands of dollars)

<u>Bureau/Grant or Payment</u>	2003 Actual	2004 Estimate	2005 Request	2005 Compared to 2004
NATIONAL PARK SERVICE <i>(continued)</i>				
Historic Preservation Grants – Indian Tribes	2,981	2,963	2,963	0
Historic Preservation Grants – State portion.....	33,779	34,570	34,570	0
LWCF State Conservation Grants	94,383	91,360	91,360	0
National Trust Historic Sites	1,987	494	0	-494
Native American Graves Protection Act Grants	2,451	2,437	2,437	0
Preserve America.....	0	0	10,000	+10,000
Save America’s Treasures	29,805	32,592	30,000	-2,592
DEPARTMENTAL MANAGEMENT				
Kendall County, IL Land Acquisition.....	0	4,938	0	-4,938
Payments In Lieu of Taxes.....	218,570	224,297	226,000	+1,703
INSULAR AREAS				
American Samoa.....	22,950	22,816	23,100	+284
Brown Tree Snake	2,335	2,321	2,700	+379
Compact of Free Association	166,412	200,222	200,909	+687
Coral Reef Initiative	497	494	500	+6
COVENANT GRANTS				
Insular Management Controls.....	1,481	1,472	1,491	+19
Insular Measures and Assessments	0	0	1,000	+1,000
Maintenance Assistance.....	2,285	2,272	2,300	+28
Return Federal Taxes/Guam & Virgin Islands	94,822	108,000	108,000	0
Technical Assistance.....	13,374	12,406	7,561	-4,845
TOTAL, DEPARTMENT OF THE INTERIOR	2,911,904	3,203,432	3,387,215	+183,783

* Requested within the Multinational Species Conservation Fund request.

RECREATIONAL FEE PROGRAM

(in thousands of dollars)

	2002 Actual	2003 Actual	2004 Estimate	2005 Estimate
BUREAU OF LAND MANAGEMENT				
Fee Demo Revenues.....	8,653	10,301	10,800	11,200
Unobligated Balance/Recoveries.....	5,633	5,371	6,532	6,332
Funds Obligated.....	9,078	8,977	11,000	12,000
Unobligated Balance.....	5,208	6,532	6,332	5,532
Total Expenditures (outlays).....	8,111	9,324	11,000	12,000
<i>Projects Approved for Use of Fees</i>				
Number of Approved Projects.....	400	400	400	450
Dollar Amount of Approved Projects.....	10,000	10,000	12,000	13,000
<i>Obligations by Type of Project</i>				
Visitor Services.....	3,000	3,000	3,500	3,600
Resource Protection.....	600	750	800	900
Health and Safety Maintenance.....	2,614	3,950	5,000	5,700
Collection Costs.....	1,800	1,127	1,550	1,600
Other.....	1,064	150	150	200
Total Obligations.....	9,078	8,977	11,000	12,000
FISH AND WILDLIFE SERVICE				
Fee Demo Revenues.....	3,557	3,768	4,000	4,200
Unobligated Balance/Recoveries.....	3,645	3,864	3,953	3,980
Funds Obligated.....	3,407	3,679	3,973	4,129
Unobligated Balance.....	3,795	3,953	3,980	4,051
Total Expenditures (outlays).....	3,354	3,651	3,953	4,160
<i>Projects Approved for Use of Fees</i>				
Number of Approved Projects.....	250	380	400	400
Dollar Amount of Approved Projects.....	3,407	3,679	3,973	4,129
<i>Obligations by Type of Project</i>				
Visitor Services.....	2,498	1,238	1,338	1,389
Resource Protection.....	136	278	300	312
Health and Safety Maintenance.....	339	1,253	1,353	1,406
Collection Costs.....	312	593	640	666
Other.....	122	317	342	356
Total Obligations.....	3,407	3,679	3,973	4,129
NATIONAL PARK SERVICE				
Fee Demo Revenues (excludes deed-restricted parks)....	125,687	123,518	123,000	122,750
Unobligated Balance/Recoveries.....	243,672	269,681	250,890	231,290
Funds Obligated.....	101,873	142,309	142,600	142,600
Unobligated Balance.....	267,486	250,890	231,290	211,440
Total Expenditures (outlays).....	106,745	119,282	128,000	126,000
<i>Projects Approved for Use of Fees</i>				
Number of Approved Projects.....	857	1,142	900	900
Dollar Amount of Approved Projects.....	117,085	136,892	123,000	123,000
<i>Obligations by Type of Project</i>				
Visitor Services.....	9,459	7,588	7,600	7,600
Resource Protection.....	5,395	17,076	15,000	15,000
Health and Safety Maintenance.....	38,525	80,076	83,500	83,500
Collection Costs.....	32,893	34,588	35,500	35,500
Other.....	15,601	2,981	1,000	1,000
Total Obligations.....	101,873	142,309	142,600	142,600

MINERAL REVENUE PAYMENTS TO STATES*

(in thousands of dollars)

<u>State</u>	<u>2003 Actual</u>	<u>2004 Estimate</u>	<u>2005 Estimate</u>
Alabama	529	611	625
Alaska**	46,758	13,022	29,707
Arizona	154	179	183
Arkansas	4,106	4,749	4,855
California.....	21,917	25,350	25,920
Colorado.....	53,883	62,322	63,725
Florida.....	369	426	436
Idaho	1,802	2,084	2,131
Illinois	109	126	129
Indiana.....	6	7	8
Kansas.....	1,822	2,108	2,155
Kentucky	50	58	59
Louisiana.....	1,181	1,366	1,397
Michigan.....	430	497	508
Minnesota.....	18	21	21
Mississippi	725	838	857
Missouri.....	329	381	389
Montana.....	25,533	29,532	30,197
Nebraska.....	13	15	15
Nevada.....	5,054	5,845	5,977
New Mexico.....	298,112	344,805	352,565
North Dakota.....	4,939	5,713	5,842
Ohio.....	281	324	332
Oklahoma.....	2,367	2,738	2,799
Oregon	35	41	41
Pennsylvania.....	20	24	24
South Dakota	393	455	465
Texas.....	2,140	2,475	2,531
Utah.....	50,581	58,504	59,821
Washington	1,082	1,252	1,280
West Virginia.....	410	474	484
Wyoming.....	466,943	540,079	552,235
TOTAL	992,089	1,106,418	1,147,712

* Excludes payments made to coastal States under the Outer Continental Shelf Lands Act, as they are direct, unappropriated transfers, and late interest payments.

** Includes payments made from the National Petroleum Reserve—Alaska.

Columns may not add due to rounding.

RECEIPTS BY SOURCE CATEGORY

(in thousands of dollars)

Source Category	2003 Actual	2004 Estimate	2005 Estimate	2005 Compared to 2004
OFFSETTING RECEIPTS				
Onshore Mineral Leasing				
Rents and Bonuses				
Oil and Gas.....	109,771	125,885	168,603	+42,718
Coal.....	147,300	228,600	263,900	+35,300
Geothermal.....	0	1,050	1,000	-50
Oil Shale.....	0	15	15	0
All Other.....	5,118	21	21	0
Royalties				
Oil and Gas.....	1,258,826	1,446,590	1,449,169	+2,579
Coal.....	455,180	404,474	411,972	+7,498
Geothermal.....	9,531	8,109	8,070	-39
Oil Shale.....	0	0	0	0
All Other.....	28,526	22,063	20,531	-1,532
Subtotal, Onshore Mineral Leasing.....	2,014,252	2,236,807	2,323,281	+86,474
Noncompetitive Filing Fees.....	708	850	850	0
Grazing Fees.....	12,550	14,269	14,269	0
Timber Fees.....	11,040	21,014	36,016	+15,002
Recreation Entrance/Use Fees.....	156,271	157,400	158,146	+746
Concession Park Improvement Accts/Other Fees.....	72,590	73,789	82,779	+8,990
Rent of Land and Structures.....	26,056	28,617	29,665	+1,048
Sale of Land, Buildings and Other Property.....	481,597	652,538	1,264,628	+612,090
Offsetting Earnings on Investments.....	84,407	117,559	170,808	+53,249
All Other Offsetting Receipts.....	729,345	725,458	755,071	+29,613
Subtotal, Offsetting Receipts.....	3,588,816	4,028,301	4,835,513	+807,212
UNDISTRIBUTED PROPRIETARY RECEIPTS				
OCS Mineral Leasing				
Rents and Bonuses.....	1,292,389	620,000	527,000	-93,000
Royalties.....	3,736,790	3,967,224	4,228,494	+261,270
Subtotal, OCS Receipts.....	5,029,179	4,587,224	4,755,494	+168,270
Interest on Escrow Payout.....	216	0	0	0
Subtotal, Undistributed Proprietary Receipts.....	5,029,395	4,587,224	4,755,494	+168,270
NON-OFFSETTING GOVERNMENTAL RECEIPTS				
Mined Land Reclamation Fee.....	282,387	278,402	238,758	-39,644
All Other Non-offsetting Receipts.....	295,392	285,013	295,900	+10,887
Subtotal, Non-offsetting Governmental Receipts.....	577,779	563,415	534,658	-28,757
UNDISTRIBUTED INTERFUND RECEIPTS				
Non-offsetting Earnings on Investments.....	635	673	713	+40
TOTAL, DEPARTMENT OF THE INTERIOR.....	9,196,625	9,179,613	10,126,378	+946,765
<i>Total excluding Reclamation and CUP Receipts.....</i>	<i>8,938,149</i>	<i>8,882,670</i>	<i>9,797,219</i>	<i>+914,549</i>

STAFFING

(Full-Time Equivalent Staff Years)

<u>Bureau/Office</u>	2003 Usage	2004 Estimated Usage	2005 Estimated Usage	2005 Compared to 2004
Bureau of Land Management.....	11,219	11,225	11,197	-28
Minerals Management Service.....	1,701	1,711	1,742	+31
Office of Surface Mining Reclamation and Enforcement	595	610	595	-15
Bureau of Reclamation	5,721	5,765	5,751	-14
U.S. Geological Survey	9,448	9,407	9,382	-25
Fish and Wildlife Service	9,248	9,500	9,532	+32
National Park Service	20,574	20,442	20,637	+195
Bureau of Indian Affairs.....	9,617	9,688	9,808	+120
Departmental Offices				
Departmental Management.....	612	664	671	+7
National Business Center	1,020	1,051	1,160	+109
Office of the Solicitor	406	419	426	+7
Office of Inspector General	252	266	278	+12
Office of Special Trustee for American Indians	437	550	581	+31
Office of Insular Affairs	30	40	40	+0
Central Utah Project.....	5	5	5	+0
Natural Resource Damage Assessment and Restoration.....	4	4	6	+2
National Indian Gaming Commission	63	77	83	+6
TOTAL, DEPARTMENT OF THE INTERIOR.	70,952	71,424	71,894	+470
Utah Mitigation Commission.....	12	12	12	0
COMBINED TOTAL.....	70,964	71,436	71,906	+470

