



Fiscal Year 2004
The Interior
Budget in Brief
February 2003



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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 2004 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 2002, 2003, and 2004 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 2004 requests with the 2003 President's Budget and 2002 actual amounts. Appendix B presents a crosswalk of 2004 funding to the strategic plan. Other appendices contain summaries of Interior bureau maintenance, construction, and land acquisition programs; Interior's funding within the conservation spending category; 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 **2002 appropriations** or **2002 enacted** signify amounts appropriated mainly in the Department of the Interior and Related Agencies Appropriations Act, 2002, P.L. 107-63, and in the 2002 Energy and Water Development Appropriations Act, P.L. 107-66. Since there is not an enacted 2003 appropriation as of February 3, 2003, all 2003 amounts are referred to as **2003 budget** or **President's budget** as amended. **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	OIG	Office of Inspector General
MMS	Minerals Management Service	OST	Office of the Special Trustee for American Indians
OSM	Office of Surface Mining Reclamation and Enforcement	NRDR	Natural Resource Damage Assessment and Restoration
CUP	Central Utah Project Completion Act	NIGC	National Indian Gaming Commission
USGS	U.S. Geological Survey	GPRA	Government Performance and Results Act of 1993
FWS	U.S. Fish and Wildlife Service	LWCF	Land and Water Conservation Fund
NPS	National Park Service	CCI	Cooperative Conservation Initiative
BIA	Bureau of Indian Affairs	FCI	Facility Condition Index
DO	Departmental Offices	PART	Program Assessment Rating Tool
DM	Departmental Management		
OIA	Office of Insular Affairs		
SOL	Office of the Solicitor		



DEPARTMENTAL OVERVIEW

BUDGET OVERVIEW FOR 2004



All of us should dedicate ourselves to great goals: We are not here to mark time, but to make progress, to achieve results, and to leave a record of excellence.

President George W. Bush, October 15, 2001

Partnering with States, Tribes, insular areas, local communities, and citizens, the Department of the Interior delivers services that promote resource protection, ensure responsible access to resources on the Nation's public lands, provide opportunities for recreation, and honor the special responsibilities of the Secretary of the Interior to American Indians and island communities. These services contribute to environmental quality, economic dynamism, and the well-being of tribal and other communities.

The Department of the Interior protects and manages the Nation's natural resources and cultural heritage; provides scientific and other information about those resources; and honors special responsibilities and commitments to American Indians, Alaska Natives, and affiliated Island Communities.

To guide delivery of these services, the Department has drafted a new strategic plan. Completed after a year of consultation with partners and stakeholders, the draft plan presents a unified vision for Interior. That vision is the foundation for an integrated approach to program implementation, management reform, and budget formulation. The 2004 President's budget request aligns with the new strategic plan's four strategic mission components: Resource Protection, Resource Use, Recreation, and Serving Communities.

HEALTHY LANDS, THRIVING COMMUNITIES

Inspired by the President's call for a new environmentalism, the Department's new strategic plan promotes a citizen-centered vision for conservation. Secretary Norton's Four C's – conservation through cooperation, communication, and consultation – exemplify this new environmentalism. This vision is a clarion call for a Nation of citizen stewards – citizens, organizations, and communities working with Federal, State, tribal, and local governments to take care of our lands. Enduring conservation requires innovation – in technologies and in partnerships. It requires engaging the ideas and information of local communities where people live on, love, and know well the textures and rhythms of the lands and waters. It requires partnerships to help integrate decisions about challenges and problems that cross jurisdictional boundaries. Above all, it requires reaching out through incentives to build upon the citizen stewardship that lies at the heart of enduring conservation. The Department of the Interior's 2004 budget reflects this vision.

The 2004 budget proposes creative approaches that will empower citizen stewards to conserve and protect natural resources while also achieving important community and economic goals. Interior's Western Water initiative funds innovative solutions to improve water management. The Cooperative

When government and landowners and conservationists and others work together, we can make dramatic progress in preserving the beauty and the quality of our environment.

President George W. Bush, December 2, 2002

The key to our success is the strength of our partnerships and our commitment to collaboration.

Secretary Gale A. Norton, January 8, 2003

Conservation Initiative provides new incentives and tools for community-based programs that apply the ingenuity of citizen stewards. In addition, local communities and citizens will have access to funding through a broad array of grant and other partnership programs that will leverage funding and in-kind efforts to restore wildlife habitat, conserve endangered species, and achieve conservation results. The 2004 budget also expands opportunities for volunteers to contribute to the conservation of resources in parks, refuges, and public lands.

THE NUMBERS

Interior's 2004 budget request is for \$10.7 billion in current appropriations. Permanent funding that becomes available as a result of existing legislation without further action by the Congress will provide an additional \$3.0 billion, for a total 2004 Interior budget of \$13.7 billion.

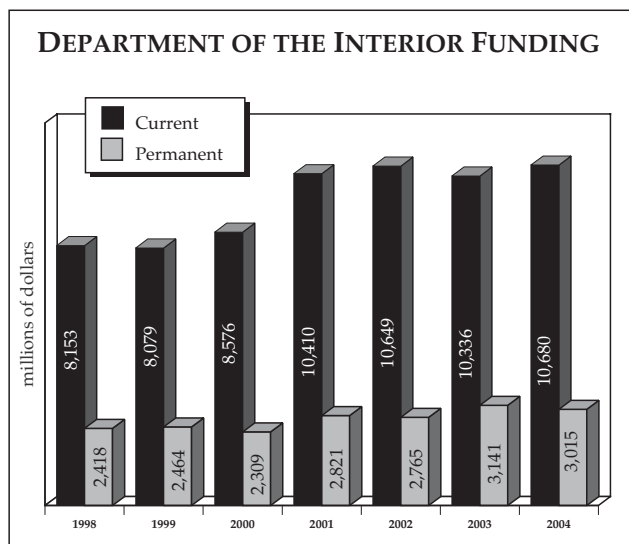
The 2004 current appropriations request represents an increase of \$344.1 million, or 3.3 percent, from the 2003 President's budget request.

For 2004, the budget request increases funding in programs in the Interior and Related Agencies Appropriations Act by \$319.0 million, or 3.4 percent, over the 2003 President's budget. The 2004 request is \$268.5 million above the 2002 enacted appropriation level.

The Bureau of Reclamation and the Central Utah Project, funded in the Energy and Water Development Appropriations Act, are increased by \$25.1 million, 2.8 percent above the 2003 President's budget. The 2004 request is \$237.8 million less than the 2002 enacted appropriation level, which included emergency funding to respond to the increased terrorism threat and one-time Farm Bill funding of \$200.0 million for at-risk, natural desert terminal lakes.

The 2004 budget proposal maintains a robust funding level compared with funding levels in relatively recent years for Interior. The proposal is 24.5 percent higher than the 2000 appropriations level of \$8.6 billion.

Receipts collected by the Department in 2004 are projected to be \$7.8 billion, equivalent to 73 percent of Interior's current appropriations request.

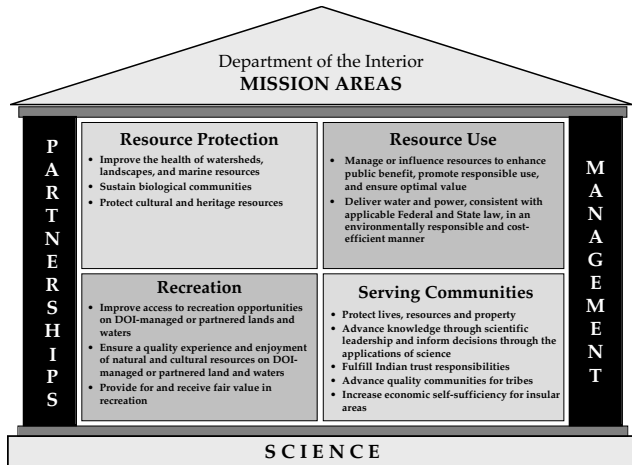


SUPPORTING THE DEPARTMENT'S MISSION

The Department's 2004 budget request of \$10.7 billion aligns with the four strategic mission components as follows:

Resource Protection – The budget includes \$2.6 billion for resource protection, which will be invested in programs that can improve the health of landscapes and watersheds, sustain biological communities, and protect cultural and natural heritage resources, including advancing the

MAJOR INITIATIVES IN THE 2004 BUDGET

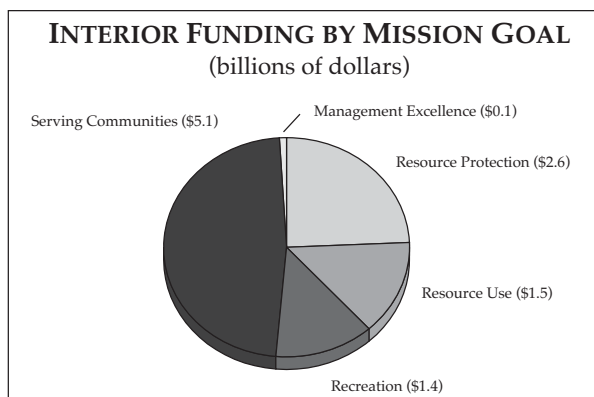


President's commitment to overcoming the maintenance backlog in national parks.

Resource Use – The 2004 budget proposes \$1.5 billion to better meet increasing demands for water resources and to implement important components of the President's National Energy Policy.

Recreation – The 2004 budget proposes \$1.4 billion in recreation investments that improve access to recreational opportunities and fully fund the Land and Water Conservation Fund.

Serving Communities – The 2004 budget includes \$5.0 billion for serving communities, increasing efforts to fulfill responsibilities for trust management, improving services to Tribes and individual Indians and meeting the President's commitment to eliminate the Indian school maintenance backlog and improve Indian education, strengthen the Wildland Fire program and law enforcement, and provide scientific knowledge, information, and tools for informed decision making.



Trust Programs – Of the Department's 3.3 percent funding increase, approximately one-half is devoted to Indian trust programs. The budget provides \$168.5 million in new funding to support the Department's plan to reform management of its fiduciary obligations to Tribes and individual Indians. Increases include \$15.0 million to support reorganization of trust functions, providing an organization that meets fiduciary standards, is accountable at every level, and is staffed with people trained in the principles of trust management; \$29.5 million to rebuild the Bureau of Indian Affairs' information technology infrastructure to support trust, as well as non-trust, programs; \$4.5 million to accelerate a new strategy to administer, manage, search, retrieve, and store BIA's records; and a \$7.6 million increase for natural resource programs on trust lands. An increase of \$112.5 million for the Office of Historical Trust Accounting will provide \$100.0 million to carry out the Department's plan to conduct a historical accounting for individual Indian money accounts and \$30.0 million to account for funds in tribal accounts. An additional \$13.0 million for Indian land consolidation will expand pilot efforts to reduce the fractionation of individual land ownership interests into a nationwide program.

Cooperative Conservation – The 2004 budget continues the Secretary's vision of cooperative conservation through a revised Cooperative Conservation Initiative. The 2004 program, funded at \$113.2 million, recognizes Interior's long history of working in partnership with others to achieve its conservation mission. This year's initiative builds on existing conservation partnership programs and will provide new and expanded opportunities for landowners, land managers, and others to participate in projects that foster innovation and create incentives for stewardship. CCI programs include the challenge cost-share programs of the Bureau of Land Management, the national wildlife refuge system, and the National Park Service; and the Fish and Wildlife Service Partners for Fish and Wildlife, Coastal, and Migratory Bird Joint Ventures programs. CCI also provides funds for the public lands volunteers program.

Western Water – A water initiative in the Reclamation budget will help to develop solutions to

**BUDGET AUTHORITY AND RECEIPTS
FOR 2002, 2003, AND 2004**
(in millions of dollars)

	<u>2002 Actual</u>	<u>2003 Budget</u>	<u>2004 Request</u>	<u>Change from 2003</u>
BUDGET AUTHORITY				
Total Current Appropriations	10,649	10,336	10,680	+344
Permanent Appropriations	<u>2,765</u>	<u>3,141</u>	<u>3,014</u>	<u>-127</u>
Total	13,414	13,477	13,694	+217
RECEIPTS				
Outer Continental Shelf	5,024	4,300	3,989	-311
Interest on OCS Receipts	1	0	0	0
Onshore Mineral Leasing	1,398	1,864	1,807	-57
Other Receipts	<u>1,915</u>	<u>2,104</u>	<u>2,019</u>	<u>-85</u>
Total	8,338	8,268	7,815	-453
<i>[Offsetting receipts included in above]</i>	<i>[2,690]</i>	<i>[3,380]</i>	<i>[3,230]</i>	<i>[-150]</i>

Note: Numbers may not add due to rounding.

increasing demands for limited water resources, especially in the West. The budget proposes \$11.0 million in new funding to: develop pilot projects that demonstrate how to prevent crisis-level water conflicts in the West; expand the use of science to improve desalination technology, promote adaptive management of watersheds, and fund peer review of Endangered Species Act consultations; design water management programs that address environmental needs on a basin-wide scale; and train Reclamation employees to help them better carry out the ESA as it relates to Federal actions. The initiative is expected to benefit communities currently struggling with increased water demands, drought, and compliance with the Endangered Species Act.

Taking Care of Parks – The budget continues the President’s commitment to address the deferred maintenance backlog in national parks, with \$705.8 million invested in park facilities in 2004. This includes increases of \$7.8 million for the park base to address facility maintenance, \$9.0 million for cyclic maintenance projects, and \$8.2 million for the repair and rehabilitation program, including condition assessments. In addition to the \$705.8 million, the President’s budget also proposes a

dramatic increase in park road funding, from \$165 million under the currently authorized Transportation Equity Act for the 21st Century, to \$300.0 million in 2004, which is the first year of TEA-21’s successor authorization. This proposed funding level will increase to \$320.0 million by the third year, and remain at that level throughout the lifetime of the authorization.

As discussed below, the NPS budget also includes increases for the Natural Resource Challenge and park operations.

Natural Resource Challenge – An increase of \$8.5 million is requested for the fifth year of the NPS Natural Resource Challenge, which scored well in the Program Assessment Rating Tool review. This program will continue to bolster sound natural resource management practices in national parks by protecting native species and habitats; monitoring the health of natural resources, eradicating exotic species, and sharing information about natural resources with the public. Activities funded by this increase will include \$7.9 million for vital signs monitoring, which indicate the health of park ecosystems and plant and animal species, and \$600,000 for water quality monitoring to pre-

serve pristine park waters and to improve impaired park waters. Cumulative increases in Natural Resource Challenge funding will total \$104.5 million over three years, based on increases provided over the 2001 level.

Indian Education – The budget request also includes \$292.6 million in school construction funds for a minimum of seven replacement school projects, and for improvement and repair projects in the Indian school maintenance backlog. The President's goal is to eliminate the backlog by 2006. The budget request for Indian education also continues the President's commitment to "Leave No Child Behind" and to repair and replace unsafe schools. The \$528.5 million school operations budget request includes an increase of \$3.0 million in administrative cost grants to encourage more Tribes to exercise their authority to operate BIA schools by providing full funding for start-up costs for the first year of tribal operation of bureau-operated schools.

Wildland Fire – The 2004 budget includes a total of \$698.7 million for the wildland fire management program, a \$45.0 million increase over the 2003 request. Major changes from the 2003 level include an increase of \$35.0 million for suppression operations that will fully fund this activity at the 10-year average. An increase of \$5.0 million is proposed for preparedness to address rising aviation contract costs. The request also includes a \$4.5 million increase for burned area rehabilitation to begin to convert fire-damaged lands into healthy fire-adapted ecosystems. The request continues funding for reducing hazardous fuel loads at \$186.2 million to treat 1,075,000 acres of land. Fuels reduction in forests also supports the President's Healthy Forests initiative.

Energy Development – The 2004 budget request includes a net increase of \$3.6 million for BLM energy-related programs, including expanded energy development on the Alaska North Slope. This increase will also ensure environmentally sound oil and gas exploration and development, support the development of renewable energy on public lands, and accelerate the processing of applications for permits-to-drill.

The budget for the Minerals Management Service proposes a program increase of \$4.8 million to meet increased workload brought about by the demand for Outer Continental Shelf program services, to employ innovative business processes

and advances in electronic technology in the offshore program, and to investigate the energy resource potential found in methane hydrate formations. The MMS will also invest \$3.0 million to operate and maintain its minerals revenue management and royalty-in-kind systems.

The U.S. Geological Survey will continue to provide scientific information that is an important component to the President's vision for improved energy security by focusing research on emerging energy sources. The 2004 request includes \$1.5 million in base funding for emerging methane hydrate resource projects in Alaska and the Gulf of Mexico conducted collaboratively with MMS, as well as studies of hydrate occurrence and release in marine environments.

The 2004 BIA request includes a \$2.0 million increase for grants to Tribes to evaluate mineral resource potential on tribal trust and restricted lands. The request also includes \$1.0 million to help Tribes expedite the development of tribal regulations governing mineral leasing and permitting, and rights-of-way of tribal lands required under the Energy Policy Act of 2002.

Refuge Centennial – March 14, 2003 marks a milestone in the history of wildlife conservation in America — the centennial anniversary of the national wildlife refuge system. The 2004 budget builds on last year's historic \$56.5 million budget increase for the national wildlife refuge system by requesting a total of \$402.0 million for refuge operations and maintenance, an increase of \$25.5 million over 2003.

Conserving America's Fisheries – The 2004 budget enhances the Federal contribution to aquatic resource conservation partnerships, by providing an \$8.8 million net increase for the FWS fisheries program. The request includes an \$8.0 million increase for the national fish hatchery system for implementing endangered species recovery and restoration tasks; advancing shared applied science; and completing 59 deferred maintenance projects. The increase also includes a \$1.0 million increase to combat aquatic nuisance species, part of a larger, coordinated inter-departmental effort.

Invasive Species – The Department is participating in an interagency performance budget on invasive species coordinated by the National Invasive Species Council. The performance budget links spending levels with levels of performance.

The 2004 budget proposes increases of \$9.0 million for Interior's portion in this interagency effort. The increase will allow Interior to participate in the control and management of tamarisk and giant salvinia in the southwest in cooperation with U.S. Department of Agriculture; to conduct ballast water research in conjunction with the National Oceanic and Atmospheric Administration; to control and eradicate nutria in the Chesapeake Bay and in Louisiana with the U.S. Forest Service; to plan for early detection and rapid response to eradicate outbreaks of sudden oak death in eastern hardwood forests of the central Appalachian Mountains; to work with Agriculture's research agencies on an all-toxa identification and monitoring system; to partner with the Army Corps of Engineers to keep invasive fish from using the Chicago Ship and Sanitary Canal to invade the Great Lakes; and to develop a marine invasive species early detection warning system in consultation with NOAA. The Department will use some of this funding to treat almost 60,000 acres of tamarisk and giant salvinia, to initiate two research projects to improve nutria control, and to develop a web-based guide on invasive species information. Appendix H includes a detailed table on invasive species funding.

Recreation – The 2004 request includes a number of investments in BLM, NPS, and FWS programs to improve access to Interior lands and enhance recreational opportunities and experiences at parks, refuges, and on public lands, while protecting vital natural and cultural resources.

A net increase of \$5.2 million will enable BLM to continue providing environmentally sustainable recreation opportunities and enhance public health and safety for the growing number of outdoor enthusiasts who utilize BLM administered lands for a variety of purposes. The BLM will address transportation and access needs and challenges, and expand interpretive and other visitor services. The funds will also support greater outreach and consultation efforts to help BLM resolve user conflicts in the face of this growing visitation.

Information Technology – Department-wide efforts in centralizing and consolidating information technology activities, combined with targeted reductions to eliminate duplication are expected to achieve savings. Reflecting these efforts, the 2004 budget includes a Department-wide reduction of \$56.2 million in information technology. The budget includes \$13.8 million to begin a multi-

SUMMARY OF MAJOR CHANGES

(current budget authority in millions of dollars)

INTERIOR AND RELATED AGENCIES

2003 President's Budget	9,444.7
BLM Wildland fire program	+45.0
Recreation (<i>net</i>)	+5.2
National energy plan (<i>net</i>)	+3.6
Land acquisition	-21.0
MMS MRM upgrades / ops support	+3.0
OMM streamlining	-3.6
RIK liquids management system	-6.0
USGS Water programs	+22.3
Biology programs	+8.4
Geology programs	-3.1
National mapping programs	-8.8
FWS Refuge operations & maintenance	+25.5
Partners for fish & wildlife program (<i>net</i>) ..	+9.1
Fisheries	+8.8
North American wetlands conservation ...	+6.0
Endangered species listing	+3.2
Migratory bird joint ventures	+2.9
Landowner Incentive	-10.0
CCI challenge cost share	-13.0
Land acquisition	-29.6
NPS Repair / Rehab & cyclic maintenance	+17.2
Park base increases	+14.2
Narrowband radios	+8.0
Natural resource challenge	+8.5
CCI challenge cost share	-8.0
Federal land acquisition	-7.4
State grants	-40.0
BIA Information technology	+29.5
Indian land consolidation new funding	+13.0
Detention centers	+10.0
Resource management (<i>trust related</i>)	+7.6
OST Historical accounting	+112.5
New trust organization	+15.0
Records management	+4.5
Other	
Fixed cost changes (<i>funded within budget</i>) ...	[+77.0]
Payment in Lieu of Taxes	+35.0
Financial and Business Mgmt. System	+13.8
IT Security	+13.0
Insular Affairs: Federal services	-4.6
IT efficiency	[-56.2]
All other net changes	<u>+29.3</u>
2004 Budget Request	9,763.7

ENERGY AND WATER DEVELOPMENT

2003 President's Budget	891.1
Central Valley Project	+20.2
Animas La Plata project	+25.0
Water initiatives	+11.0
Klamath project	+6.6
All other net changes	<u>-37.7</u>
2004 Budget Request	916.2

Total 2004 Budget Request **10,679.9**

year project to replace the Department's 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. In order to bring Interior's information systems into compliance with accepted security requirements, an increase of \$13.0 million is requested for certification and assessment activities.

OTHER MAJOR CHANGES BY BUREAU

BUREAU OF LAND MANAGEMENT

The budget proposes \$934.8 million for BLM's two operating accounts, an increase of \$16.1 million over the President's 2003 request.

In addition to the \$5.2 million increase for recreation discussed above, the 2004 request includes a net increase of \$3.6 million to facilitate increased, environmentally sound, energy production on public lands. The budget includes an increase of \$2.3 million for natural and cultural resource protection enhancements, plus an additional \$1.5 million in monitoring and planning efforts to support the goal of improved resource protection.

The \$23.7 million request for land acquisition will fund 18 projects in 10 States. This is a decrease of \$21.0 million below the 2003 request, reflecting the Department's effort to focus more funds on caring for lands currently under its management. The BLM will continue to emphasize alternatives to fee title purchase, such as conservation easements, land exchanges, and other tools.

The 2004 budget proposes to fund BLM construction at \$11.0 million, the same level as the 2003 President's budget. The budget will fund 30 projects in nine States.

MINERALS MANAGEMENT SERVICE

The budget proposes \$171.3 million for MMS programs in 2004, a net increase of \$1.0 million. An additional \$100.2 million collected from Outer Continental Shelf rents and other fee sources funds MMS operations in 2004. Together with current

appropriations, this will provide \$271.5 million in total funding.

In addition to the increases for OCS management and minerals revenue management systems requirements discussed above, the 2004 request for the Royalty and Offshore Minerals Management account includes an increase of \$645,000 to address information technology security requirements and \$600,000 to protect offshore platforms and onshore MMS facilities. Within the Oil Spill Research account, MMS requests an increase of \$1.0 million to replace equipment and for increased operational costs at the National Oil Spill Response Test Facility.

OFFICE OF SURFACE MINING

The budget proposes \$281.2 million for OSM programs in 2004. The budget for the Regulatory and Technology program totals \$106.7 million, a level that will allow the States and Tribes to maintain 94 percent of mine sites free from offsite impacts. The Abandoned Mine Land Reclamation program is funded at \$174.5 million, of which \$142.1 million will be provided in State and tribal reclamation grants. These funds will result in the reclamation of 6,900 acres of disturbed land and other hazards that threaten human health and welfare and environmental quality.

BUREAU OF RECLAMATION

The Reclamation budget request is \$878.0 million, a \$23.1 million increase from the 2003 President's budget. This increase includes \$11.0 million for the Western Water initiative discussed above.

The budget includes \$58.0 million for the third year of the Animas La Plata project for continued implementation of the Colorado Ute Settlement Act. This is a net increase of \$25.0 million from the 2003 budget. Several facilities will be constructed and mitigation projects initiated for fish, wildlife, wetlands, and cultural resources.

The Reclamation budget puts increased emphasis on resolving water management issues in several western States that involve endangered species. The Klamath Project is funded at \$20.8 million, the Columbia/Snake salmon recovery project is funded at \$19.0 million, and the Middle Rio Grande Project is funded at \$17.4 million. Collectively,

these increases are \$12.5 million above the President's 2003 request. The 2004 budget also expands research to reduce the cost of desalination as a potential cost-effective method for providing water to rural communities and Tribes.

The 2004 request for the Central Valley Project is \$170.1 million, which includes an increase of \$13.0 million for the CVP Replacements, Additions and Extraordinary Maintenance program. The CVP request also includes \$34.0 million for Reclamation expenses related to settlement of a lawsuit with the plaintiffs in *Sumner Peck Ranch, Inc. v. Bureau of Reclamation*.

The budget request for Title XVI Water Reclamation and Reuse is \$12.8 million, which is an increase of \$1.2 million (based upon the offsets contained in the 2003 budget amendment for Sumner Peck). The request for rural water supply projects is \$32.3 million, a reduction of \$36.5 million from the President's 2003 request. This reduction in rural water is supported by the OMB Program Assessment Rating Tool process that questions the role of Reclamation in water reuse and recycling research.

U.S. GEOLOGICAL SURVEY

The budget request for USGS is \$895.5 million, an increase of \$28.2 million over the 2003 President's budget. Many of the increases in the 2004 request are offset by a decrease of \$9.1 million for lower-priority mineral research and assessment.

The budget proposes an increase of \$3.0 million to continuing to provide science for the Department's bureaus. This program will provide dedicated funds for enhanced earth and biological sciences support to meet regional priorities designated by the Interior bureaus, with an emphasis on cost-sharing and other partnership opportunities to leverage funds.

The budget proposes \$120.5 million for the National Mapping program. This funding level includes increases of \$3.0 million for America View and \$800,000 for Urban Dynamics, to assess the impacts of urbanization on the surrounding environment. These increases are offset by reductions of \$4.4 million reflecting a greater reliance on State and local governments to provide geographic data, and \$1.4 million in savings resulting from the transfer of functions from the Center for Inte-

grated Disaster Information, and \$2.8 million in lower priority mapping research that will be brought to an end.

The 2004 budget proposes \$200.1 million to continue important water resources work performed by USGS. This includes increases of \$11.0 million for the Toxic Substances Hydrology program and \$6.3 million for the National Water-Quality Assessment program.

The request for the USGS portion of the invasive species work in 2004 is \$4.0 million. This includes research funding for control and management of tamarisk in the Southwest; conducting ballast water research, the control and eradication of nutria in the Chesapeake Bay and in Louisiana; and development of invasive species information for the National Biological Information Infrastructure.

A \$4.5 million increase is proposed in order to proceed with the current continuum of geologic maps that depict the distribution of the Nation's sediment and rocks and the resources they provide within the National Cooperative Geologic Mapping program. The request also includes \$4.0 million to become compliant with the narrowband radio requirements.

FISH AND WILDLIFE SERVICE

The budget request for FWS's principal operating account, Resource Management, is \$941.5 million, an increase of \$37.9 million over the President's 2003 request. In addition to the increases for refuges and fisheries discussed above, the budget includes increases of \$9.1 million for the Partners for Fish and Wildlife and \$2.9 million for Migratory Bird Joint Ventures programs, both components of the Cooperative Conservation Initiative. The request also includes an increase of \$3.2 million for the Endangered Species Act listing program to meet litigation driven workloads. These increases are offset by reductions of \$8.1 million to reform information technology investments and \$3.4 million in travel and relocation costs.

The FWS budget request for land acquisition is \$40.7 million, a decrease of \$29.6 million from the 2003 President's budget request, reflecting the Department's focus on targeting funds to caring for lands currently managed by Interior. The request supports acquisition at 21 projects located in 15 States.

The budget includes an increase of \$6.0 million for the North American Wetlands Conservation Fund. Together with funding from permanent appropriations, \$73.5 million will be available for the program for wetlands conservation activities in 2004. The request for the Cooperative Endangered Species Conservation Fund is \$86.6 million, a reduction of \$2.3 million from the President's 2003 request. At this funding level, \$67.8 million is provided for recovery and habitat conservation plan land acquisition, and funding for habitat conservation plans planning assistance is increased by \$2.1 million. Finally, the request for the Landowner Incentive program is reduced by \$10.0 million to the 2002 enacted level of \$40.0 million.

NATIONAL PARK SERVICE

The budget request for the NPS primary account, Operation of the National Park System, is \$1.6 billion. The request is a net increase of \$47.3 million above the President's 2003 request.

In addition to 2004 budget increases for Natural Resource Challenge and maintenance that are discussed earlier in this chapter, the operating account includes \$14.2 million for specific park operational increases, including \$2.5 million which will enhance law enforcement operations at seven park units located on international borders with Canada and Mexico.

The 2004 request for conversion to a narrowband radio system is \$23.6 million. This is an increase in funding of \$8.0 million above the President's 2003 request. The budget also provides an increase of \$2.1 million for line-item construction.

The Land Water Conservation Fund State assistance funding is reduced by \$40.0 million in the 2004 request. However, basic formula grants to States will increase by \$10.0 million; the \$50.0 million discretionary grants program proposed last year is not reproposed. An additional decrease from the President's 2003 request is a reduction of \$7.4 million in Federal land acquisition, reflecting Interior's focus on caring for lands currently managed by the Department.

BUREAU OF INDIAN AFFAIRS

The BIA budget proposal is \$2.3 billion, a net increase of \$62.0 million above the President's

2003 request. This includes trust program increases of \$47.8 million or almost 21 percent. Detailed changes for Indian education and trust improvements are discussed earlier in this chapter.

The 2004 budget request also includes program increases of \$10.0 million to operate new detention centers, \$7.6 million for enhanced resource management programs related to trust assets discussed earlier, \$2.5 million as part of the Department-wide IT security initiative, and \$1.0 million to expand the guaranteed and insured loan program by 18 percent to enhance economic development in Indian Country.

The 2004 budget for land and water settlements is decreased by \$6.6 million reflecting a reduction for settlements anticipated for completion in 2003. The Bureau's budget includes offsetting increases of \$6.7 million to complete payment on the Santo Domingo Pueblo settlement and \$10.0 million for the first payment on the recent Cherokee, Choctaw, and Chickasaw settlement.

In addition, the budget also proposes a transfer of \$16.2 million from the Facilities Improvement and Repair program to the Replacement School Construction program as it is more efficient and cost-effective to replace some school facilities than to make major repairs.

OFFICE OF THE SPECIAL TRUSTEE FOR AMERICAN INDIANS

The OST 2004 budget proposal is \$274.6 million, a net increase of \$123.6 million from the President's 2003 budget request, or an increase of 82 percent. In addition to the major funding increases for trust-related activities discussed earlier, the 2004 budget includes a program increase of \$2.5 million for required court fees, attorney's costs, and continued significant document production and related costs.

OFFICE OF INSULAR AFFAIRS

The budget proposal for OIA is \$87.5 million in current funding. This funding level includes a transfer of \$4.6 million to the National Weather Service and the Federal Aviation Administration to allow for greater control and accountability of the services being provided to the insular areas in the Pacific.

DEPARTMENTAL MANAGEMENT

The 2004 budget request for DM is \$297.1 million in current funding. This includes \$200.0 million for the Payments in Lieu of Taxes program which represents a \$35.0 million increase for PILT over the 2003 request level. In 2004, the Department proposes to shift this program from the Bureau of Land Management to Departmental Management.

MANAGEMENT EXCELLENCE

The Secretary's vision for citizen-centered government incorporates a strategic approach to management to guide the achievement of the Department's strategic mission that includes resource protection, resource use, recreation, and serving communities. The framework for realizing this vision includes key business principles to ensure that activities are citizen-centered and efficient, accountable for results, employing modern technology, and integrated to avoid duplication and enhance customer service.

The 2004 request will improve citizen service through achievable results, including information technology reforms, implementation of a Department-wide business system, and IT security certification and assessment discussed earlier. In addition, the 2004 budget request proposes:

- \$1.0 million for implementation of an effective human capital strategy based on the Department's *Strategic Human Capital Management Plan*. Implementation

will address challenges such as those created by the loss of critical skills and knowledge due to anticipated retirements with a Department-wide approach to training and career-development programs, recruitment, orientation, and performance management;

- \$605,000 for a comprehensive, Department-wide approach to improve the accountability and the effectiveness of programs using program performance information and existing external and internal program reviews; and
- \$400,000 to improve the Office of Law Enforcement and Security's capability to manage critical assets such as dams, national monuments, and icons working in collaboration with the Department of Homeland Security.

RECEIPTS

The Department projects that it will collect \$7.8 billion in receipts in 2004. This is a decline of about five percent from estimated 2003 receipts, primarily due to lower oil and gas price assumptions.

The largest share of receipts collected by Interior, \$2.9 billion, goes to the general fund of the Treasury. An additional \$900 million goes to the Land and Water Conservation Fund. Receipts shared with the States include \$888 million in mineral revenue payments and \$575 million in aid for fish and wildlife restoration.

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 387 units of the national park system, 540 national wildlife refuges, 69 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 seven million hours of service, valued at over \$95 million per year.
- **Youth Programs** – Interior employs over 4,000 youth in youth-related programs annually. Since 1970, the Department has used the Youth Conservation Corps to employ young adults ages 15-18.
- **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. Reclamation manages 456 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, 29 percent of oil, 35 percent of coal, 17 percent of hydropower, and 40 percent of geothermal.
- **Visitation** – Annually, over 60 million visits are made to BLM public lands, 280 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 Reclamation 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 1.2 million people. The BIA provides education services to nearly 48,000 students in 23 States attending 185 elementary and secondary schools and supports 25 tribally controlled community colleges.



DEPARTMENTAL HIGHLIGHTS

RESOURCE PROTECTION



We can be stewards of the land...we can put policies in place that will benefit the environment, and at the same time, benefit people. And that is really important.

President George W. Bush, August 22, 2002

The Department of the Interior manages 507 million acres, one-fifth of the Nation's land. Among its central responsibilities is the protection of the Nation's natural and cultural resources. Successful conservation requires a partnership between the American people and their governments.

RESOURCE PROTECTION MISSION

Protect public and environmental health by protecting, preserving, and restoring the Nation's cultural and natural resources.

The Interior Department is building those partnerships through Secretary Norton's vision of the Four C's: consultation, cooperation, and communication in service of conservation. Partnering with States, Tribes, local governments, private groups, and citizens, the Department can fulfill its conservation mission. Through these partnerships, Interior Department seeks to foster a Nation of citizen stewards and create a climate of environmental innovation. The Department also seeks common ground by supplementing our scientific knowledge with local, place-based information and ideas about how to address complex issues.

The 2004 President's budget request reflects this vision of partnerships and cooperative problem-solving. The budget proposes \$2.6 billion for resource protection, including new investments to improve the health of landscapes, sustain biological communities, and protect natural and cultural resources. Major budget initiatives include:

- The Cooperative Conservation Initiative addresses the tremendous untapped potential realized through cooperative conservation efforts. The budget includes \$113.2 million to continue this initiative.
- The Private Stewardship grants and the Landowner Incentive program recognizes continuing opportunities for conservation of endangered and threatened species through partnerships with private landowners. The budget request includes \$50.0 million for Private Stewardship grants and the Landowner Incentive program.
- Continued efforts will advance the President's commitment to taking better care of our Nation's parks, enhancing both resource protection and recreational enjoyment. As one part of this effort, the budget includes an increase of \$17.2 million for preventive maintenance, repair, and rehabilitation of park facilities.

- The centennial anniversary of the national wildlife refuge system on March 14, 2003 marks a milestone in the history of wildlife conservation in America. The budget request includes an increase of \$25.5 million to improve resource protection on refuges.
- The influx of invasive species on public lands has significant impacts on the U.S. economy. The budget includes an increase of \$9.0 million to enhance efforts to sustain biological communities on Federal lands, including invasive species prevention, early detection and rapid response, and control and management.

If we challenge the American people, we will create a new generation of citizen conservationists, people who know the land, love the land, and take care of the land in the greatest tradition of our Nation. Working together, we will get the job done.

Secretary Gale A. Norton, February 20, 2002

CHALLENGING A NEW GENERATION OF CITIZEN CONSERVATIONISTS

The Interior budget reflects Secretary Norton’s appeal to citizen conservationists through a strong commitment to a second year of the Cooperative Conservation Initiative. That initiative emphasizes building partnerships for the conservation of natural resources and provides expanded opportunities for land managers to work with landowners and others to participate in creative conservation partnerships.

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, Interior can build the new environmentalism called for by President Bush. The CCI is a cornerstone of this vision.

Interior has a long history of working cooperatively with others to achieve its conservation mission. Yet the resources available to land managers to foster innovation and creative, collaborative conservation pale in comparison to the demand.

Revised from last year’s proposal, the initiative builds on existing conservation partnership programs that have successfully established productive relationships with local communities and citizens. Included within CCI are the existing challenge cost share programs of the Bureau of Land Management, Fish and Wildlife Service, and National Park Service, as well as FWS’s Partners for Fish and Wildlife program, Coastal program, and Migratory Bird Joint Ventures. This initiative also includes funds for a program of volunteers that will increase public awareness of and appreciation for, natural and cultural resource protection. The NPS Land and Water Conservation Fund State grants program is not included within CCI as it was in 2003.

Challenge Cost Share – Nearly half of CCI will be implemented through the challenge cost share programs of the three land management agencies – BLM, FWS, and NPS. A total of \$34.1 million in increases above the 2002 enacted level will be dedicated to projects that focus on CCI natural resource restoration. These projects require a one-to-one match or better, thereby at least doubling the impact of Federal dollars. The remaining \$19.8 million continues the funding of traditional projects that focus on recre-

PROTECTION GOALS

Improve health of watersheds, landscapes, and marine resources

Sustain biological communities

Protect cultural and heritage resources

In Alaska the Partners program will work with the Chickaloon Village to restore fish passage within the Moose Creek watershed. Moose Creek, a tributary to the Matanuska River, was once the historic fishing grounds for the Chickaloon Tribe. Prior to World War II, a railroad



constructed Moose Creek Valley spur to access coal mines in the area. During track construction, natural meanders were eliminated, and the creek was “relocated” in various places. One of these “relocations” created a 12-foot waterfall that has completely blocked the ability of native salmon to migrate upstream. According to tribal elders, all five species of Pacific salmon once inhabited the watershed. The Partners program, working with the Tribe, will relocate the stream back to its original channel and original meanders, to provide salmon access to approximately 25 miles of spawning and rearing habitat.

ation and resource protection. Demand for cost shared programs on Federal lands is high. Over 900 project proposals were submitted by BLM State field offices for cooperative initiatives.

Partners for Fish and Wildlife – In 1987, FWS began a voluntary partnership program with landowners interested in restoring wetlands and other wildlife habitats on their lands. The Partners for Fish and Wildlife program provides financial and technical assistance to private landowners through voluntary cooperative agreements.

State resource agencies work closely with FWS to help establish priorities and identify focus areas emphasizing the restoration of degraded wetlands, native grasslands, streams, riparian areas, and other habitats. Through the program, FWS works with private landowners for the mutual benefit of declining Federal trust species and the interests of the landowners involved. Usually, a dollar-for-dollar cost share is achieved by work-

ing with landowners and a host of national and local entities. Landowners sign an agreement to retain the restoration projects for the life of the agreement which is at least 10 years.

The 2004 budget includes an increase of \$9.1 million for the Partners for Fish and Wildlife program, the largest ever provided to this program. This increase recognizes the success of the program in achieving its program goals, as highlighted during the Administration’s performance assessment rating. With the \$9.1 million increase, the FWS will partner with 2,500 additional landowners on the program’s waiting list. These new partnerships will restore an additional 19,298 acres of wetlands; 83,601 acres of native grasslands,

forests, and other uplands; and 241 miles of riparian and in-stream habitat over 2003 levels.

Migratory Bird Joint Ventures – Through Joint Ventures, self-directed partnerships involving Federal and local governments, States and Tribes, corpora-

<p>PARTNERS FOR FISH AND WILDLIFE RESTORATION ACCOMPLISHMENTS: 1987 – 2002</p> <ul style="list-style-type: none"> • 639,560 acres of wetlands • 1,069,660 acres of prairie, native grassland, and other uplands • 4,740 miles of riparian and in-stream habitat • 28,725 landowner agreements
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COOPERATIVE CONSERVATION INITIATIVE
(dollars in thousands)

BLM	
Challenge Cost Share	20,973
FWS	
Refuge Challenge Cost Share	11,876
Partners for Fish and Wildlife	38,378
Coastal Programs	9,639
Migratory Bird Joint Venture	10,355
NPS	
Challenge Cost Share	20,980
Public Lands Volunteers	<u>1,000</u>
Total	113,201

Joint Ventures by 40 percent, from \$7.4 million to \$10.4 million.

Coastal Program – The budget includes \$9.6 million for the Coastal program, the same as 2003, maintaining this key partnership program. The Coastal program conserves healthy coastal ecosystems for the benefit of fish, wildlife, and people, through cooperative partnerships that identify, restore, and protect habitat in 16 high-priority coastal areas.

Public Lands Volunteers – In 1985, President Reagan instituted Take Pride in America, a grassroots program designed to rally citizen commitment of time and service to restoring resources in local communities. The impact of this initiative,

tions, and a wide range of conservation organizations, partners contribute to the recovery of declining bird populations. Joint Ventures partners have protected, restored, or enhanced more than five million acres of wetlands, grasslands, forests, and riparian habitats in the U.S.

Joint Ventures, originally formed to implement the North American Waterfowl Management Plan, have broadened to partner in other bird conservation initiatives, such as Partners in Flight, the U.S. Shorebird Conservation Plan, and North American Waterbird Conservation Plan. Most project funds are raised by partners who often use grants from the North American Wetlands Conservation Fund to leverage non-Federal dollars. 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 FWS provides financial assistance to 12 habitat and three species joint ventures for base operations, including planning, communication and outreach, and monitoring and evaluation. This budget increases support for



teaming up public and private partners, was felt nationwide. Volunteers donated over 10 million hours at an estimated value of \$140 million. The

COASTAL PROGRAM PARTNERSHIP ACCOMPLISHMENTS: 1994 – 2002

- Restored 89,107 acres of coastal wetlands
- Restored 24,076 acres of coastal upland habitat
- Protected over 1,132,724 acres through conservation easements
- Restored 912 miles of coastal riparian habitat
- Reopened 3,608 miles of coastal streams for anadromous fish passage

2004 budget creates new capacity for volunteers to participate in enhancing public land management across America. This commitment responds to the President's call for a reinvigorated public service campaign to tackle continuing threats to America's resources and widen volunteer opportu-

WILDLAND FIRE

The Department of the Interior's Wildland Fire Management program focuses on improving the effectiveness of our fire fighting capability, protecting lives and property, and reducing the risk of catastrophic fires through active forest and rangeland management. The 2004 budget proposal includes \$698.7 million for the fire program, an increase of \$45.0 million over the 2003 request. A total of \$24.5 million supports the resource protection mission goal of improving the health of the land through the rehabilitation of severely burned areas to fire-adapted conditions. The 2004 budget request includes an increase of \$4.5 million for the Fire program's burned-area rehabilitation activities. A more comprehensive discussion of the fire program is included under the "Serving Communities" mission goal.

nities for those who want to lend a hand to protect natural and cultural resources.

In the 2004 budget, the Department is requesting \$1.0 million in funding as seed money to increase public awareness about our volunteerism campaign and encourage financing through private donations and in-kind efforts to foster resource restoration and conservation programs and activities. Our expanded volunteer program can help address and correct many problems that beset the Nation's recreational, historical, and cultural resources.

Landowner Incentive Program – The 2004 budget includes \$40.0 million for these 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. Interest in the State portion of the program is high, with over 80 grant requests totaling \$61.0 million for the program's first year.

Private Stewardship Grants Program – Another Presidential initiative, this program provides grants and other assistance on a competitive basis to individuals and groups engaged in local, private, and voluntary conservation efforts that benefit federally listed, proposed, or candidate spe-

cies, or other at-risk species. Typical projects may include managing non-native, competing species; implementing measures to minimize risk from disease; restoring streams that support imperiled species; or planting native vegetation to restore a rare plant community.

North American Wetlands Conservation Fund – This successful partnership program, supports 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. The 2004 budget includes \$49.6 million for NAWCF, an increase of \$6.0 million over the 2003 request.

SUSTAINING BIOLOGICAL COMMUNITIES

An integrated initiative for resource protection will expand the biological capability in national parks, improve the conservation and restoration of inter-jurisdictional fishery resources, and strengthen BLM resource protection capabilities.

Fisheries – The Nation's fish and other aquatic resources are among the richest and most diverse in the world. These resources provide ecological, social, and economic benefits. Aquatic resources are declining at alarming rates. Loss of habitat and encroachment of invasive species are the two most significant threats to the diversity of aquatic systems. One-third of the Nation's freshwater fish species are threatened or endangered, 72 percent of freshwater mussels are imperiled, and the num-



ber of threatened and endangered species has tripled in the last 20 years.

The FWS fisheries program has played a vital role in conserving and managing fish and other aquatic resources since 1871. Today, the fisheries program is a critical partner with States, Tribes, and others in an effort to better conserve and manage fish and other aquatic resources. The FWS has worked with its partners over the last two years to refocus the fisheries program and develop a strategic vision for the future.

The 2004 budget provides an \$8.0 million increase for operations and maintenance of the national fish hatchery system and a \$1.0 million increase to support inter-departmental efforts to combat aquatic nuisance species. The fish hatchery system increase responds to the program's progress in developing its strategic vision and performance measures for gauging success, as highlighted during the Administration's PART review. The fish hatchery system, through its hatcheries and fish health and technology centers, has vast experience culturing more than 100 aquatic species, including fish, mussels, plants, amphibians, and invertebrates. By sharing capabilities and facilities with States and partners, biologists can lead or participate in cooperative programs related to fish health, nutrition, and water use technology.

Natural Resource Challenge – The NPS has initiated the Natural Resource Challenge to help park managers protect natural resources while ensuring that natural resources are available to the public for recreational enjoyment well into the future. This program is an integral component of President Bush's ongoing commitment to improving natural resource management in parks.

RESTORING COASTER BROOK TROUT IN THE GREAT LAKES

Coaster brook trout, historically widespread and abundant in the near-shore waters of Lake Superior and portions of Lakes Michigan and Huron, have declined to only a few wild source populations.

The Fish and Wildlife Service works with its partners to implement the brook trout rehabilitation plan for Lake Superior. Developed in 1999 in cooperation with the National Park Service, U.S. Geological Survey, Michigan, Minnesota, Wisconsin, Ontario, and six Tribes, the plan calls for:

- Rehabilitating degraded stream habitats;
- Controlling fisheries to prevent over exploitation;
- Identifying suitable rehabilitation sites; and
- Reintroducing genetically appropriate strains to historically important habitats.

In 2004, the FWS will accelerate restoration of coaster brook trout in the upper Great Lakes. The Genoa National Fish Hatchery in Wisconsin will utilize its isolation facility to develop disease-free brood stocks, and the Iron River National Fish Hatchery also in Wisconsin will develop two genetic strains and produce coaster brook trout for interagency reintroduction programs.



The Natural Resource Challenge seeks to provide expanded partnerships while also improving natural resource management by strengthening the scientific base of knowledge about plants, animals, ecosystems, and their inter-relationships. This scientific base of knowledge creates a framework for measuring performance based on how well natural conditions are preserved in parks.

Fisheries programs of the 21st century are about far more than just fish. They are about clean water, good habitat, protecting native species, battling invasive species and disease, tracking fish health, and working to keep endangered aquatic species off the endangered species list. They are also about economics and jobs. Recreational anglers and angling generate more than \$35 billion in spending each year and leave a big imprint on our national economy.

Fish and Wildlife Service Director Steven A. Williams, August 19, 2002

The Natural Resource Challenge makes possible performance-based management practices. Funding for the Natural Resource Challenge is primarily allocated through a competitive process. Proposals are peer reviewed, ensuring that only high-priority, well-planned projects receive funding. Approved study plans are required before funds are released, and progress and completion reports are required after a project is initiated.

Program initiatives critical to the continued success of the Natural Resource Challenge include 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 individual plant and animal species. Water quality monitoring, a key component of vital signs monitoring, documents water conditions to preserve pristine park waters and improve impaired park waters. The 2004 request includes a total of \$76.1 million for the Natural Resource Challenge, an increase of \$8.5 million over 2003. The Park Service is allocating \$7.9 million of this total increase to vital signs monitoring and \$600,000 to fund the third year of the water quality monitoring program. Cumulative increases in Natural Resource Challenge funding will total \$104.5 million over three years, based on increases provided over the 2001 level.

Resource Protection – The 2004 budget request includes an increase of \$3.3 million to strengthen BLM resource protection capabilities. The proposed increases, spread among BLM’s numerous resource inventory, monitoring, and restoration

programs, will help the bureau protect and restore vital natural and cultural resources.

Of the total increase, \$2.3 million will support a number of on-the-ground protection and restoration projects. For example, BLM will direct \$500,000 to eradicate and control tamarisk in the Southwest; \$350,000 to accelerate implementation of species recovery plans and conservation strategies; \$300,000 to restore additional miles and acres of stream and wetland habitat; and \$800,000 for resource protection and restoration in

the National Landscape Conservation System. The BLM will use the remaining \$1.0 million to conduct long-term, large-scale, “cumulative effects” resource monitoring. This type of monitoring will help determine if management changes are needed to reach land use plan objectives.

A NEW CENTURY OF CONSERVATION ON OUR NATIONAL WILDLIFE REFUGES

Across the Nation, America’s wildlife refuges will celebrate the 100th anniversary of the refuge system in 2003. Over 39 million people visit refuges each year. Embarking on its second century, the 540-unit national wildlife refuge system spans 95 million acres across all 50 States, providing sanctuary for 700 species of birds, 200 species of fish,



NATIONAL WILDLIFE REFUGES – OLD AND NEW

America's commitment to protecting wildlife has continued unabated for a century. Passage of the Migratory Bird Conservation Act in 1929 marked the beginning of an expansive growth period for the national wildlife refuge system. During the 1930's, 16 refuges were established, representing one-third of the total acreage of national wildlife refuges in the Southeast today, including the Noxubee National Wildlife Refuge in Mississippi. In the last 10 years of its first century, 58 new units were added to the system, including the Northern Tallgrass Prairie National Wildlife Refuge in Minnesota and Iowa.



The 2004 budget includes new resources to better manage these refuges and to manage new refuges. A project at Noxubee National Wildlife Refuge will enhance water-level management in the seasonally flooded bottomland hardwoods of the lower Mississippi River ecosystem. Improved water-level management will provide appropriate habitat for numerous trust species. The 2004 budget includes funding to hire a resource specialist to conduct and coordinate prairie ecology activities for the Northern Tallgrass Prairie National Wildlife Refuge. These activities will provide improved habitat for wildlife.

220 species of mammals, and 250 reptile and amphibian species. These species include more than 250 threatened and endangered plants and animals, including manatees, the California jewelflower, and Florida panther.

The 2004 budget builds on last year's historic \$56.5 million budget increase for the national wildlife refuge system by requesting a total of \$402.0 million for refuge operations and maintenance, an increase of \$25.5 million over 2003. The increase includes \$16.6 million for high-priority operating needs including funding for recently established or expanded refuges and land research management demonstration sites. The increase recognizes the high costs of operating recently established and expanded refuges by providing a \$5.0 million increase for priority refuge operations at recently established and expanded refuges.

The 2004 budget includes a \$2.0 million increase for refuge comprehensive conservation planning and \$2.0 million for annual maintenance for continued implementation of the new maintenance management system. The 2004 request includes

\$109.1 million for refuge maintenance to continue progress in addressing deferred maintenance.

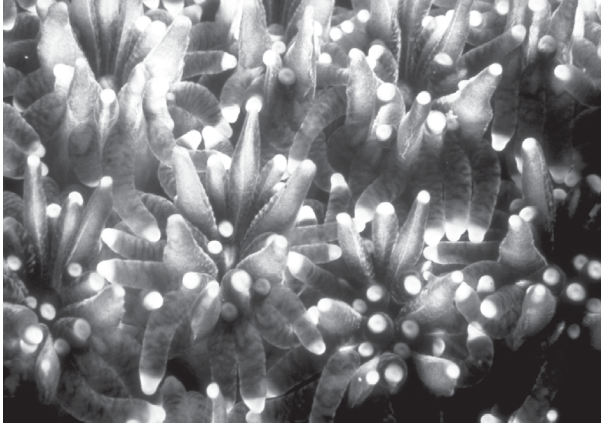
INVASIVE SPECIES

Invasive species pose an enormous threat to the ecological and economic health of the Nation, harming native ecosystems and threatened and endangered species. The economic costs associated with invasive species are enormous and increasing. An estimated 5,000 – 6,000 invasive species have become established in the U.S.

Threats posed by the uncontrolled spread of invasive species include native species diversity loss and ecological structure and function alteration. Invasive species eradication is difficult, and in many cases requires traditional approaches as well as molecular, biological, and 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. Monitoring, prevention,

CORAL REEFS

Coral reefs and associated seagrass and mangrove communities are among the most biologically complex and diverse ecosystems. Although these areas cover less than one percent of the earth's surface, they provide habitat to one-third of all marine fish species, build tropical islands, protect



coasts from waves and storms, are a source of pharmaceuticals, and support tourism and fishing industries worth billions of dollars. However, approximately 27 percent of the world's reefs have been lost due to destructive fishing practices, pollution, shoreline development, climate change, and poor water quality. Without action to reduce or eliminate these impacts, it is estimated that 60 percent of the world's coral reefs could be lost by 2030.

The Coral Reef Task Force was established in 1988 to help strengthen the Federal government's efforts to conserve and sustain these ecosystems. The Task Force is co-chaired by the Secretaries of the Interior and Commerce and includes

the heads of eleven Federal agencies, the governors of seven States and Territories, and leaders of the Freely Associated States of Palau, the Marshall Islands, and the Federated States of Micronesia.

Interior has responsibility for 3.6 million acres of coral reef habitat at two dozen parks and refuges across the Nation and in the Territories. Interior also conducts pioneering scientific research to determine the structure, function, status, and condition of the Nation's coral reefs.

In 2004, Interior will dedicate a total of \$10.1 million for coral reef protection, continuing its efforts to protect coral reefs. Interior will inventory, map, and assess the condition of coral reef resources; support directed research that will give managers the knowledge and tools they need to protect coral reefs; and implement actions needed for conservation and restoration of these ecosystems.

and control of invasive species all depend on a thorough understanding of their ecology, dispersal mechanisms, and interactions. This information is currently only available for a handful of species that threaten America's grasslands, mountains, forests, and aquatic ecosystems in the Nation's interior and coastal regions, as well as its Territories. Increased public awareness to foster cultural and behavioral changes is essential in combating invasive species problems. Appendix H includes detail information on funding and performance for the invasive species program.

One example is a project at Loxahatchee National Wildlife Refuge in Florida's Everglades where the exotic melaleuca tree and the Old World climbing fern have infested thousands of acres of the refuge, out-competing native vegetation and effectively eliminating wildlife-dependent habitat. With effective treat-

ments FWS eliminated melaleuca and other invasives on 18,750 acres at the refuge.

To promote inter-agency coordination and focus resources on the highest priority needs, the National Invasive Species Council, co-chaired by the Secretary of the Interior, developed the first inter-agency example of a performance-based budget. The Council selected topical and geographical focus areas in 2004, and based on common goal statements, strategies, actions, and performance measures, member agencies developed coordinated budget requests for 2004. The Interior Department is developing an inter-agency activity-based costing pilot to track invasive species program effectiveness.

The 2004 budget supports Interior's partnership with Agriculture, NOAA, EPA, and the Army

Corps of Engineers to conduct ballast water monitoring and early detection of invasive species. Interior requests an increase of \$9.0 million for these invasive species efforts.

EMERGING DISEASES AND SPECIES HEALTH

Each year, across the U.S. disease outbreaks threaten wildlife populations and impact threatened and endangered species recovery programs. Minimizing wildlife losses requires effective technical support and timely intervention. Interior's bureaus are working with other Federal and non-Federal partners to effectively respond to challenges such as those posed by chronic wasting disease and West Nile virus.

Chronic wasting disease, a fatal disease affecting elk and deer and once limited to captive animals and free-ranging animals in Wyoming and Colorado, is now a national issue. The disease has recently been found in wild deer in Wisconsin and New Mexico, and in transported exposed captive elk in numerous States across the country. There is also concern that the disease may continue to spread, as transmission pathways among individuals, across species, and between the environment and animals are not yet defined. Other unknown factors include the nature of the disease, the persistence of the disease outside of the affected animal, and the course the disease takes within the animal. The 2004 budget includes \$2.2 million to increase research on these issues.

The West Nile virus has been reported in 44 States and the District of Columbia. The epidemic has become one of the largest in the Western Hemisphere, with almost 4,000 people, almost 15,000 horses, and more than 14,000 birds infected. In December 2002, the Departments of the Interior and Agriculture declared it an endemic disease.

The 2004 budget for the U.S. Geological Survey includes \$500,000 for West Nile virus research. Interior will continue to assist the Centers for Disease Control and Prevention and State and Federal agencies in the national West Nile virus surveillance program by conducting viral testing of wildlife specimens, primarily birds, at diagnos-

tic laboratories. To increase the understanding of the epidemic, the Department, in collaboration with these agencies will document the geographic spread of the virus across the U.S., and work with State and Federal natural resource and wildlife agencies to investigate regional wildlife mortality events associated with the West Nile virus.

MAINTAINING CULTURAL AND NATURAL HERITAGE

Park Maintenance Backlog – The national park system comprising 387 units, incorporates some of the most spectacular natural resources found anywhere on earth. President Bush committed to preserving these natural and cultural treasures for the enjoyment and inspiration of current and future generations. Pointing to an extensive maintenance backlog, the President committed to bringing our park facilities and resources into good condition. Past Federal investments have not kept

NPS MAINTENANCE AND CONSTRUCTION FUNDING REQUEST (dollars in millions)			
	<u>2003</u>	<u>2004</u>	<u>Change</u>
Facility Maintenance	341	379	+38
Construction	<u>320</u>	<u>327</u>	<u>+7</u>
Subtotal	661	706	+45
Recreation Fees	75	75	0
Highway Trust Fund for park roads	165	300	+135
Total	<u>901</u>	<u>1,081</u>	<u>+180</u>

pace with the challenges posed by aging and deteriorating facilities. Nor had the Park Service adequately tracked the condition of its facilities to identify the full scope of maintenance needs.

Building upon the President's commitment to address these maintenance problems, the 2004 budget proposes \$705.8 million for park facility maintenance and construction, maintaining the historically high level commitment in the President's budget over the last two years.

The President's 2004 request also provides critical tools to improve accountability and expedite the completion of maintenance projects. In 2004, for the first time ever, annual condition assessments of all park facilities will be completed. The Program Assessment Rating Tool review of NPS facility management underscored the need for better performance measures. Data collected through the condition assessments process are the basis for performance measures that will be used to evaluate progress in eliminating the deferred maintenance backlog.

The budget includes a \$9.0 million increase for the cyclic maintenance program, to ensure that routine maintenance work occurs in a timely, planned fashion. Through its cyclic maintenance program, the Park Service is creating significant savings by keeping its facilities in good condition, and avoiding the kinds of expensive repairs that result when facilities deteriorate to poor condition.

Park Roads and Roadways Program – There are over 5,400 miles of paved roads providing access to or within national parks, recreation areas, historic areas, and other units of the Park Service. A large portion of the maintenance back-

log consists of park roads and bridges that deteriorated during years when funds were insufficient to maintain those facilities adequately. The President's commitment to bring roads and bridges as well as facilities to good condition is particularly important given the role automobile travel plays in visitation to and within the national parks.

In 2004 and beyond, the budget builds on progress made to improve road and bridge conditions through funding from the Transportation Equity Act for the 21st Century. As the authorization for TEA-21 expires at the end of 2003, the President's budget proposes a dramatic increase in funding for park roads through the successor to TEA-21,

from the funding of \$165.0 million per year to \$300.0 million in 2004, \$310.0 million in 2005, and \$320.0 million per year for the remainder of the lifetime of the legislation. The NPS has in place the necessary management tools to track the condition of its roads and is working



with the Federal Highway Administration on best management practices to ensure the optimal use of funding.

EVERGLADES RESTORATION

The South Florida Everglades ecosystem is an 18,000 square-mile network of land and water extending from the Chain of Lakes south of Orlando to the coral reefs off the Florida Keys. The ecosystem 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.

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.

As stewards for about one-half of the remaining Everglades ecosystem, the Interior Department is a major partner in Everglades restoration. The Department is building partnerships to implement the restoration program, including:

- Forming an advisory committee for public input to Interior land managers in South Florida on a wide range of Everglades restoration issues;
- Providing scientific expertise to the State and the U.S. Army Corps of Engineers to meet the objectives in the Comprehensive Everglades Restoration Plan; and
- Ensuring that appropriate quantities of clean water are distributed at the right times and in the right places to restore the unique Everglades ecosystem.



The Department is also focusing on maintaining and improving its stewardship responsibilities in the Everglades. In 2004, the President's budget includes \$111.8 million for Interior's Everglades restoration activities, an increase of \$15.7 million above the 2003 request. This includes \$40.0 million to protect the Big Cypress National Preserve by acquiring the Collier family's oil and gas holdings, and will acquire 250 acres at the National Key Deer Refuge and seven acres at the Key West Refuge for a total of \$2.0 million.



RESOURCE USE

We've got to conserve energy. But conservation is only one half of the equation. In order to become less dependent on foreign sources of energy, we've got to find and produce more energy at home.

President George W. Bush, January 28, 2002

With responsibility for managing one-fifth of the Nation's land and 1.76 billion acres of the Outer Continental Shelf, the Department of the Interior is key to helping the Nation meet the needs of today's dynamic economy while promoting resource protection goals. Through its resource use activities, the Department is expected to generate revenues to the Treasury of around \$7.8 billion in 2004.

RESOURCE USE MISSION

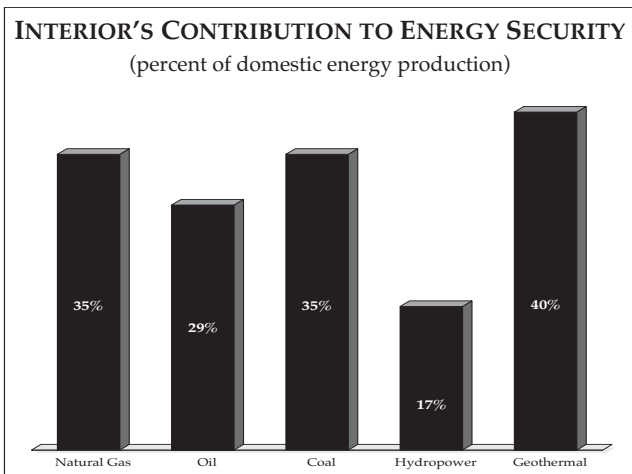
The Department of the Interior will support our society – a society capable of responsibly meeting its resource needs to sustain a dynamic economy.

On January 16, 2003, Interior released the results of a comprehensive review of Federal oil and gas resources in five basins in the West. The inventory identified an estimated 3.9 billion barrels of reserves and technically recoverable oil and 138.5 trillion cubic feet of gas. Developed in collaboration with the public, including the people in these regions, the inventory provides a basis for developing land management strategies. Providing access for the development and production of energy is a key strategic goal for the Department. Federally managed lands and offshore oil and gas areas supply more than one-fourth of domestic production.

Departmentally managed water projects yield 17 percent of the Nation's hydropower production. A key strategic objective of the Department is to manage these resources to enhance public benefit and promote responsible use.

The Department's 2004 budget requests \$1.5 billion toward fulfilling its mission of providing access to resources on public lands. Increased investment in resource use activities include:

- New directions in water and power management
- Expanded energy development of Alaska's North Slope
- Coalbed natural gas development in the Powder River and San Juan Basins
- Renewable energy development
- Enhanced energy development of tribal and offshore resources
- Investigation of emerging energy sources
- Forestry program improvements



WATER AND POWER

Reclamation is the largest supplier and manager of water in the 17 western States and is the Nation's second largest producer of hydroelectric power. Reclamation facilities include 348 reservoirs, 456 dams, a storage capacity of 245 million acre-feet of water at the reservoirs Reclamation administers, 58 hydroelectric power plants, and more than 300 recreation sites. Collectively, these facilities:

- generate 42 billion-kilowatt hours of energy each year;
- deliver water to one out of every five western farmers for about 10 million acres of irrigated land that produces 60 percent of the Nation's vegetables and 25 percent of its fruits and nuts;
- deliver 10 trillion gallons of municipal, rural, and industrial water to over 31 million people in the West;
- deliver water to American Indians by implementing irrigation projects and providing potable water supplies to residents on reservations; and
- provide water-based recreation for almost 90 million visitors a year.

A WESTERN WATER INITIATIVE

The West is experiencing drought conditions of historic proportions, an exploding population base, and an increase of water-dependent, federally protected species. These trends put unprecedented stress on the water supplies in many basins. The 2004 budget proposes a new initiative that will better position Interior to meet the increasing demands for the limited water resources in the West. This initiative, totaling \$11.0 million, includes the following components:

- Enhanced water management and conservation;
- Expanded science and technology;
- Preventing water management crises through pilot projects; and
- Strengthening Endangered Species Act expertise.

This initiative will provide a forward-looking water resource management program that will respond to growing water demand. In the long-term, the communities will benefit from the new western water initiative that will help them look at new technologies and management strategies for their water resources.

RESOURCE USE GOALS

Manage energy, non-energy minerals, forage, and forest products resources to enhance public benefit; promote responsible use; and ensure optimal value.

Deliver water and hydropower consistent with State and Federal law, in an environmentally responsible and cost efficient manner.

To be successful in dealing with today's complex water issues, we know collaboration is the key. We all must work together to forge workable solutions.

We are looking for new ways to make existing water supplies go further. We must continue to develop strategies where water can be used more than once in order to satisfy multiple users and stretch existing water supplies even more. This means improved water conservation, investments in science and technology, and modernization of existing infrastructures.

Bureau of Reclamation Commissioner John W. Keys, III, December 17, 2002

Enhanced Water Management and Conservation

Reclamation will manage the delivery of irrigation water more efficiently with the expanded use of technology, advanced water measurement systems, and other water conserving improvements. Using intrastate water banking where available and promoting water banking will add flexibility in dealing with competing demands for contracted water supplies. An increase of \$6.9 million will enhance water management and conservation through the development of pilot projects to prevent acute water conflicts in the West. Through these efforts, the Department will better manage existing water supplies.

Expanded Science and Technology

– The application of science and technology is key to the success of addressing today's water issues. With an increase of \$2.7 million, Reclamation's Desalination Research and Development program will be expanded to seek ways to reduce the costs of water desalination and waste disposal. Desalination of brackish groundwater could be a cost-effective method for providing water to rural western communities and Tribes.

Reclamation, in partnership with the U.S. Geological Survey and other science organizations, will continue to advance the use of adaptive management of watersheds, and will improve the use of sound science to help

make cost-effective, performance-focused decisions. The initiative will also provide funding for peer review by the National Academy of Sciences, USGS, and other Federal and State entities with corresponding scientific expertise.

Preventing Water Management Crises – Reclamation is identifying unmet demands for water for all purposes anticipated in the next 25 years. It

is developing a list of critical areas with the greatest potential for conflict between existing water uses and expanded needs. Pilot projects will be selected from the critical-areas list based on the potential for cost-savings. The projects will address environmental enhancements that provide support for project

operations or optimize project operations for both water supply and environmental benefits. An increase of \$917,000 to prevent water management crises will enhance Reclamation's ability to

provide water and power in accordance with Reclamation law and contracts while complying with the requirements of the Endangered Species Act.

Strengthening Endangered Species Act Expertise

– Thoroughly understanding the purpose, process, and requirements of the Endangered Species Act is critical to Reclamation's successfully managing water

The Bureau of Reclamation has developed much of the current desalination technology used throughout the world today, and the agency will continue to work with industry partners to help reduce the costs of water desalination and waste disposal.



The Secretary has an important leadership role in resolving western water issues. These new initiatives will help us be more proactive – improving our ability to anticipate and hopefully avert water crises before they occur.

Assistant Secretary Bennett Raley, January 17, 2003

issues during times of drought. The President's budget proposes \$458,000 for Endangered Species Act training, which will enable Reclamation employees to better plan and, if necessary, adjust or refine operations in order to meet the requirements of the ESA, maintain agency priorities and water rights, and provide for the delivery of water and power generation.

WATER PROJECTS

Animas La Plata – The Colorado Ute Settlement Act Amendments of 2000 require implementation and completion of the Animas La Plata project. The Department's 2004 budget request includes \$58.0 million for the third year of construction, an increase of \$25.0 million from the 2003 request. Construction will continue on the Ridges Dam and the Durango Pumping Plant. The 280 cubic feet per second pumping plant will pump water from the Animas River to the Ridges Basin Reservoir. Pre-construction activities will focus on the Navajo Nation Municipal pipeline and Ridges Basin Inlet Conduit. Mitigation efforts for wetlands, wildlife, and cultural resources begun in 2002 will continue.

Klamath – The Secretary is committed to finding workable solutions to manage



western water resources where demands, more and more often, exceed the amount of water available. Enhanced water management and conservation, as proposed in the western water initiatives, will develop tools and strategies to minimize the likelihood that confrontations over water become commonplace in the West. The 2004 budget provides \$20.8 million for the overall operation of the Klamath project, including an increase of \$6.6 million to identify and initiate long-term solutions. With the increase, Reclamation will implement measures for improving water supply through the use of a water bank and will work closely with other parties in the basin to improve water quality.

ENERGY AND MINERALS

The 2004 budget proposes to invest in the President's vision for improved energy security by expanding access for energy exploration and development, strengthening and streamlining permitting and inspection programs, and increasing investments in renewable energy programs.

Inspection and Enforcement – The Department's 2004 budget requests a \$2.0 million increase in the Bureau of Land Management to strengthen inspection and enforcement activities. Targeted primarily to the Powder River and San Juan

We have entered an era of constraint on the Colorado River – not only in water supply – but also in the fiscal resources available to us. Efficient use of limited resources will have to be the watchword. Because of the sluggish economy and the need to provide for our homeland security, tighter budgets are going to be a fact of life for some time to come. Partnerships can help us strengthen our resources, and we welcome them.

Secretary Gale A. Norton, December 16, 2002

basins, the budget also proposes a \$500,000 increase to expand resource monitoring to increase BLM's ability to assess the cumulative impact of oil and gas development, especially on cultural resources and species at risk.

North Slope of Alaska – The President and the Secretary are committed to increasing domestic energy supplies from a variety of sources in an environmentally acceptable manner, including oil and gas on Federal lands. The energy resources of Alaska's North Slope can contribute significantly to the Nation's energy security. The expected production from this region will increase domestic petroleum production and lessen U.S. dependence on foreign oil. The 2004 budget includes an increase of \$425,000 for activities on the North Slope, for a total of \$8.4 million. The funding will support planning for sales in the National Petroleum Reserve-Alaska and, potentially, the Arctic National Wildlife Refuge. Congressional authorization will be required for a lease sale to be conducted in ANWR.

The budget assumes a lease sale in ANWR in 2005 that will generate \$2.4 billion in anticipated bonus bids. Of this amount, the Federal government's \$1.2 billion share will be dedicated to research and development projects on solar power, wind energy, biomass power and fuels, geothermal energy, and other alternative energy technologies. The Department estimates that the recoverable oil from the 1002 area of ANWR is between 5.7 and 16 billion barrels of oil, and that operations would disturb about one-tenth of one percent of the 1002 land area.

Renewable Energy – The Administration's National Energy Plan provides a multi-dimensional approach to managing the Nation's energy needs. Interior's 2004 budget request includes a net increase of \$850,000 for renewable energy. An increase of \$550,000 will help BLM respond to industry interest in developing geothermal energy. The funding will support National Environmental Policy Act analyses, evaluation of resource poten-

tial, pre- and post-leasing actions, and inspection and enforcement. The increased funding will enable BLM to process an additional 16 applications for drilling permits; conduct 100 more inspections; and perform 100 more pre-leasing actions. A \$300,000 increase will allow BLM to conduct assessments of wind and solar energy resources and incorporate this data into new and updated land use plans, facilitating the processing of future wind and solar energy applications.

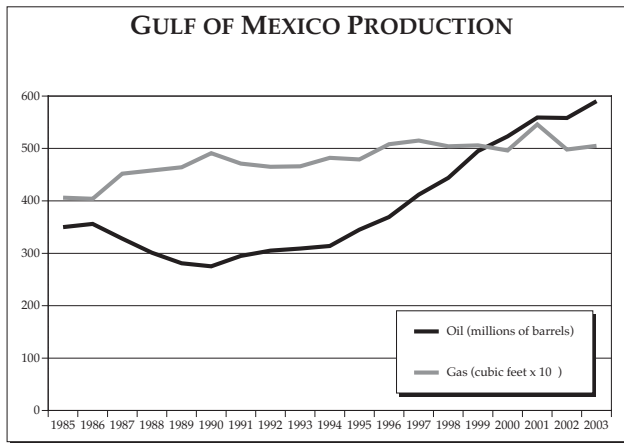


Coalbed Natural Gas – The BLM proposes a number of programmatic enhancements to foster environmentally sound domestic energy production. Coalbed natural gas, often referred to as coalbed methane, is an abundant, clean, domestic resource that can play a key role in reducing America's reliance on imported oil. The 2004 request includes an increase of \$650,000 to improve access to the enormous coalbed natural gas reserves located in the Powder River Basin of Wyoming and Montana and the San Juan Basin of New Mexico and Colorado. BLM will continue to reduce the rights-of-way applications backlog, and process additional applications for permits to drill.

Tribal Mineral Resources – Approximately 15 million acres of undeveloped energy and mineral resources may exist on individual Indian and tribal lands. The 2004 Bureau of Indian Affairs request includes a \$2.0 million increase for grants to Tribes

Contrary to the cherished myth that energy production and the environment must always involve competing values, we can produce energy and provide jobs for the American people. And we can do it while providing a clean environment for our citizens and their families to enjoy.

Assistant Secretary Rebecca Watson, January 2003



to evaluate mineral resource potential on tribal trust and restricted lands. The request also includes \$1.0 million to help Tribes expedite the development of tribal regulations governing mineral leasing and permitting and rights-of-way on tribal lands required under the Energy Policy Act of 2002. The Act allows Tribes to grant certain leases or rights-of-way on tribal land without the Secretary's approval if the leases are executed under approved tribal regulations and do not exceed 30 years.

Offshore Minerals Development

– For twenty years, the Minerals Management Service has been the primary steward of the mineral resources on the Outer Continental Shelf. The OCS is projected to produce over 25 percent of both the Nation's oil and natural gas in 2003. Recent exploration successes in deepwater fields in the Gulf of Mexico are critically important to providing vital domestic oil and natural gas. Technological advances have increased operators' abilities to take advantage of these finds, while reducing the potential risks and uncertainty of operating in deepwater.



Production potential from proven reserves in deepwater areas is estimated at roughly 1.8 billion barrels of oil and 5.8 trillion cubic feet of natural gas. Consequently, the resources needed for activity in the Gulf of Mexico continue to increase. The

2004 request includes an increase of \$1.6 million to support energy programs on the Outer Continental Shelf. Through these additional funds, MMS leasing and regulatory programs in the Gulf of Mexico will have additional analytical capability for proper field determinations affecting royalty relief and can enhance the information base for effective and accurate decisionmaking by updating resource characterizations in the Gulf of Mexico. The MMS will be able to prevent unnecessary delays in permit processing and keep pace with public demand for energy.

The President has directed transformation of government to an electronic business environment. The 2003 budget included a request of \$8.7 million to begin e-government transformation in the Offshore Minerals Management program. The project will build a cross-agency, e-government infrastructure that will dramatically reform and streamline offshore business operations by improving connectivity between the government and the public and create a citizen-centered web interface. In 2004, the budget request includes an increase of \$2.9 million to begin the second phase of this project. The 2004 budget also includes a \$3.0

million increase to perform necessary operational support and software upgrades to the re-engineered minerals revenue management system to ensure the continued disbursement of funds to recipients in a timely manner and to accurately account for revenue received in-kind.

Emerging Energy Resources

– The President's National Energy Policy encourages a clean and diverse portfolio of domestic energy supplies, including planning and developing for selected emerging domestic energy sources with significant potential. The U.S. oil production is expected to decline over the next two decades. Over the same period, 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 as a result of other industrial and domestic needs. Domestic production from conventional sources cannot keep pace with the increase in demand.

Gas hydrates may provide an important alternate domestic source of natural gas. These hydrates are naturally occurring crystalline substances composed of water and gas, in which a solid water-lattice holds gas molecules in a cage-like structure. Gas hydrates are widespread in permafrost regions and beneath the sea in outer continental shelf sediments. Methane hydrates appear to be the most common. Worldwide, conservative estimates indicate that gas hydrates may contain twice the amount of carbon found in all known fossil fuels. Though the estimated range of hydrate resource levels is enormous, gas hydrates may have the potential to be a much greater source of natural gas than conventional sources.

The Methane Hydrate Research and Development Act of 2000 directs several Federal agencies, including MMS and USGS, to commence basic and applied research to identify, explore, assess, and develop methane hydrates as a source of energy. The Department's 2004 budget requests an increase of \$300,000 for MMS to develop a methodology for an analytical model to determine a quantitative estimate of the amount of hydrates in the OCS. This two-phase initiative will allow MMS to be ready with proper policy and planning for future gas production from hydrates in the OCS once industry is ready with the technology for offshore hydrate production.

The USGS will continue to provide scientific information that is an important component of the President's vision for improved energy security by focusing research on emerging energy sources. The USGS will continue to conduct national and global energy resource assessments of oil, natural gas, coalbed natural gas, gas hydrates, and coal resources, as well as evaluate the risks for environmental and ecological degradation associated with the production and use of energy resources. The Department's 2004 budget request includes \$1.5 million in base funding for emerging methane hydrate resource projects in Alaska and the Gulf of

Mexico conducted collaboratively with MMS, as well as studies of hydrate occurrence and release in marine environments.

FOREST PRODUCTS

The 2004 budget for BLM and BIA contain increases that will improve forestry management.

BLM Forest Management – The 2004 BLM budget proposes an increase of \$2.5 million to revitalize and build capacity in BLM's forestry management programs, including an increase of \$1.0 million for Public Domain Forestry Management and an increase of \$1.5 million for Oregon and California Grant Lands. The increased funding will enable BLM to conduct commercial thinning treatments on 3,300 acres of O&C lands in western Oregon and on 2,000 acres of public domain lands. These treatments will produce an estimated 32 million board feet of timber to help stimulate local economies, including 30 million board feet from the O&C lands and two million board feet from the public domain lands.

Tribal Forestry Program – The 2004 request for BIA includes a \$2.5 million increase to improve the management of Indian forests, which cover over 17 million acres located on 260 reservations in 26 States. Current harvest rates are approximately 80 percent of the annual allowable harvest of 780 million board feet. The request includes a \$1.5 million increase to promote production and facilitate sales of forestry products produced from tribal lands. Tribes will manage most of the program through Public Law 638 contracts and self-governance compacts. The request also includes a \$1.0 million increase to double the number of integrated resource management plan grants awarded annually to Tribes. These plans are strategic plans for comprehensive management of a reservation's resources, of which a forest management plan is a key component.



RECREATION

Whether you're hiking, biking, canoeing, or camping – exploring the outdoors is a part of the American life.

Secretary Gale A. Norton, August 17, 2001

Lands managed by the Department of the Interior attract nearly 500 million visitors each year. Interior provides an array of rewarding outdoor experiences and recreational opportunities for the public, including fishing, hiking, hunting, camping, canoeing, climbing, wildlife viewing, and photography. Surveys show that the Department delivers quality services to visitors, generating high customer ratings.

RECREATION MISSION

The Department of the Interior will work to enhance the quality of life, health, fitness, and enjoyment of individuals through recreation.

The 387-unit national park system offers many of the Nation's primary recreation destinations. Annually, over 39 million people visit our national wildlife refuge system of 540 units spanning 95 million acres. This year, as the Department celebrates the refuge system centennial, Interior is partnering with the National Wildlife Refuge Association in a special effort to promote volunteerism to help control invasive species that threaten so many refuges. The 262 million acres of public lands managed by the Bureau of Land Management bring additional recreational enjoyment. Over 60 million visitors will visit BLM lands in 2003.

FULL FUNDING OF THE LWCF

The Department is fulfilling the President's commitment for fully funding the Land and Water Conservation Fund with a comprehensive, partnership approach. The Department's 2004 LWCF program proposes \$662.4 million. The LWCF proposal emphasizes conservation partnerships with States, Tribes, local communities, and private citizens, while also including a strong State grant program and strategic Federal land acquisition. A total of \$238.3 million is requested for LWCF programs in the U.S. Forest Service budget, for a government-wide total of \$900.7 million.

RECREATION GOALS

On Department of the Interior managed or partnered lands and waters

- **Improve access to appropriate recreation opportunities,**
- **Ensure a quality experience and enjoyment of natural and cultural resources, and**
- **Provide for and receive fair value in recreation.**

LAND AND WATER CONSERVATION FUND
(dollars in thousands)

The 2004 budget fulfills President Bush's commitment to provide \$900 million annually from the Land and Water Conservation Fund.

	<u>2004 Request</u>
DEPARTMENT OF THE INTERIOR	
Cooperative Conservation Initiative	
BLM	
Challenge Cost Share	20,973
FWS	
Refuge Challenge Cost Share ...	11,876
Partners for Fish and Wildlife .	38,378
Coastal Programs	9,639
Migratory Bird Joint Venture ...	10,355
NPS	
Challenge Cost Share	20,980
Take Pride in America	<u>1,000</u>
Subtotal	113,201
LWCF Grant Programs	
NPS	
State Assistance Grants	160,011
FWS	
State/Tribal Wildlife Grants	59,983
Landowner Incentive Grants ...	40,000
Private Stewardship Grants	10,000
Coop. Endg. Species Grants	86,614
NAWCF Grants	<u>49,560</u>
Subtotal	406,168
Federal Land Acquisition	
BLM	23,686
FWS	40,737
NPS	<u>78,623</u>
Subtotal	143,046
Subtotal, Interior	<u>662,415</u>
U.S. FOREST SERVICE	
State LWCF Programs	
Forest Legacy	90,797
Forest Stewardship	65,526
Urban and Community Forestry ..	37,771
Federal LWCF Land Acquisition ..	<u>44,158</u>
Subtotal, Forest Service	238,252
TOTAL	<u>900,667</u>

Partnerships are key to achieving LWCF goals to conserve, develop, and utilize resources for the benefit and enjoyment of the American people. Partnerships engage private landowners in stewardship, creating a Nation of citizen stewards and leveraging Federal conservation resources.

STATESIDE LWCF GRANTS

The Land and Water Conservation Fund, created in 1965, aims to develop and maintain a nationwide legacy of high-quality recreation areas and facilities and to stimulate non-Federal investments in the protection and maintenance of recreation resources across the United States.

Today, the LWCF State grant program is a cornerstone of the Secretary's commitment to partnerships in conservation and recreation. Through this program, Interior and its State partners provide recreational opportunities across the Nation. Matching grants to States fund the acquisition and development of public outdoor recreation areas and facilities. As a result, States have enhanced outdoor recreation planning, established and expanded their own scenic river, trail, and other systems, encouraged their cities and counties to improve planning and development of recreation resources, and initiated hundreds of recreational bond issues to fund State and local parks.

By partnering with States, recreation goals can often be accomplished in a more timely and cost-effective way than through direct Federal action. In addition, the States are able to prioritize how to best spend these funds. The President's budget requests \$160.0 million for the LWCF State grant program, a \$16.1 million increase over the 2002 level enacted by the Congress and \$10.0 million over the request for formula grants in 2003. The 2003 request for \$50.0 million in discretionary grants is not continued.

PARK VISITATION

The National Park Service makes recreational opportunities available by providing and maintaining a vast infrastructure of about 8,000 miles of roads, over 13,000 miles of trails, almost 7,600 administrative and public use buildings, and managing over 2,800 miles of scenic rivers.

The primary source of funding to support recreational activities within the parks comes from the park operating base. With these funds, parks offer services such as interpretive ranger programs, staffing at visitor centers, daily maintenance activities, and other programs designed to enhance the visitor experience.

The NPS 2004 budget proposes an increase of \$14.2 million for operational funding needs in parks to support increased recreational access and opportunities and to protect lives and property, as well as provide educational opportunities.

With this increase, parks can enhance the services and recreational opportunities offered to visitors, and ensure that visitors have a safe experience. For example, the 2004 budget proposes a \$590,000 increase to celebrate the centennial of the first powered flight at the Wright Brothers National Memorial. The park plans to recognize this historic event through a series of special activities on the site of the first flight. The budget request will provide expanded and enhanced interpretation, protection, and maintenance services at the Wright Brothers National Memorial to handle the increased visita-



tion and special events. Visitors to the site would have a safer, more enjoyable visit, and gain a better understanding of an event that changed the world forever.

FEDERAL LANDS TO PARKS

In 2004, the Department of the Interior will generate additional recreational opportunities for communities with a \$300,000 increase for the National Park Service's Federal Lands to Parks program, which helps communities obtain, for public parks and recreation use, those Federal properties that have been declared surplus. Through this partnership with local communities, the Park Service

has helped expand recreational amenities, protect open spaces, and preserve historical and natural resources. Since the program's inception in 1949, over 1,400 properties, approximately 150,000 acres, have been transferred to State and local governments for parks and recreation areas.

With the assistance of State and local governments, NPS works

with communities interested in using the surplus land for park and recreation use, aiding them in filing their application. The Park Service acts as a broker between the applicant and the Federal agency that owns the property (usually the General Services Administration or the military). The NPS secures approval of the community's application, recommends the property transfer, prepares the deed, and conveys any restrictions associated with the deed.

For example, NPS facilitated the 12.5 acre transfer of surplus U.S. Coast Guard property to Dorchester County, Maryland for public park and recreation use. This property, located on the Chesapeake Bay, valued at over \$150,000, will be developed for nature trails with elevated boardwalks, wildlife observation stations, a picnic area, a playground, and an open grassy play area.

NPS PROFILE

Parks	387
Administrative and Public Use Buildings	7,580
Historic Buildings	5,771
Housing Units	4,389
Miles of Roads	8,000
Miles of Paved Trails	763
Miles of Unpaved Trails	12,250
Bridges and Tunnels	1,804
Water and Wastewater Systems ...	680

LEWIS AND CLARK TRAVELING EXHIBIT

The Lewis and Clark bicentennial began at Monticello on January 18, 2003 with commencement of the first leg of Corps of Discovery II: 200 Years to the Future. Partners in Corps II include the National Park Service, the Lewis and Clark National Historic Trail, and various other Federal, State and local partners, as well as 68 Indian Tribes. Corps II is a dynamic, interactive traveling exhibit tracing the route that Meriwether Lewis and William Clark followed across the continent from 1803 to 1806. The exhibit will conclude a nationwide tour in St. Louis in September of 2006 after traversing 19 States.



Corps II serves as the unifying component of the bicentennial observance from 2003 to 2006. This traveling exhibit seeks to develop the widest possible audience for the story of the expedition, bringing the history of the bicentennial directly to communities across the continent and will augment local bicentennial events associated with the expedition. The Tent of Many Voices, a prominent feature of Corps II, is a self-guided orientation exhibit with a performance tent containing a stage, an audiovisual system, lighting, and seating capacity for 150 individuals. The Tent of Many Voices enables visitors to explore cultural and natural resource themes through live interpretation, cultural demonstration, folklore, and music.

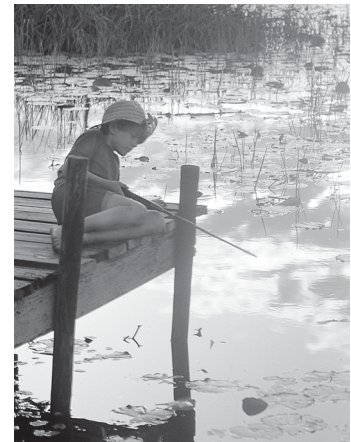
The traveling bicentennial centerpiece will also offer off-site learning opportunities with internet and satellite long-distance learning capabilities.

The 2004 budget maintains strong support for the Lewis and Clark bicentennial and the Corps II exhibit. An increase of \$600,000, bringing total Corps II funding in 2004 to \$1.6 million, will provide for the purchase of a three-tent display exhibit and additional transportation expenses.

RECREATION ON PUBLIC LANDS

Public lands managed by BLM provide recreational venues for a growing population in the West. The 2004 BLM budget request includes a net increase of \$5.2 million to continue to provide recreational opportunities that protect natural and cultural resources, ensure public health and safety, and resolve user conflicts.

Foremost among BLM's challenges is providing quality access to public lands and managing off-highway vehicles. The 2004 increase will support transportation and public access on BLM lands through comprehensive planning, improved signing and mapping, and off-highway vehicle monitoring. The BLM will improve visitor experiences through facility and access improvements and expanded educational and interpretive ser-



The Object of your mission is to explore the Missouri river and such principal stream of it as by it's course and communication with the waters of the Pacific ocean, whether the Columbia, Oregon, Colorado, or any other river may offer the most direct and practicable water communication across this continent for the purpose of commerce.

*President Thomas Jefferson, June 20, 1803 to Meriwether Lewis Esq.,
Captain of the first regiment of infantry of the United States of America*



vices and programs. Funding for partnership efforts and volunteer recruitment and training will help BLM develop collaborative approaches to managing recreation activities.

NATIONAL RECREATION RESERVATION SERVICE

Through a multi-agency initiative, Interior is partnering with the Department of Agriculture and the Army Corps of Engineers to integrate the National Park Reservation Service into the National Recreation Reservation Service, currently run jointly by Agriculture and the Corps, by fiscal year 2004. The goal is to make the recreation reservation process more accessible, easier to use, less time consuming, and more cost effective. In addition to consolidating the National Park Reservation Service into NRRS, Interior, Agriculture, and the Corps are laying the foundation for BLM,

the Fish and Wildlife Service, and the Bureau of Reclamation to incorporate their respective reservation needs into NRRS in the future. Recreation reservation possibilities will range from reserving tours for the Washington Monument to reserving campsites, day use areas, and cabins on a wide array of popular Federal public lands.

RECREATIONAL FEE PROGRAM

One important tool that Interior uses to deliver quality recreational experiences to the American public is the Recreational Fee Demonstration program. Operating since 1996, this program offers expanded opportunities for recreational use of the Nation's parks, refuges, and public lands. Annual Departmental collections exceed \$150 million from recreation fee programs. Most of these collections are used on site. Collected fees primarily address deferred health and safety maintenance projects, resource protection, visitor services, and help to defray the costs of current and future fee collections. Each year Interior works with other Federal agencies, Tribes, States, local communities, and other organizations to improve its fee structure and to ensure an affordable, consistent value for services provided. Department-wide surveys suggest strong public support for the Recreational Fee Demonstration program. Current legislation for the Recreational Fee Demonstration program will expire in 2004. The Administration will work with the Congress to make the recreational fee demonstration program authority permanent legislation.

Words are too tiny and pictures too small to give a description of the grandeur of the Canyon — the fascinating color changes as the sun rises; the impossible understanding of elevation and space. It is a tapestry we longed to reach out and touch that took millions of years to create and is unfathomable in its spectrum of colors, shapes and sizes.

No electricity, no city lights, nothing but nature all around...and, as I lay on the ground looking up, I felt an incredible sense of peace come over me. Seeing the stars, hearing the crickets, knowing all is well in this moment in time. This is the kind of healing moment ... that this type of experience on Public Lands can offer anyone coming to visit... .

*Secretary Gale A. Norton, September 28, 2002 quoting Cathy Kiffe,
member of the Southern Trekkers Team*

VOLUNTEERS IN PARKS PROGRAM

The Department depends on the services of volunteers to help accomplish its mission. Each year, approximately 200,000 volunteers, almost three times the Department of the Interior's Federal workforce, help address resource protection and public recreation needs. The dollar value of the hours contributed by these volunteers is estimated at nearly \$100 million annually.



Today, over 126,000 volunteers work in over 350 National Park Service sites across the country. Others work on wildlife refuges or recreation sites across the U.S.

In 2004, volunteers will assist paid NPS staff with important park projects such as the Lewis and Clark bicentennial, the Powered Flight centennial, and the Jamestown 400th anniversary. The 2004 budget includes an increase of \$1.5 million for volunteer programs. A \$1.0 million increase is aimed at bolstering volunteer participation and enhancing park capacity to supervise, train, utilize, and reward ad-

ditional volunteers. An increase of \$500,000 will allow NPS to establish full-time regional coordinators to manage the enhanced program.

SERVING COMMUNITIES



This culture of service, this culture of serving something greater than yourself in life is becoming real in America.

President George W. Bush, August 22, 2002

The Department of the Interior is committed to protecting lives, resources, and property; advancing knowledge through scientific leadership and informing decisions through science applications; fulfilling Indian trust responsibilities; achieving quality communities for Tribes; and increasing the economic self-sufficiency of insular areas. The 2004 serving communities budget proposal totals \$5.1 billion.

TRIBAL COMMUNITIES

This request includes \$168.5 million in funding increases to better fulfill Indian trust responsibilities. Interior's 2004 budget funds continued improvements in trust management, a new organizational structure, historical accounting for individual Indians and Tribes, and consolidation of fractionated interests in lands. It provides funds for a more secure computer network and improvements in records management.

The Department serves tribal communities through extensive services, including elementary and secondary education for nearly 48,000 Indian students. The 2004 budget includes \$528.5 million for education, including an increase of \$3.0 million for administrative cost grants for new Tribes that enter into partnership with Interior to operate schools. The budget continues funding for the repair and replacement of school facilities at \$292.6 million, including \$141.4 million to build new facilities at a minimum of seven schools and for planning and design of future projects.

SERVING COMMUNITIES MISSION

The Department of the Interior will safeguard property and financial assets while improving quality of life for communities and trust beneficiaries.

AFFILIATED ISLAND COMMUNITIES

In serving communities, Interior has responsibility for analyzing and promoting appropriate Federal policies for the Territories of American Samoa, Guam, the U.S. Virgin Islands, and the Commonwealth of the Northern Mariana Islands. Further responsibility includes overseeing financial assistance to the freely associated States: the Federated States of Micronesia, the Republic of the Marshall Islands, and the Republic of Palau. To assist the islands in economic development, Interior provides financial and technical assistance that totals \$377.0 million in 2004.

WILDLAND FIRE

The 2004 budget includes \$698.7 million for Wildland Fire Management. The Department's proposal reflects a commitment to better coordinate Federal, State, and local firefighting efforts and to improve the health of forests and rangeland with implementation of the President's Healthy Forest

initiative. The Department's participation with the U.S. Forest Service, State foresters, and the National Association of Counties in an agreement that focuses multi-agency efforts on fuels treatment to reduce risks to communities exemplifies this commitment. Interior and the Forest Service have also entered into an agreement with the Federal Emergency Management Agency and State foresters to better leverage funding for local fire protection and firefighting efforts.

LAW ENFORCEMENT AND SECURITY

Interior advances the goal of protecting communities through security and law enforcement activities with a 2004 request of \$34.7 million for improved security of borders, critical assets, and infrastructure.

SCIENCE

Science is a cornerstone for all of our land management decisions undertaken to achieve resource protection, resource use, recreation, and serving community goals. The 2004 budget continues science programs that generate relevant, objective information for land managers and for communities throughout the Nation. A total of \$895.5 million is requested for U.S. Geological Survey scientific leadership and partnerships with communities in information sharing, mapping, and technology development.

SERVING COMMUNITIES GOALS

Protect lives, resources, and property.

Advance knowledge through scientific leadership and inform decisions through applications of science.

Fulfill Indian trust responsibility.

Advance quality of communities for Tribes.

Increase economic self-sufficiency for Insular areas.

The Department manages one in every five acres of land in the United States, operates over 800 dams and irrigation facilities, provides drinking water to 31 million people, oversees water projects that irrigate the land generating 60 percent of our Nation's vegetables, holds special responsibilities for American Indians, Native Alaskans, and affiliated island communities, and plays a major role in environmental and conservation decisions. The common thread running through these diverse topics is their direct impact on real people, their hopes, and abilities to pursue their dreams.

Assistant Secretary P. Lynn Scarlett, August 29, 2002



FULFILLING TRUST RESPONSIBILITIES

UNIFIED TRUST BUDGET

The Department has responsibility for what may be the largest land trust in the world. The Indian trust today encompasses approximately 56 million acres of land – over 10 million acres belonging to individual Indians and nearly 45 million acres owned by Indian Tribes. On these lands, Interior manages over 100,000 leases for individual Indians and Tribes. Leasing, use permits, sale revenues, and interest of approximately \$226 million per year are collected for approximately 230,000 individual Indian money accounts, and about \$530 million per year is collected for about 1,400 tribal accounts per year. In addition, the trust manages approximately \$2.8 billion in tribal funds and \$400 million in individual Indian funds.

Interior faces a number of challenges in reforming the management of its Indian trust responsibilities. First, the Department has not been well structured to focus on its trust duties. Second, fractionated interests in individual Indian allotted land continue to expand exponentially with each new generation to the point where few are single pieces of property with ownership interests that are less than 0.000002 of the whole interest. Third, there are 230,000 open individual Indian money accounts, the majority of which have balances under \$100 and annual transactions of less than \$1,000. The Federal government bears the entire cost of administering the Indian trust. As a result, usual incentives found in the commercial sector for reducing or paying for the management of the trust do not apply to the Indian trust. For instance, thousands of accounts must be maintained for IIM account holders that contain less than one dollar.

The 2004 budget includes funding to address these challenges. It funds a reorganized system of delivery and administration of trust programs designed to create greater accountability to Interior's trust beneficiaries. It funds the continuation of the re-engineering of trust business processes and support functions. The 2004 budget includes substantial new money to provide a historical accounting of balances in IIM accounts as well as tribal accounts. Finally, it proposes a significant increase for the Indian land consolidation program aimed at reducing the number of individual owners in parcels of Indian lands allotted to individuals.

TRUST RESPONSIBILITIES GOAL

Fulfill Indian trust responsibility.

Trust Organization – Interior is reorganizing trust functions in the Bureau of Indian Affairs and Office of the Special Trustee for American Indians. The new organization was developed after detailed

analysis of the prior organization and a year-long consultation process with tribal leaders. In one of the most extensive consultation efforts ever undertaken by the senior management level at the Department on any issue relating to Indian Country, over 45 meetings with tribal leaders provided detailed findings and recommendations. The new organization reflects a synthesis of the views heard during the consultation process. It will meet fiduciary trust responsibilities, be more accountable at every level, and operate with people trained in the principles of fiduciary trust management.

This reorganization places a particular focus on the BIA and OST fiduciary responsibilities to Indian individual and tribal beneficiaries. For instance, land and natural resource management is located in BIA because it has demonstrated expertise in this area of the trust. The OST has been given the direction to expand its operational role in addition to its statutory oversight duties. As a result, OST will develop a regional and agency presence to ensure that trust responsibilities are met in the management of these assets and will retain the responsibility for financial trust asset management. By further developing and taking advantage of the strengths of each organization, Interior will have a more cost-effective, efficient, and successful trust management system. This reorganization dedicates more trained personnel to provide consolidated trust services, increases the emphasis on tribal contracting, and provides direct trust accountability.

The 2004 budget provides an increase of \$15.0 million to support the new organization. Together with base funding available in BIA and OST, this increase should provide the resources needed for the new organization in 2004.

Re-engineering – During 2002 and 2003, the Department has undertaken a meticulous process to

develop an accurate, current state model to document business processes. This documentation of “As-Is” business processes has given Interior a comprehensive understanding of current 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.

After completing the “As-Is” phase review, detailed recommendations will be developed for re-engineering business processes, where appropriate. This initial “To-Be” business process phase will take into consideration the lessons learned from the “As-Is” process. After examining existing business processes, Interior will compare these processes to the initial “To-Be” model processes 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” model processes will be compared to standard industry practices. Finally, the Department plans to integrate the final “To-Be” model processes with universal support and operational functions, and document these re-engineered business processes

with appropriate policies, procedures, guidelines, and handbooks.

Historical Accounting – On January 6, 2003, the Department presented a plan to the District Court in *Cobell v. Norton* for the historical accounting for about 260,000 IIM accounts. Interior intends to conduct the historical accounting by a combination of: 1) transaction-by-transaction reconciliation methods (all transactions in certain account types); 2) reconciling all transactions over a certain dollar threshold; and 3) reconciling a statistical sample of lower dollar-value transactions. The work described in the plan is expected to take five years to complete and is preliminarily estimated to cost approximately \$335 million.

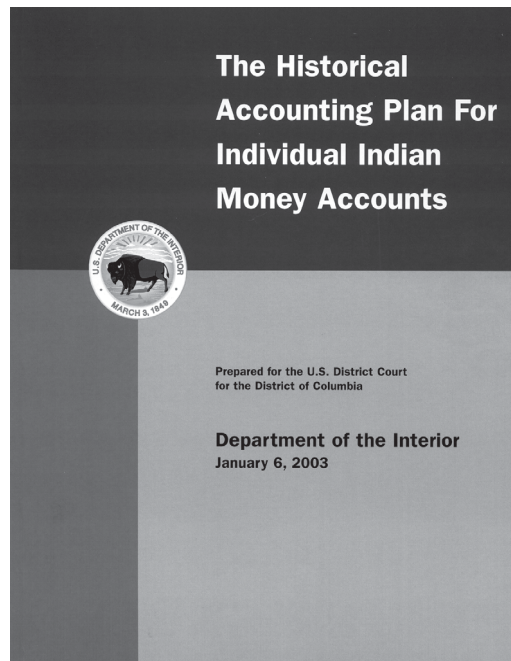
The historical accounting will address three distinct types of IIM accounts. These types are judgment and per capita IIM accounts, land-based IIM



accounts, and special deposit accounts. The reconciliation process will be appropriate for each type of account. For the approximately 42,200 judgment and per capita IIM accounts, Interior intends to reconcile 100 percent of the transactions in each account transaction history, using transaction-by-transaction methods. For the approximately 200,000 land-based IIM accounts, Interior intends to undertake the historical accounting using both transaction-by-transaction and statistical methods. All transactions that are equal to or greater than \$5,000, which represent 45 percent of the post-1985 dollar throughput of the land-based IIM accounts, will be reconciled on a transaction-by-transaction basis. Transactions that are less than \$5,000 will be reconciled through statistically valid samples. For the approximately 21,500 special deposit accounts, Interior intends to pursue a project to distribute the funds to the proper owners and to close those accounts where appropriate.

The historical accounting described in the plan 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, Interior intends to be in the position to provide each IIM account holder with a historical statement of account with sufficient information so they can readily ascertain whether Interior has met its IIM trust fund accounting duties. Interior plans to provide information on how much money was credited to each account and 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 the position 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.

As of January 2003, the Office of Historical Trust Accounting had reconciled 14,492 judgment accounts with balances totaling over \$40 million and had made substantial progress on reconciling a significant number of transactions in per capita accounts. The 2004 budget of \$130.0 million for OHTA includes an increase of \$82.5 million over the 2003 budget to reconcile an additional 15,000 judgment and per capita accounts; reconcile 200,000 transactions in land-based IIM accounts; and resolve the proper ownership of the balances of 5,000 inactive special deposit accounts, distributing funds to the appropriate owners and closing these administrative accounts.

The 2004 budget includes \$30.0 million for historical accounting of tribal trust funds related to 21 lawsuits filed by 19 Tribes. The OHTA has already conducted a number of briefings for Tribes and tribal organizations. These briefings are a first step in addressing unresolved or additional accounting issues, and are a prelude to anticipated discussions and negotiations with Tribes to develop Tribe-specific work plans that are a means to resolve the outstanding accounting issues and the litigation. In 2004, OHTA expects to complete reconciliation of 75 tribal trust fund accounts and image six million pages of tribal documents.

Indian Land Consolidation – Over time, the system of allotments established by the General Allotment Act of 1887 has resulted in the fractionation of ownership of Indian land. As original allottees died, their heirs received an equal, undivided interest in the allottees' lands. In successive generations, smaller undivided interests descended to the next generation. Today, there are approximately four million owner interests in the 10 million acres of individually owned trust lands, a situation of which makes management of trust assets extremely difficult and costly. These four million interests could expand to 11 million inter-

ests by the year 2030 unless an aggressive approach to fractionation is taken.

Addressing the rapidly increasing fractionation on Indian land is critical to improving management of trust assets. 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.

The BIA has conducted a pilot fractionated interest purchase program in the Great Lakes Region.

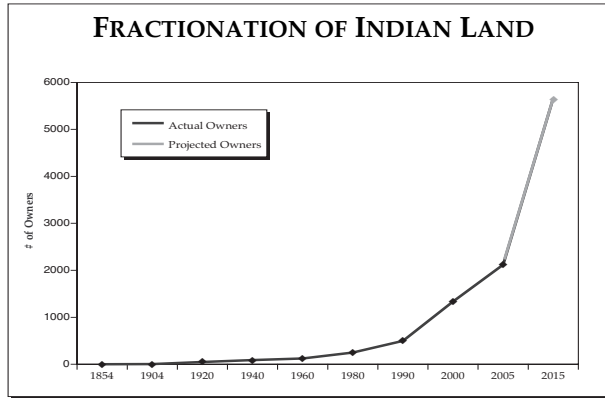
The pilot has successfully demonstrated that large numbers of owners are willing to sell fractionated ownership interests and that a purchase program can be administered at reasonable cost. As reflected in the Administration's Program Assessment Rating Tool review, the pilot has also taught valuable lessons about the need to target purchases to maximize return of land to productive use and allow closure of IIM accounts.

The 2004 budget proposes \$21.0 million for Indian land consolidation, an increase of \$13.0 million. The BIA is designing a nationally coordinated and targeted purchase program. This program will be managed by a national program staff, but may utilize contractual arrangements with Tribes or private entities to purchase individual interests on behalf of the Department. The 2003 budget, together with carry-over, will provide approximately \$20 million for BIA to put in place the necessary infrastructure and contractual arrangements to support a major expansion of the program in 2004.

Information Technology—The High Level Implementation Plan adopted in 1998 called for development of new computer applications for BIA trust programs. It did not address underlying problems with BIA's IT program. In December 2001, a U.S. District Court ordered a shutdown of all BIA IT systems as a result of security breaches. As demonstrated by the continued shutdown of BIA's information infrastructure, IT security issues still need to be addressed.

The BIA's information infrastructure and security can be characterized as outmoded hardware and software, which do not meet lifecycle management and systems architecture principles, and do not comply with the security requirements of OMB Circular A-130 and the Government Information Security Results Act. Significant new investments are needed that require adequate IT funding.

The 2004 budget includes increases of \$29.5 million for a ground-up rebuilding of the BIA IT infrastructure to support trust, as well as non-trust programs, and \$2.5 million for Interior-wide IT security. The proposed rebuilding will fit within an enterprise architecture and includes full business cases for proposed investments.



This IT increase will allow BIA to establish systems life cycle management 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 2004 budget request consolidates the former Trust Asset and Accounting Management System and data cleanup projects into one project titled Indian Trust Systems. System design will no longer be centered on one all-encompassing system to provide title, realty, billing, and accounts receivable functions. Instead, the project will provide a series of software applications focused on the various aspects of the trust business. The project will be guided by definition of trust business processes to meet beneficiary needs and fiduciary requirements. Funding of \$24.5 million is proposed for ITS in 2004.

The 2004 budget provides \$18.9 million for continued operation of OST's Trust Fund Accounting System. Completed in 2000, TFAS is a commercial, off-the-shelf trust accounting system that provides basic receipt, accounting, investment, disbursing, and reporting functions common to commercial trust fund management operations. The TFAS records receipts collected by BIA, OST, and the Minerals Management Service and distributes payments to Tribes and individual Indians.

Records – Reform efforts to date have improved records collection and security. However, recent Interior reviews have resulted in a reassessment of the resource requirements needed to adequately administer, manage, search, retrieve, and store records. A proposed increase of \$4.5 million for 2004 will accelerate a new strategy, relying heavily on contract support, that will establish proper records retention schedules, establish and implement record keeping requirements, safeguard records, implement and maintain training programs, and meet records-retrieval needs in an effective and cost-efficient way.

An additional \$2.5 million is proposed for the records program to meet litigation support costs associated with *Cobell v. Norton* and tribal lawsuits alleging accounting discrepancies in tribal trust funds, of which 19 are now pending. Litigation support costs have been met through funding provided in a series of supplemental appropriations. There is no base funding for these costs. Currently available funds will be exhausted before the end of 2003. The increase will provide base funding for 2004 needs.

Land and Natural Resource Assets – The 56 million acres of trust lands and natural resources they contain provide the underpinnings of Interior’s trust management responsibilities. The 2004 request includes an increase of \$7.6 million to improve the management of trust land and natural resource assets.

The BIA oversees the exploration and development of 1.8 million acres of actively leased oil, gas, and coal. It is estimated that approximately 15 million acres of undeveloped energy and mineral resources may exist on individual Indian and tribal lands. The 2004 request includes a \$2.0 million increase for grants to Tribes to evaluate mineral resource potential through the acquisition of exploratory data and subsequent geo-scientific interpretation. The request also includes a \$1.0 million increase to facilitate BIA compliance with Section 404 of the Energy Policy Act.

The 2004 request includes a \$2.5 million increase for forest management functions that generate trust revenue through timber harvest. An increase of \$1.5 million promotes production and facilitates sales of forestry products and \$1.0 million doubles the number of integrated resource management plan grants. At the 2004 request level, the 17 million acres of Indian forests are expected to produce 570 million board feet of timber, 10 million board feet higher than the 2003 level. The increase of \$1.0 million is included to provide 12 additional grants to Tribes for integrated resource management plans for a total of 82 plans.

The remaining \$2.1 million requested for land and natural resource assets will provide BIA with additional resources to improve its ability to meet environmental, cultural resources, and endangered species requirements on Indian lands. The requested increase will allow BIA to manage its environmental responsibilities through streamlined and properly funded NEPA compliance activities and to increase by 10 percent, the percentage of land surveyed for endangered species.

SERVING TRIBAL COMMUNITIES

Working closely with federally recognized Tribes, the Department promotes economic development and an improved quality of life for 1.5 million American Indians in communities across the country. To support the goal of advancing quality communities for Tribes, the 2004 budget proposal includes \$1.2 billion, increasing focus on continuing the President’s commitment to Indian education and promoting economic development in Indian Country.

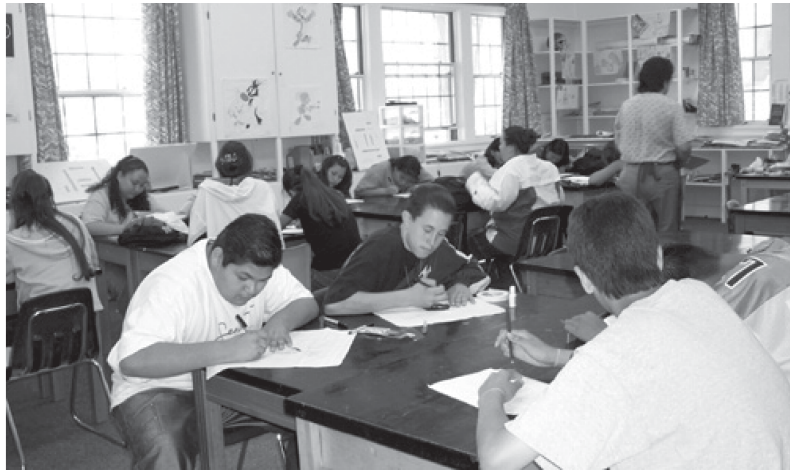
Indian Education – The BIA and the Department of Defense are the only two agencies in the Federal government that manage school systems. Almost 48,000 students in 23 States attend the 185 elementary and secondary schools that form the BIA school system. The BIA is committed

to the President’s promise to improve education in America and “Leave No Child Behind.” The BIA



directly operates one-third of these schools, while the other two-thirds are operated under contracts or grants to Tribes or other tribal organizations.

One of BIA's 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. The 2004 school operations request is \$528.5 million. This funding will help to ensure that Indian schools maintain accreditation.

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. Flexibility and local control of schools are among the pillars of the President's education reform plan.

The budget encourages Tribes to assume management of their schools by providing \$3.0 million for initial, start-up administrative costs, and overhead and operations costs at tribally operated schools. A separate fund will be established to enable additional schools to be converted to grant status without compromising funding for current tribally operated schools.

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. Further deterioration could



pose serious threats to the students' health and safety and may adversely impact their school environment and hinder learning. Concerns include

leaking roofs, overcrowded classrooms, asbestos, peeling lead paint, 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 BIA's request for education construction continues the President's initiative to repair and replace unsafe schools. The September 5, 2001 deferred maintenance backlog, estimated at \$634 million in 2001, has been reduced to an estimated \$507 million as of December 2002. Funding in 2004 is maintained at the 2003 level, \$292.6 million, which will substantially reduce the school repair and maintenance backlog and replace facilities for seven schools.

The budget includes a request to invest \$141.4 million to replace buildings at a minimum of seven schools determined to be the highest priority based on the 2001 and 2002 priority-ranking lists for education facilities construction. This funding will provide replacement schools and dormitories for Isleta Elementary School, Navajo Preparatory School, Wingate High School, Pueblo Pintado Community School, and Mescalero Apache Elementary School, all in New Mexico, as well as Turtle Mountain High School in North Dakota and Enemy Swim Day School in South Dakota. Fund-

ing for school construction reflects an increase of \$16.2 million above the 2003 level, resulting from

an internal transfer of funding from the education facilities improvement and repair program, and includes \$10.0 million for planning and design for future projects. The 2004 budget reflects a policy change to no longer provide cost estimates for individual schools until the planning documents and design for the school are developed to the point where adequate information is available to make a reasonably accurate cost estimate. This generally occurs in the year that the construction funds are obligated.

The education facilities improvement and repair program is funded at \$148.2 million. The 2004 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 at this level will continue to support the elimination of the current repair and maintenance backlog by 2006.

The BIA is making a concerted effort to improve the management of its construction programs and building maintenance operations. The BIA is the first Interior bureau to develop and use a nationwide computerized facilities management information system. The BIA has also engaged an independent engineering firm to verify deferred maintenance backlogs and cost estimates. The BIA developed and is now using a facility condition index to assist in determining when it is more cost-effective to repair rather than replace a facility. The FCI provides a baseline from which the bureau will measure and track improvements in asset conditions. The BIA will use the index to aid in budget decisions and priority setting for school maintenance, repair, and replacement.

The funding to carry out the President's commitment is beginning to make a dramatic improvement in the quality of Indian schools, providing an increasing number of students with a school environment that is safe, healthy, and conducive to educational achievement. The facilities condition index scale for BIA schools stands at .25 in 2003. A

score of .1 is the threshold for fair/good. Funding through 2004 will reduce the overall score for BIA's portfolio to .213, with an increasing number of schools moving to fair/good condition.

Economic Development – High unemployment rates on reservations are one of the greatest challenges facing Indian Country. The 2004 budget includes an increase of \$1.0 million to leverage \$20 million in additional guaranteed and insured loans.

The BIA loan program enables Indian economic enterprises on or near Indian reservations who otherwise would not have been able to get a loan, get loans from private lenders. This increase supports Indian economic development and BIA's performance goal to reduce unemployment on Indian reservations. The guar-

anteed loan program is a cost-effective way to stimulate economic development in Indian Country. The default rate on these loans has been less than one percent since 1997, and over 90 percent of the businesses funded through this program have been successful.

Resolving Land and Water Claims – The 2004 Interior budget includes \$51.4 million for payment of authorized Indian land and water claim settlements in Oklahoma, Colorado, Nevada, New Mexico, and Utah. These settlements resolve longstanding claims to water and lands by Indian Tribes and impact ongoing projects in the Bureau of Reclamation as well as BIA. They are the result of negotiations between the Tribes, 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 2004 request for settlements reflects a decrease of \$6.6 million from the 2003 funding level because the Federal commitment was completed in 2003 for the Rocky Boy's and Shivwits Band settlements. The BIA budget request includes \$10.0 million for one new settlement for Cherokee, Choctaw, and Chickasaw Nations land claims. The total settlement of \$40.0 million for the Cherokee, Choctaw, and Chickasaw settlement will be paid over four years. The budget includes \$9.9 million for the Santo Domingo settlement, a \$6.7 million increase for the third of three payments needed to ensure complete funding by 2004.

The budget also provides \$22.5 million for the Ute Indian rights settlement and \$8.0 million for the Colorado Ute/Animas La Plata settlement. In

addition to this settlement funding, the Colorado Ute Settlement Act amendments of 2000 provide for implementation and completion of the development of the Animas La Plata project located in southwestern Colorado and northwestern New Mexico. The Reclamation budget includes \$58.0 million for the second year of funding for the project, pursuant to the Act. The Animas La Plata project will fulfill the Federal government's trust responsibility to address the Colorado Ute Tribe's water rights; respect existing water rights held by non-Indian water users throughout the basin; furnish the Navajo Nation with a water supply; allow for additional municipal and industrial water for non-Indian communities in the Four Corners area; and provide an increased level of certainty for water managers in the San Juan Basin.

PROTECTING LIVES, RESOURCES, AND PROPERTY



WILDLAND FIRE

Guided by the National Fire Plan, developed jointly by the Departments of the Interior and Agriculture in response to the devastating 2000 fire season, Interior's four wildland fire management agencies BLM, BIA, NPS, and FWS and the U.S. Forest Service have undertaken significant steps toward a seamless wildland fire management program. The cooperation and collaboration of five Federal agencies engaged in Federal firefighting, the Western Governors Association, State foresters, local communities, Tribes, and many others has contributed to this success.

Congress has supported this effort by providing funds to increase firefighting capabilities, reduce the amount of hazardous fuels, increase fire-related research, increase State and local fire prevention and firefighting programs, increase community assistance, restore fire damaged lands, and improve accountability for the resources used in fighting wildland fires.

A Collaborative Approach to Success – Federal wildland firefighters were highly effective in the 2002 fire season, controlling over 97 percent of all fires on initial attack, with less than one percent expanding to 300 acres or more. Yet, as the severity of the 2002 fire season demonstrates, even the best firefighting efforts are not enough without an effective risk reduction strategy. In May 2002, Interior and the Forest Service agreed to the Implementation Plan for a *Collaborative Approach for Reducing Wildland Fire Risks to Communities and the*

Environment. This plan, the product of the cooperation among the Departments of the Interior and Agriculture, the Western Governors Association, and representatives from many other public and private organizations and agencies, sets forth the blueprint for achieving the goals of the comprehensive strategy to aggressively manage wildland fires and reduce hazardous fuels, protect firefighters and communities, and restore ecosystems over the next decade. Collaboration is the linchpin of the strategy. It calls upon local managers to work with States, Tribes, local governments, and citizens to plan the location of firefighting resources, fuels reduction treatments, and restoration projects in previously burned areas.

The 2004 request for the wildland fire program includes programmatic increases totaling \$45.0 million to fund suppression at the 10-year average, enhance Interior's capacity for timely rehabilitation of burned areas, and address rising aviation insurance costs and aviation safety issues.

Preparedness – In 2004, Interior will continue to collaborate with the Forest Service, States, Tribes, and local entities to strengthen and improve the preparedness and readiness of our collective firefighting resources. The Federal fire agencies will strive to improve program efficiency and cost-effectiveness. In particular, Interior and the Forest Service will continue to develop and begin using the new interagency fire planning system to optimize cost effectiveness for fire readiness resources. As part of the implementation of the *Strategic Human Capital Management Plan*, the Department is addressing the challenge of the impending retirement of many skilled fire managers.

The 2004 budget provides \$282.7 million for fire preparedness, an increase of \$5.5 million over the 2003 President's budget. The request includes an increase of \$5.0 million for aviation contract costs. This increase is necessary to maintain the current level of aircraft support in the face of rapidly rising aviation contract costs, primarily attributable to a rise in the aircraft contractors' costs of insurance since the terrorist attacks of September 11, 2001. The requested increases will also help Interior address necessary aviation safety improvements. The blue ribbon fact finding panel on aviation, which was convened to examine fire aviation safety in the wake of the 2002 season's fatal accidents, completed a report that recommends instituting higher safety standards and protocols, including more frequent and comprehensive inspections.

Suppression Operations – In 2002, the Nation witnessed the second worst wildland fire season in 40 years. The Departments of the Interior and Agriculture jointly spent over \$1.6 billion in emergency suppression fighting fires that burned more than 7.1 million acres. More than 1,200 homes were lost to wildfire. Many of the hazardous conditions that contributed to the severity of the 2002 fire season, such as heavy fuels loads and increased urbanization near public lands, will continue to influence future fire activity. In recognition of this fact, the 2004 budget request proposes a \$35.0 million increase to fund suppression operations at the revised 10-year average. The fire program will also continue to work to

develop new, and improve current, suppression cost control strategies. Funding the program at the request level will provide resources to respond to an "average" fire year without having to rely on emergency borrowing that can be disruptive to other Interior programs.

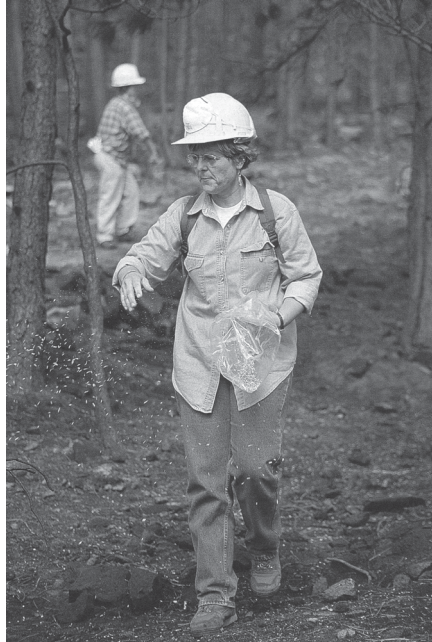


Hazardous Fuels Reduction – One of the guiding principles of the Wildland Fire Management 10-Year Comprehensive Strategy and its implementation plan is active forest management to reduce hazardous fuels in priority areas. Active fuels management will be focused both in the wildland-urban interface and in areas most at risk outside of the WUI. This targeted fuel treatment approach will make communities and the environment safer from destructive wildfires. Two-thirds of public lands are at moderate to high risk of catastrophic fire, including over 35 million acres infested by fire-prone invasive species and noxious weeds. Experts say western public land forests are 15 times denser than 100 years ago, leading to bigger, hotter, and more destructive wildfires. Rather than let the forests continue to deteriorate slowly, and risk larger, hotter burning fires, we need to change management practices. Two key tools are prescribed fires and mechanical thinning to remove underbrush, smaller trees, and diseased and dead trees that create extremely combustible conditions. The 10-year implementation plan sets forth actions to improve the productivity of the fuels treatment program. Nevertheless, a problem that took a century to create will not be solved overnight.



The Department is taking a number of steps to improve the productivity and performance of the WUI (and non-WUI) fuels program. These in-

clude implementation of an accelerated project planning and selection process, the issuance of policy guidance and proposed legislative language designed to facilitate and expand contracting in the fuels program, and the issuance of policy guidance to expedite the budget allocation process for the fuels program and individual projects. These three measures will help the firefighting bureaus take maximum advantage of the opportunity for fuels treatment projects at the beginning of the fiscal year when weather and workload conditions for fuels treatments are optimal. Interior will continue to emphasize and increase the percentage of WUI projects conducted by small and local contractors, and the percentage of projects completed using mechanical treatments. Enactment and implementation of the President's Healthy Forests initiative will also expedite Federal and local efforts to restore forest health and reduce fire risks through thinning projects and fuels reduction treatments by streamlining the procedural requirements for some of these projects. The Wildland Fire program will also work to improve the targeting of fuels reduction funding by both defining the wildland-urban interface and developing criteria for ranking and selecting projects.



The 2004 budget of \$186.2 million funds the hazardous fuels program and WUI programs at roughly the 2003 request level. Within the request level, the fire program will continue to address the threat posed by the dangerous buildup of fuels on Interior lands. The 2004 request will enable Interior bureaus to treat 307,000 high priority acres in the wildland-urban interface. The requested funding will also enable Interior bureaus to treat and improve the condition of 768,000 non-WUI acres.

Burned Area Rehabilitation - The emergency stabilization, rehabilitation, and restoration of burned areas play critical roles in protecting and restoring the health of watersheds and landscapes. Timely stabilization and rehabilitation of severely burned areas are critical to prevent further damage to the area due to erosion, loss of soil nutrients, and the

introduction and spread of invasive weeds and to restore the landscape to a fire-adapted state, using native and other desirable plant species.

The 2004 budget includes an increase of \$4.5 million for burned area rehabilitation. The rehabilitation of burned areas, which spans one to three years, is critical to convert fire-damaged lands into healthy fire-adapted ecosystems. The Department will use \$2.0 million of the increase to continue efforts to build a long-term stockpile of native seeds in support of the native plant materials development project. The funds will be used for both commercial seed acquisition and wildland seed collection. Native seeds are more expensive than the non-native alien seeds commonly used in the stabilization and rehabilitation program; however, they are superior in terms of effectiveness and are less expensive in the long-run because they are less prone to fire. The remaining \$2.5 million in reha-

bilitation will enable Interior to perform on-the-ground burned-area treatments, from seeding acres, to installing fencing and other erosion control barriers, to cleaning out culverts. Rehabilitation requirements correspond to the severity of preceding fire seasons

Rural Fire Assistance – Successful implementation of the National Fire Plan and the comprehensive strategy depends on well trained and equipped local firefighting departments, as these units are frequently the first responders to wildland fires on public lands and play a vital role in preventing wildland fires from escaping initial attack and becoming exponentially more expensive to suppress. Interior's Rural Fire Assistance program represents a modest Federal investment that can provide significant, long-term dividends in helping to control overall suppression costs. The program provides vital training, technical assistance, and equipment to rural and volunteer fire departments to enhance their capacity and effectiveness as the first line of defense for many wildfires. The 2004 budget continues to fund the Rural Fire Assistance program at the 2003 level of \$10.0 million.

Ongoing Cooperative Efforts to Improve Wildland Fire Management

In April 2002, the Secretaries of 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, and the Federal Wildland Fire Management Policy. 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 ongoing cooperative efforts and strategic initiatives to improve wildland fire management include:

- Finalize formal memorandum of understanding between the States, Interior, and U.S. Forest Service that sets priorities for hazardous fuels reduction projects.
- Join 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 rural and volunteer fire departments for equipment, training, and prevention.
- Complete an interagency cohesive fuels strategy for fuels reduction.
- Improve aircraft operations based on the report of a blue ribbon panel.
- Develop a new interagency fire preparedness planning process to determine optimal cost-effective programs.
- Implement the Healthy Forests initiative designed to reduce the amount of time necessary to plan and conduct hazardous fuels reduction projects.
- Standardize accounting practices for firefighter base pay costs.
- Develop a new fire incident cost-coding system to allow the aggregation of the costs of all the fire agencies related to specific wildfires in a consistent and comparable manner.
- Standardize definitions and accounting practices for emergency stabilization, rehabilitation, and restoration across the five agencies.
- Develop strategies to recruit and retain qualified firefighters, especially for key field leadership positions.

2002 NATIONAL FIRE PLAN PROGRESS

Among other successes in 2002 the five agencies:

- Issued a joint Forest Service and Department of the Interior memorandum defining the collaborative process for fuels project development and selection.
- Accelerated and required the selection of fuels reduction projects using a new prioritization process.
- Completed a charter for an interagency fuels coordination committee. The committee will assist and provide guidance in development and implementation of an effective, interagency fuels management program to address risks from severe fires in wildland urban interface communities and to restore healthy ecological systems in other wildland areas.
- Established a fire learning network with The Nature Conservancy that selected 40 landscapes to concentrate efforts and demonstrate ecosystem restoration.
- Hired, maintained, and trained a wildland firefighting workforce of 17,436 personnel including 15,152 frontline firefighters.
- Supported a fleet of 2,001 engines, 153 helicopters, and 205 bulldozers.
- Initiated 141 facilities maintenance and construction projects.
- Treated 2.28 million acres of hazardous fuels on Federal land - 191,025 more acres than 2001.
- Treated 1.02 million acres of wildland fuels on Federal lands through wildland fire use.
- Treated 458,456 acres of insect and disease suppression projects; treated 6,039 acres for the control of invasive plants through grants to States; and carried out an extensive forest health monitoring program through the forest health protection program.
- Treated 1.2 million burned acres through rehabilitation and restoration.
- Assisted 5,349 rural and volunteer fire departments through grants, technical assistance, training, supplies, equipment, and public education support.
- Funded 11,400 mitigation and education campaigns, nearly 400 community plans, 2,686 hazardous mitigation projects, and trained 13,000 firefighters through the State fire assistance program.
- Conducted 19 firewise workshops for more than 1,800 people, from 600 communities, in 47 States.
- Completed 1,070 projects including bio-energy feasibility studies, wood product utilization and market feasibility studies, and community economic development planning through the economic action program.

LAW ENFORCEMENT

Law enforcement and nationwide security are necessary components to accomplishing the Department of the Interior's goal of serving communities through the protection of lives, resources, and property. As the third-largest Federal law enforcement agency, Interior provides protection to its employees, the many visitors to our lands and facilities, and the Nation's natural and cultural resources, including national icons, such as the Statue of Liberty. Interior also has direct responsibility for the security of monuments, dams, and reservoirs, and a shared responsibility with industry for oil and gas production and transmission facilities on Federal lands, including 4,000 offshore production oil and gas facilities, 33,000 miles of pipeline, and 55,000 petroleum workers in the Gulf of Mexico.

In 2002, Interior brought on a Deputy Assistant Secretary for Law Enforcement and Security and enhanced the Office of Law Enforcement and Security. The OLES has coordinated and identified important areas where the Department's programs are vulnerable and is working with the bureaus to develop appropriate protective measures, including implementation of a series of Secretarial directives to improve accountability and effectiveness.

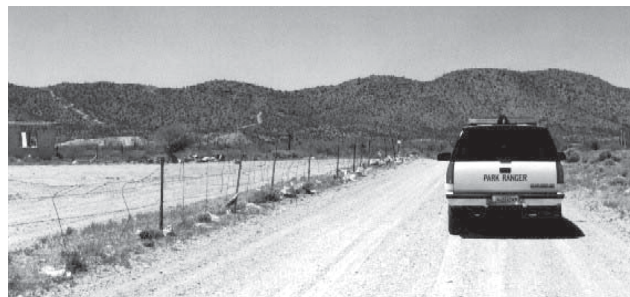
Border Law Enforcement – The Department's law enforcement agencies are also responsible for extensive security in border areas administered by Interior in cooperation with other Federal, State, and local entities. The 2004 budget proposal includes an increase of \$6.0 million for improved security and law enforcement at parks, refuges, and public lands.

The Department has law enforcement jurisdiction for nearly one-half of the 2,000-mile border with Mexico and nearly 720 miles of the U.S. – Canada border. In addition, Interior manages substantial public lands along the Gulf Coast and in southern Florida, and has trust responsibility for islands in both the Pacific and Caribbean that are vulnerable to illegal entry into the U. S.

Stepped up law enforcement and security in urban areas and traditional routes across the borders

are pressuring smugglers, drug traffickers, and other criminals to increasingly use parks, refuges, and public lands to cross the borders. The Department is concerned about public safety issues as well as the potential for harm to natural resources. Smuggling in these areas also impacts irreplaceable resources and causes tremendous impact on local communities with the heaviest impact on the Southwest border region.

Critical Infrastructure Protection – In working with the Department of Homeland Security, Interior maintains a confidential listing of facilities, referred to as the Department of the Interior *Critical Infrastructure and Key Assets List*. These are facilities and assets whose incapacitation or destruction would have a debilitating impact on national security, national economic security, national public health or safety, and the Nation's morale or confidence. In concert with the managing bureaus, OLES is continuing to coordinate and enhance the security and protection of these assets and identify additional needs to further that security. The OLES is leading the bureaus in a coordinated effort to assess the vulnerabilities of all the facilities on the *Critical Infrastructure and Key Assets List*, including the Statue of Liberty and Hoover Dam, as well as other priority facilities nationwide. The bureaus have completed assessments of their critical assets and OLES is in the process of reviewing the assessments, confirming some, and requiring additional work on others. Reclamation has four dams on the list and has completed those security risk assessments, as well as assessments on over 50 of their highest priority dams, and has initiated corrective actions.



Improving Security – The BLM shares responsibility with private industry and local and State law enforcement entities for pipelines, communication, and

other facilities located on public lands. With a requested increase of \$700,000, BLM will enhance its law enforcement program and improve its capability to protect these important facilities.

The MMS is responsible for protecting over 4,000 offshore production facilities and approximately 33,000 miles of pipeline. The MMS works closely

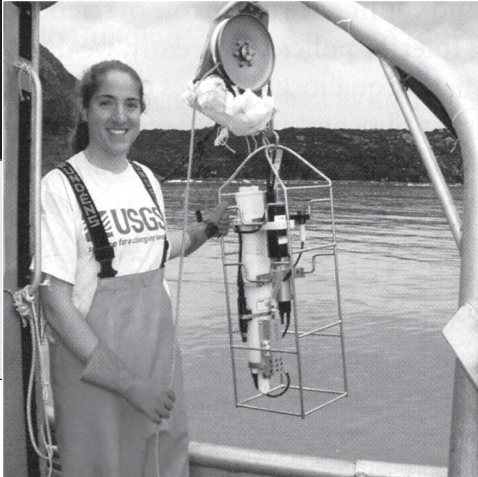
with OCS facility operators, the U.S. Coast Guard, other Federal agencies, and local authorities to identify potential security risks and appropriate security measures that should be implemented. An additional \$600,000 is requested for an enhanced effort to protect infrastructure.

The NPS continues to play a major role in the security operations of monuments and national icons. The NPS is requesting \$26.8 million in its construction program for enhanced security at the Washington Monument; Independence National

Historic Park, Pennsylvania; and Jefferson National Expansion Area, Missouri.

Finally, in order for OLES to continue to lead Interior's law enforcement and security activities, it must have a viable and adequate professional staff. The OLES is requesting \$400,000 to strengthen its capability to coordinate security and law enforcement with its addition of a border security and drug program coordinator, a critical assets coordinator, an internal affairs coordinator, and a nationwide security officer.

SCIENCE FOR COMMUNITIES



Scientific information is a cornerstone for Interior's natural resource and land management decisions, providing a basis for resource protection, resource use, recreation, and community-based programs. The ability of land managers to formulate solutions for a broad range of issues relies on accessible data, information, and associated tools and technologies. Priorities for these science needs are formulated using an integrated and holistic approach to science that addresses the research, monitoring, assessment and coordination needs of all the bureaus within the Department.

The 2004 President's budget request continues Interior's science program that generates objective information that is key to serving communities. The USGS is the lead bureau responsible for developing an integrated science approach within the Department. Under the scientific leadership outcome goal of the Interior's strategic plan, \$605.2 million is requested within USGS to support the advancement of science in decisionmaking processes across the Department, as well as in the States and local communities Interior serves. A net increase of \$28.2 million is focused on core science needs that are crucial to the management responsibilities of the Department. The increases will cultivate advances in water quality and available geospatial information.

Science on the Interior Landscape – The USGS has the principal Federal responsibility within Interior to provide high-quality earth and natural science information, research, and understanding needed by Interior bureaus to manage the Nation's biological, water, energy, and mineral resources. The bureaus rely on USGS to provide science

information and technical assistance to help them make informed decisions on land and resource use. The Department has placed an increased emphasis on the USGS role in providing science to the Interior bureaus to improve the effectiveness of Federal resource management decisionmaking and to avoid duplication of science among the bureaus. This increased emphasis is based on the growing needs of Interior bureaus for assistance in resolving the potentially competing and contentious resource stewardship and conservation issues through consultation and collaboration. Funding for science to support major restoration projects, such as the Everglades, is becoming an increasingly important focus within the Department. As restoration needs and costs increase, land and resource managers will depend on science to assist in making defensible and cost-effective decisions in reviving damaged and degraded landscapes into viable and healthy ecosystems.

The 2004 President's budget proposes an increase of \$3.0 million to provide dedicated funds for enhanced science support to meet high-priority projects designated by the Interior bureaus. Priority needs will be identified through a collaborative process between USGS and the bureaus that includes one-on-one meetings between the director of USGS and the directors of other bureaus. Criteria for funding definitive studies and research objectives will be based primarily on the urgency of the bureau needs, funding availability, and partnership opportunities.

The USGS has established successful partnerships through meetings, workshops, planning sessions, and other venues where information on manage-

We need to strengthen Interior's science program. We will target limited resources and take advantage of the scientific knowledge developed by others. Interior agencies will improve the quality and the timeliness of our science program to ensure that the decisions we make today are based upon and guided by the best available science.

Secretary Gale A. Norton, January 10, 2003

ment needs and science information are shared. Examples of successful collaboration include: cost-sharing activities with FWS and Reclamation to determine water quality, availability, and effects on fish species in the Klamath Basin in Oregon and California; the USGS and BLM Mancos Shale project, where both bureaus are sharing costs, expertise, and off-the-shelf products to help manage the effects of selenium and salinity from black shales on the landscape; and joint planning with NPS, FWS, tribal governments, and other Federal agencies to develop a robust science plan for Everglades restoration.

Water Resources – The USGS provides information to educate and inform resource managers and the public in order to bring about better understanding and management of water resources. Scientific data and information from USGS make it possible to understand and protect water for many uses — safe drinking water, fish and wildlife habitat, rivers and streams for recreational activities, and water allocations among competing uses by industry, agriculture, and municipalities. Through the support of a national infrastructure that provides objective scientific data on which to base decisions, USGS helps the Nation's water managers determine more efficient and effective uses of resources that will ensure plentiful, clean water for current and future generations. The 2004 budget proposes \$200.1 million to continue USGS's important water resources work, an increase of \$22.3 over 2003.



The USGS collects its water data in one national database, the National Water Information System. The NWIS is accessible through one web site that provides users an easy-to-use, geographically seamless interface to over 100 years of historical data, as well as to current and real-time information. The NWIS won the 2002 Grace Hopper Government Technology Leadership Award for bringing together all water data into one central point on the web. The 2004 budget proposes an increase of \$1.8 million to make the NWIS interface more effective for a wider range of users by including an interactive geographic display and search capability; modernizing the NWIS information architecture; and implementing a system of backup servers to ensure reliability of service.

The National Water-Quality Assessment program is a primary source for long-term, nationwide information on the quality of streams, groundwater, and aquatic ecosystems. The NAWQA researchers have been collecting and analyzing data and information in more than 50 major river basins and aquifers across the Nation. The information derived from NAWQA studies supports national, regional, State, and local decisionmaking and policymaking for water-quality management. The 2004 President's budget proposes an increase of \$6.3 million to continue work at all 42 NAWQA study units. The funding would also allow USGS to begin microbial sampling to identify potential pathogens in water.

The Toxic Substances Hydrology program provides scientific information and tools that explain the occurrence, behavior, and effects of toxic substances in the Nation's hydrologic environments.

The 2004 President's budget proposes to fund the Toxics program at \$11.0 million.

Information on the quantity and timing of the streamflow in the Nation's rivers is a vital asset that safeguards lives and property and helps to ensure adequate water resources for a healthy environment and economy. The USGS operates and maintains approximately 7,000 streamgages nationwide that provide long-term, accurate, and unbiased information that meets the needs of many diverse users. The 2004 President's budget maintains the 2002 level of streamgages by proposing a \$2.1 million increase over the 2003 budget level.

National Biological Information Infrastructure –

The NBII is an electronic gateway to biological information maintained in partnership by USGS, other Federal, State and local government agencies; private sector organizations; and other partners around the Nation and the world. Information on the NBII is made available through a collaborative process among USGS and its partners. In addition to greater data access, the NBII program is successfully promoting the development and use of new standards that make it easier to describe and exchange these data. All of the nodes in the NBII network are fully digital and available over the web. Today, work is underway on the establishment and integration of regional, thematic, and infrastructure nodes within NBII. The 2004 President's budget proposes \$2.2 million in increased funds for NBII. These funds would be used to strengthen the resources of the existing California information node and to initiate a mid-Atlantic information node to increase the amount of chronic wasting disease and invasive species information available through the NBII.

Mapping – Federal, tribal, and local governments, as well as private industry and the general public, depend on a common set of base geographic infor-

mation as a tool for economic and community development, land and natural resource management, scientific investigation, and health and safety services. The USGS ensures that the Nation is able to access, integrate, and apply accurate and nationally consistent geospatial data.

The 2004 budget supports the role of the National Mapping program with a vision focused on leadership in geospatial data standards, data consistency, data integration, and partnerships for data collection, maintenance, and dissemination. The 2004 budget includes \$3.8 million for America View and urban dynamics. As a successful pilot,

America View demonstrated the ability to routinely acquire, process, and deliver Landsat data to a State user community within 36 hours of its acquisition, revolutionizing the utility of this data. This program now services an 11-State consortium, which is expected to grow. An important tool to local managers and planners, the urban dynamics program conducts studies to understand and forecast the impacts of urbanization.

Geospatial One-Stop – Geospatial One-Stop is one of the Administration's government-wide e-government initiatives. Managed by Interior through an intergovernmental board of directors, it is expected to revolutionize the use of data to support the

business of government. Geospatial One-Stop will provide access to the Federal government's spatial data assets in a single location, while helping to make State and local spatial data assets more accessible, and will put in place standards to facilitate the exchange and interoperability of national, as well as local, data assets. Ready access to spatial data will support government decision and enhance e-government services for citizens.

The 2004 budget supports this initiative by proposing a \$1.5 million increase to begin a Geospatial One-Stop grant program to encourage multi-sec-



tor partnerships. Grants will be provided to local, State, and tribal governments, the academic community, and the private sector as seed money to encourage collaborative partnerships for data exchange. Multi-sector, non-Federal participation is critical to the success of this initiative.

The USGS budget includes \$31.2 million in reductions achieved as a result of savings and efficiencies in service, deferral of new investments, and

bringing lower priority projects to a close. Within science for communities, the reductions total \$9.8 million, including \$8.6 million for the mapping program and \$1.2 million for accessible data technology. Within resource use, there is a \$9.1 million reduction to end lower priority mineral assessments. Within saving lives and property, a \$1.9 million reduction to the Advanced National Seismic System defers investments until system weaknesses are addressed.

MANAGEMENT EXCELLENCE



We are a results-oriented country, and it's important for us to be judged based upon results.

President George W. Bush, June 21, 2001

The Department of the Interior embraces the President's agenda for a citizen-centered government utilizing the Secretary's Four C's vision of consultation, cooperation, and communication in the service of conservation. Interior is focusing on management excellence guided by its proposed strategic plan. The 2004 President's budget request reflects the Department's efforts to deploy more unified and integrated approaches to achieve its multifaceted mission.

MANAGEMENT PRINCIPLES

The Department of the Interior is committed to achieving the Secretary's management principles of accountability, modernization, integration, and customer value.

Through greater integration, Interior is implementing electronic-government solutions to improve citizen access to information. It is using competitive sourcing to improve the efficiency of existing activities and to access much needed skills and specialties in the marketplace. It is using activity-based cost management to more effectively allocate resources and monitor performance.

The 2004 budget presents strategic investments to address Department-wide needs to improve the security of information technology systems, implement a comprehensive program for workforce management, migrate to a new financial and business management system, and improve Interior's capacity to evaluate program performance and use that information to improve management decisions and set priorities.

The Department's proposed strategic plan, available for public comment in early 2003, presents a unified and integrated approach that emphasizes results, inter-bureau cooperation, and accountability in the service of citizens.

In developing the proposed strategic plan, Interior first sought extensive informal public comment. The public's initial ideas were evaluated, together with internal ideas, through a process of extensive inter-bureau consultation at all levels of the Department. Three critical differences distinguish the plan and its predecessor. It is a plan for the entire Department, rather than a collection of disparate, unconnected bureau plans. Second, the performance measures tie to the individual annual performance appraisals of all senior executives. Third, the goals and performance structure will be tied to the activity-based cost management system that tracks spending and performance.

The management goals in the plan center on four key principles: customer value, accountability, modernization, and integration. These business principles are the basis of the Secretary's *Citizen-*

The Department's enhanced citizen-focus is reflected in our governance and our ongoing attempts to become more responsive and cost-effective. Starting with improving our performance plan, we have charted a course for achieving results and devised an organizational and workforce plan to align our resources to meet the commitments we have made to succeed in the 21st century.

Secretary Gale A. Norton, January 17, 2003

The Department is committed to excellence in mission performance, efficiently using the resources entrusted to us, consistent with applicable laws and regulations.

Assistant Secretary P. Lynn Scarlett, January 17, 2003

Centered Governance Plan, a blueprint for management that reflects the actions that Interior has taken over the last year to implement the President's management agenda, achieve management excellence, and expand collaborative actions with States, organizations, and citizens.

The 2004 budget proposal supports the strategic plan objective for management by focusing resources on achievement of results in line with these principles. The Department proposes key investments in effective workforce management, linking planning and budget with program performance, technology security and efficiency, and business management systems.

CUSTOMER VALUE

Through our customer value focus Interior emphasizes service to citizens, partners, stakeholders, other agencies, States, Tribes, and local governments. Customer value requires efficiency through the application of best practices in competitive sourcing and human capital management.

Implementation of Competitive Sourcing – In its most recent inventory for 2002/2003, conducted pursuant to the Federal Activities Inventory Reform Act, the Department identified about 20,000 positions that are involved in commercial activities. The Department is studying, through the end of 2004, approximately 5,000, or 25 percent, of these positions to determine how to more effectively deliver services to the public and whether these functions stay in-house or might be better performed by non-Federal employees.

To facilitate the review process and implement best practices in competitive sourcing, Interior's Center for Competitive Sourcing Excellence provides inter-bureau coordination to promote functional and geographical approaches and identify best practices to improve results. The Department's express review methodology, used by bureaus to review contracting potential for functions with ten or fewer positions, is being used as a model by other departments.

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 issued its *Strategic Human Capital Management Plan* in September 2002 to guide its efforts to address the increased demand for services in

MANAGEMENT GOALS

Workforce has job-related knowledge and skills necessary to accomplish organizational goals

Customer Value

Accountability

Modernization

Integration

the face of resource constraints; aging infrastructure coupled with an unprecedented retirement wave; greater emphasis on wildland firefighting, law enforcement, and security; and accelerating technological change. An estimated 20 percent of Interior's positions will turn over in the next four years; attrition will greatly impact selected occupations such as park rangers, with a turnover rate approaching 50 percent.

The Department's 2004 budget proposes \$1.0 million to implement the *Strategic Human Capital Management Plan*. Led by an executive Management Initiatives Team, the intra-agency implementation effort is developing common approaches and tools for recruitment, training, and retention. Through this effort the Department will:

- Implement performance standards systems that tie employee performance to strategic goals;
- Establish an Interior-wide management intern program and a mid-career exchange program;
- Establish a more integrated corporate approach to recruitment, orientation, and training programs;
- Design and administer survey and other measurement tools to determine employee satisfaction and concerns on an ongoing basis; and
- Ensure training and development resources are used effectively; coordinate and focus training resources on highest priorities; and evaluate effectiveness of training.

ACCOUNTABILITY

Accountability requires clear performance measures for managers and employees. Financial information, essential to ensure accountability for results, is one of the key indicators used to measure performance.

Activity-based Cost Management – Interior is among the first of the Cabinet departments to implement, develop, and utilize cost information for decision making. Interior will complete implementation of an approach known as activity-based

cost management (ABC/M) to make program cost information available throughout the Department beginning in 2004. The Bureau of Land Management and Office of Surface Mining have implemented this approach. The National Business Center, Minerals Management Service, and Office of Hearings and Appeals began the transition to activity based costing in 2003. Seven cross-cutting pilots are now underway using ABC/M and will provide the foundation for deploying ABC/M in the rest of the Department in 2004.

Linking Budget and Performance – The Department has launched a major effort to link program performance with the budget. The new strategic plan emphasizes achievement of results and integration of the work of its many organizations in one plan. The Department will gauge results using performance measures applied to end and intermediate outcome goals laid out in the plan. In addition, bureaus will develop performance metrics within the context of their own operational plans.

These performance expectations are being linked to budgetary requests. In so doing, we can better answer the question of what will be accomplished for the dollars expended. Activity-based cost management will result in more reliable calculations of the cost of doing business to achieve intended results. This information will, in turn, improve budget allocations and reinforce performance and budget integration at Interior.

These linkages will enable managers to better allocate resources to achieve results and evaluate the cost-effectiveness of management options. Activity-based cost management information, in combination with performance results tied to the GPRA plan, will allow the Department to better assess program effectiveness and performance. This effort requires a set of unique skills and expertise and the capacity to integrate budgetary, financial, and programmatic information. The Department's 2004 budget includes \$605,000 to develop the expertise and programs to assess and evaluate performance against planned goals.

MODERNIZATION

Modernization of technology and practices helps Interior simplify and achieve more consistent practices and processes to improve efficiency and ef-

PROGRAM ASSESSMENT RATING TOOL

During formulation of the 2004 budget, the Administration began reviewing programs throughout the Federal government using the Program Assessment Rating Tool. The process generated extensive information on program effectiveness and accountability, including the need for additional performance measures. The Department of the Interior utilized preliminary PART information in formulating its 2004 budget. The programs reviewed were:

Wildland Firefighting
BLM Restoration Programs
MMS Environmental Studies
OSM Abandoned Mine Lands
USGS National Mapping
Reclamation Hydropower
Reclamation Title XVI Water Reuse
Reclamation 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

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

fectiveness. Modernization can help the Department use technology to work smarter and provide single points of access to services, including taking advantage of e-government opportunities.

Technology Security and Efficiency – The Department has developed its information technology architecture and is using an enterprise approach to plan, procure, and deploy new IT systems and acquire hardware, software, and systems support. Through an enterprise approach, Interior is evaluating and modifying business practices and related IT systems to bring about greater integration and consistency. These efforts are key to addressing the challenges in keeping information and systems secure and to support public demands for services and information.

Last year, the Department identified a material weakness, the lack of sound information system security controls, because its Federal financial management systems did not meet the requirements of OMB Circular A-130. As a result of inadequate security for outdated computer sys-

tems, systems were breached by auditing entities and outside parties. Subsequently, the Department was ordered by the court in the *Cobell v. Norton* case to disconnect from the internet. Many bureaus were able to complete the certification process and reconnect after several months. Some offices have yet to be reconnected. These events underscore the vulnerability of the Department's IT systems and its need to invest in security assessment and certification. The 2004 budget addresses this need to comply with OMB Circular A-130 for IT assessment and certification and to implement corrective actions, providing \$13.0 million for major reforms including:

- Upgrade infrastructure using standard lifecycle management practices to replace deteriorated and obsolete equipment and software;
- Procure enterprise applications coordinated on a Interior-wide basis for improved security and cost efficiency;

-
- Complete enterprise architecture; and
 - Deploy staff and contracting capability to effectively manage systems.

Improved Financial Management – For the sixth straight year, the Department has received an unqualified audit opinion on its consolidated financial statements. This year’s *Report on Performance and Accountability* was produced on an accelerated schedule that will make this information, vital to understanding how the Department manages its budgetary resources and applies them to producing tangible performance results, available at the outset of congressional deliberations on the 2004 budget.

Financial and Business Management System – The 2004 budget includes \$13.8 million for the Financial and Business Management System, an integrated financial management system for use throughout the Department. The age and potential lack of support for Interior’s two current core financial systems, FFS and ABACIS, threaten the Department’s ability to continue to support accounting and financial operations. These aged systems require extensive work-arounds, incur exceptionally high maintenance, and require extensive manual efforts to undertake annual financial audits and generate required accountability reports. The outdated technology does not support OMB Circular A-130 and other security requirements; it is not designed to move into the e-government world; and it cannot be integrated with other critical transaction systems, such as property and grants systems.

Deployment of a single, unified system throughout Interior will facilitate the generation of activity-based costing and other management information data and will result in savings through the

elimination of multiple bureau-level management information and desktop applications. The system will allow users in the field and senior management to access common financial data and will allow the processing necessary to record underlying transaction data. It will be a secure, integrated system that will support e-government initiatives, be paperless, require only a single log-on for access, reduce multiple entries of data with one-time initial data entry, and provide easy access to common reports.

The total system acquisition and implementation investment is anticipated to be \$111.0 million over an eight-year period, excluding the planning activities occurring before 2004. Maintenance costs for this system of \$1.0 million will be paid out of bureau internal funds. In addition, bureaus will support data cleanup required before installing the new system, training for the new system, and interfaces to other bureau systems.

Information Technology – Interior is undertaking significant IT reforms to improve the management of IT investments, improve the security of systems and information, and realize short- and long-term efficiencies and savings. This integrated approach includes consolidated purchases of hardware and software; consolidation of support functions including helpdesks, e-mail support, and internet services; and coordination of training. This approach will eliminate duplication in information technology, while also migrating Interior to more modern IT solutions in compliance with the Clinger-Cohen Act of 1996. Working through the Information Technology Management Council, comprising bureau and office chief information officers, the Department is developing a single enterprise architecture and an enterprise infrastructure plan to lay the groundwork for information technology needs as they are defined by business requirements.

Today I have signed into law H.R. 2458, the “E-Government Act of 2002.” This legislation builds upon my Administration’s expanding e-government initiative by ensuring strong leadership of the information technology activities of Federal agencies, a comprehensive framework for information security standards and programs, and uniform safeguards to protect the confidentiality of information provided by the public for statistical purposes. The Act will also assist in expanding the use of the internet and computer resources in order to deliver government services, consistent with the reform principles I outlined on July 10, 2002, for a citizen-centered, results-oriented, and market-based government.

President George W. Bush, December 17, 2002

The Department-wide efforts to integrate IT activities, combined with targeted reductions to eliminate duplication, are expected to achieve savings. Reflecting these efforts, the 2004 budget includes a Department-wide reduction of \$56.2 million in information technology.

Capital Planning and Investment Control – Interior has relied on a Department-wide control process to guide investments in construction for several years. Utilizing the five-year planning process, Interior has identified its highest priority construction needs, and uses this information to guide budget decisions. In formulating the 2004 President's budget, the Department instituted a new capital planning and investment control process to identify, screen, and review new IT investments and the enhancement of existing systems. As a result, the Department identified opportunities to integrate duplicative systems and focus resources on highest priority investments. For 2004 the migration to a new financial and business management system was ranked as the highest priority Department-wide.

The Department's capital planning and investment control process is now providing for Interior-wide management of major investments in construction and information technology. Through a process that engages senior management in determining capital investments, Interior is monitoring project status, evaluating and prioritizing new systems for funding, and reassessing projects that are at variance with their planned schedule. The CPIC is now providing a forum for identifying information technology systems that are duplicative and opportunities for coordination of technology investments.

E-Government – The internet has generated tremendous improvements in efficiency and customer service. With these improvements, the public has come to expect a higher level of service and convenience from all organizations, including government agencies. More than 60 percent of all internet users interact with government web sites. E-government will save taxpayers significant amounts of money, while adding value to citizens' experience with government and better serving their needs. Interior's e-government projects use modern information technologies to make information and services more accessible to the public, more integrated, and more efficient. The Department has established its own e-government team to manage the current Administration initiatives

and other opportunities to apply the e-government philosophy. The Department is a partner in many of the Administration's signature e-government initiatives and the managing partner for three: Recreation.gov, Geospatial One-Stop, and Volunteer.gov/gov.

The Department's award-winning Recreation.gov web site is a one-stop, easy-to-use portal for information about Federal, State, and local recreational opportunities. Geospatial One-Stop is setting standards for geospatial data, providing an interactive index to existing data, promoting partnerships among Federal, State, and local agencies for future data collection, and providing online access to data. The Department also led an interagency effort to establish Volunteer.gov, a clearinghouse for public-sector volunteer opportunities. Volunteer.gov allows prospective volunteers to search and apply online for opportunities to volunteer within government and improves the Department's ability to manage the volunteer program that already benefits from the contributions of 200,000 volunteers annually.

E-Payroll – Among the e-government reform efforts underway is an inter-agency consolidation of Federal civilian payroll processing. This effort will eliminate 22 duplicative, redundant systems currently in operation and migrate all agencies onto standardized, consolidated systems. Four agencies, the Department of Defense, General Services Administration, U.S. Department of Agriculture, and Interior, have been selected as the hosts for the modernization effort.

INTEGRATION

Through its efforts to integrate, Interior is identifying opportunities to avoid duplication to enhance customer service and efficiency and achieve economies. This principle is a part of all of the Department's initiatives supporting a single, integrated approach to management challenges, as exemplified by Service First.

Office of the Solicitor – The Office of the Solicitor's efforts advance all four mission goals in the strategic plan by providing legal counsel and support to all of Interior. The Solicitor's input is essential to ensure that programs are carried out in a manner consistent with laws and regulations. For 2004 the request for the Office of the Solicitor totals \$50.4 million. Included in this request is an important

SERVICE FIRST

Service First is an innovative approach created by BLM and the Forest Service to deliver citizen-centered services. At 21 locations in nine states, BLM and the Forest Service provide one-stop shopping for citizens that used to negotiate between two separate entities. Both agencies have improved customer service, improved the quality of natural resource stewardship, and improved operational efficiency by working together in a seamless approach. Delivering one-stop services to citizens, BLM and the Forest Service have developed multi-agency statewide recreation passes, revised resource management plans, and conducted prescribed burns to reduce hazardous fuels.



component of the human resources strategy — a strengthened ethics capability. The 2004 budget proposal includes a \$395,000 increase that includes a centralized training function to improve consistency and establish high standards of ethical conduct among Interior's employees; create an automated filing program to facilitate reporting and record keeping; and conduct audit and evaluation to achieve a high level of compliance with legislative and administrative requirements.

Office of Inspector General – The Office of Inspector General's independent and objective reviews of the integrity of Interior's programs and

operations support achievement of all four of Interior's mission goals. The 2004 budget proposal is \$39.0 million, including an increase of \$1.9 million to respond to increased requests and requirements for audit and investigations, and specialized and required training.

Information on the Department's management initiatives can be found at: <http://www.doi.gov/ppp/ccgp2.html> for the *Second Edition of the Secretary's Citizen-Centered Governance Plan* and http://www.doi.gov/pfm/human_cap_plan/ for the *Strategic Human Capital Management Plan FY 2003 – 2007*.

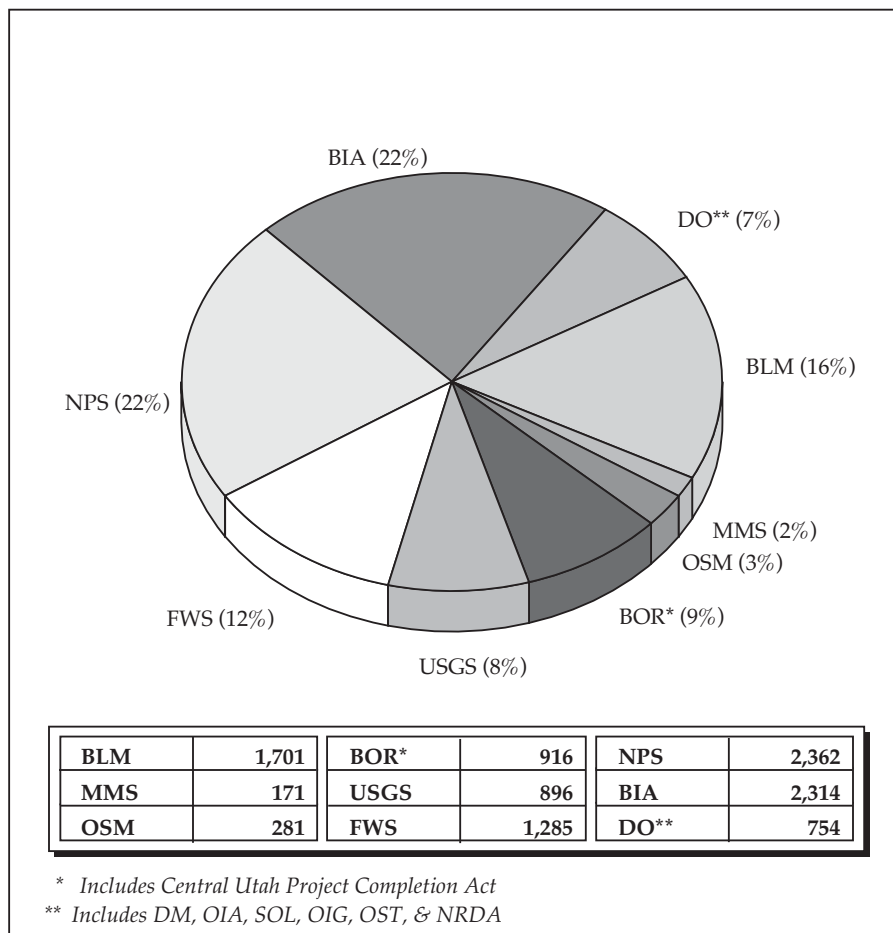
A grayscale photograph of a forest path. The path is a dirt road that curves through a dense forest of tall, thin trees. Sunlight filters through the canopy, creating dappled light on the ground. A black rectangular box is overlaid on the upper portion of the image, containing the text "BUREAU HIGHLIGHTS" 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 2004 request to the 2003 President's Budget. The graph below shows the allocation of the proposed 2004 budget authority to the Bureaus and Offices. Additional details on the Department's budget authority can be found in Appendix A.

FISCAL YEAR 2004 CURRENT APPROPRIATIONS



BUDGET AUTHORITY BY BUREAU

(in millions of dollars)

<u>Bureau</u>	2002 <u>Actual</u>	2003 <u>Budget</u>	2004 <u>Request</u>	<u>Change</u>
<i>Current Budget Authority</i>				
Bureau of Land Management	1,683	1,660	1,701	+40
Minerals Management Service	157	170	171	+1
Office of Surface Mining	306	279	281	+2
U.S. Geological Survey	914	867	896	+28
Fish and Wildlife Service	1,259	1,281	1,285	+4
National Park Service	2,379	2,354	2,362	+8
Bureau of Indian Affairs	2,233	2,252	2,314	+62
Departmental Management	280	247	297	+50
Insular Affairs	100	91	87	-3
Office of the Solicitor	45	48	50	+3
Office of the Inspector General	34	36	39	+3
Office of Special Trustee for American Indians	99	151	275	+124
Natural Resource Damage Assess & Restoration	5	6	6	0
National Indian Gaming Commission	0	2	0	-2
Bureau of Reclamation	1,118	855	878	+23
Central Utah Project Completion Act	<u>36</u>	<u>36</u>	<u>38</u>	<u>+2</u>
Total Current Budget Authority	10,649	10,336	10,680	+344
<i>Adjustments for mandatory current accounts</i>	-65	-62	-62	0
<i>Adjustment for discretionary offsets</i>	-47	-40	-31	+9
<i>Rounding correction for OMB scoring system</i>	<u>+2</u>	<u>-1</u>	<u>0</u>	<u>-2</u>
Total Net Discretionary BA	10,539	10,233	10,587	+351
<i>Total Budget Authority</i>				
Bureau of Land Management	1,907	2,081	1,937	-143
Minerals Management Service	845	1,061	1,060	-1
Office of Surface Mining	420	335	336	+1
U.S. Geological Survey	915	868	896	+28
Fish and Wildlife Service	1,922	1,943	1,956	+14
National Park Service	2,654	2,630	2,647	+17
Bureau of Indian Affairs	2,317	2,341	2,403	+63
Departmental Management	280	247	297	+50
Insular Affairs	380	359	377	+18
Office of the Solicitor	45	48	50	+3
Office of the Inspector General	34	36	39	+3
Office of Special Trustee for American Indians	424	494	627	+133
Natural Resource Damage Assess & Restoration	21	50	55	+5
National Indian Gaming Commission	7	10	8	-2
Bureau of Reclamation	1,204	938	966	+28
Central Utah Project Completion Act	<u>40</u>	<u>36</u>	<u>38</u>	<u>+2</u>
Total Budget Authority	13,414	13,477	13,694	+217

Note: Numbers may not add due to rounding.



BUREAU OF LAND MANAGEMENT

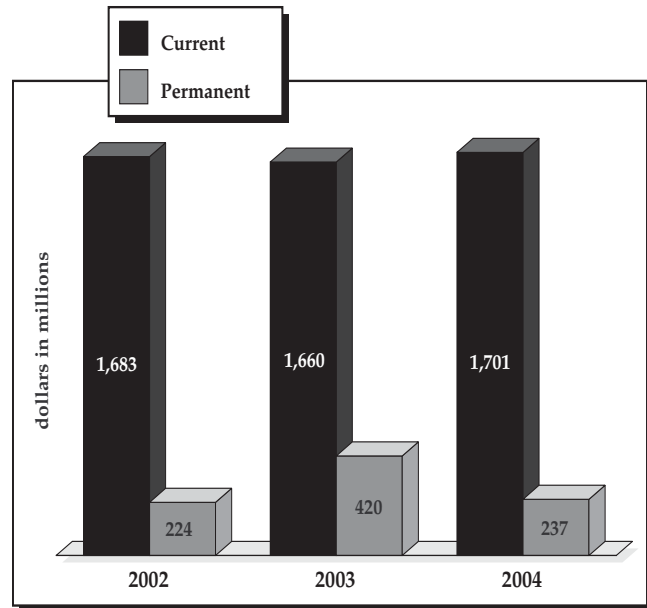
Mission - The Bureau of Land Management's predecessor bureaus date to 1812, with the founding of the General Land Office to handle sale of the public domain. Transferred from the Treasury Department to the Department of the Interior in 1849, the General Land Office continued this mission well into the 20th Century. In 1946, it was merged with the Department's Grazing Service to form the Bureau of Land Management. Today, BLM is charged with its most complicated mission to date: 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 262 million acres of public land—nearly one-eighth of all land in the United States. This year marks the 27th 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 \$1.7 billion and a workforce of over 10,000 employees, also administers 700 million acres of sub-surface mineral estate throughout the Nation.

The BLM customers are as diverse as the natural resources it manages. Public lands support an increasing number of visitors. In 2004, over 60 million visitors are expected to participate in recreational activities such as wildlife watching, hiking, camping, hunting, and whitewater 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 2004, public

BLM Funding



lands will generate an estimated \$2 billion in receipts, mostly from energy development. Nearly one-half of these receipts are provided directly to States and counties to support roads, schools, and other community needs.

Management Excellence - The BLM will continue active implementation of the President's management agenda in 2004 for improving management and performance of the Federal government and practicing the Secretary's vision for citizen-centered management excellence. The BLM has worked extensively to develop detailed performance goals that clearly tie to the goals in the Department's new unified strategic plan. The bureau is engaged in continuous workforce planning that uses a blend of skills acquisition and employee development to ensure the continued availability of skills and knowledge to meet BLM's mission responsibilities. To identify and implement the most effective and efficient way to deliver services to its customers, BLM will complete competitive sourcing studies of its mapping and geospatial activities by the end of 2004. This follows BLM's studies of its facilities, road, and recreation maintenance activities that

are to be completed in 2003. By 2005, BLM expects to fully integrate its budget and performance information. Performance and cost management information will be used to a greater extent in developing funding allocations within the bureau to maximize the performance and efficiency of programs and organizations. The BLM Resource Restoration programs and Interior's Wildland Fire Management program were assessed during formulation of the 2004 budget using the Administration's Program Assessment Rating Tool. The Bureau and the Fire program will work to address issues identified in the PART reviews in 2003 and 2004. For example, the Fire program will: 1) work to develop new and improve current suppression cost control strategies and 2) improve the targeting of fuels reduction funding by better defining the wildland-urban interface and developing criteria for ranking and selecting projects.

Budget Overview - The BLM request is \$1.7 billion in current appropriations, an increase of \$40.1 million over the 2003 President's budget. These totals exclude funding for the Payments in Lieu of Taxes appropriation account, which the 2004 budget proposes to shift from the Bureau of Land Management to Departmental Management. Major changes from 2003 request levels include a \$45.0 million increase in Wildland Fire Management and a net increase of \$16.1 million in the operating accounts that will allow BLM to address its highest priority needs and make demonstrable progress in advancing the four mission components of Interior's strategic plan: resource protection, resource use, recreation, and serving communities. The BLM total also reflects a reduction of \$21.0 million in land acquisition. Uncontrollable cost increases total 25.5 million, of which \$14.1 million are budgeted and \$11.4 million are absorbed.

The program increases within BLM's primary operating account, Management of Lands and Resources include: a net increase of \$3.1 million in funds to facilitate and stimulate renewable and non-renewable energy development on public lands; \$2.3 million to enhance BLM resource protection and restoration programs; and a net increase of \$4.8 million to improve recreational opportunities and services on public lands. Increases of \$1.0 million for land use planning and \$1.9 million for resource monitoring will benefit the resource use, resource protection, and recreation mission components by generating data and information needed to assure the effective implementation of BLM's multiple use mandates in the face of growing pressures and demands on lands and resources. The request also includes an increase of \$2.7 million to strengthen BLM's law enforcement capabilities and a \$2.0 million increase for the Challenge Cost Share program. The 2004 BLM request also reinvigorates BLM's forestry management programs with a \$2.5 million in-

crease split between the MLR appropriation (\$1.0 million) and the Oregon and California Grant Lands appropriation (\$1.5 million).

The Department is undertaking significant information technology reforms to improve the management of IT investments, to improve the security of systems and information, and to realize short- and long-term efficiencies and savings. The Department's corporate approach includes consolidated purchases of hardware and software; consolidation of support functions including help desks, e-mail support and web services; and coordination of training. The BLM's budget includes a reduction of \$15.5 million in 2004 to reflect these management reforms, as well as slowing additional development of some lower priority IT projects. This amount includes a decrease of \$3.4 million in the Wildland Fire Management account. The budget proposes a reduction of \$2.0 million in the Alaska Conveyance program. Decreases of \$2.5 million in Land and Realty Management and \$300,000 in Recreation Resources Management are proposed to be offset through savings from cost recovery proposals.

Resource Use - Energy Production on Public Lands - The BLM has a major role to play in the successful achievement of the National Energy Policy goals by virtue of the abundant and diverse energy resources it manages on the public lands. The BLM-administered lands currently provide five percent of the Nation's oil production; 11 percent of its natural gas production, 35 percent of its coal production, 20 percent of its wind power production, and 48 percent of its geothermal energy production.

Energy development and mining generate the highest revenue values of any uses of the public lands. In 2002, energy and mineral development from public lands generated \$1.4 billion through royalties, rents, bonuses, sales, and fees. In 2002, BLM administered 312 coal leases and over 54,000 oil and gas leases, of which approximately 21,000 were producing oil and gas. Domestic oil and gas production comes from over 94,000 Federal oil and gas wells. Federal geothermal resources produce over \$15 million of revenue and generate 5,700 gigawatt hours of electric power per year. In addition to managing energy and mineral exploration and development on public lands, BLM provides technical support for mineral development on Indian lands.

The 2004 BLM request builds on increases in the 2002 and 2003 budgets for continued implementation of the President's National Energy Policy. Requested funding increases in 2004 also directly support specific outcome goals of the Department's strategic plan regarding access to, responsible use of, and optimal value for, the Nation's energy resources. The 2004 BLM budget request includes

a total net programmatic increase of \$3.6 million for energy-related activities, including \$850,000 for renewable energy, \$2.3 million for non-renewable energy, and \$500,000 for energy-related monitoring activities.

To help advance the contribution of renewable energy to our Nation's energy mix, an increase of \$550,000 will help BLM keep up with industry interest in developing geothermal energy. At the end of 2002, BLM managed 282 geothermal leases with 55 leases in production. The Bureau will process 90 percent more APDs and manage about 400 leases in 2003. The requested funding increase will support NEPA analyses, evaluation of resource potential, pre- and post-leasing actions, and inspection and enforcement. Specifically, the increased funding will enable BLM to process an additional 16 geothermal permits to drill, and conduct 100 more inspections than in 2003. A \$300,000 increase will facilitate increased wind and solar energy production on public lands. The BLM will conduct assessments of wind and solar energy resources and incorporate this data into new and updated land use plans, which will facilitate the processing of future wind and solar energy applications.

The request includes a number of programmatic increases aimed at increasing environmentally sound, non-renewable energy production. Coalbed natural gas, commonly referred to as coalbed methane, is an abundant, clean, domestic resource that can play a key role in meeting projected energy demand in the coming years. The 2004 BLM request includes an increase of \$650,000 to improve access to the enormous coalbed natural gas reserves located in the Powder River Basin of Wyoming and Montana and the San Juan Basin of New Mexico and Colorado. This includes \$300,000 for BLM to make further progress in addressing the backlog of right-of-way applications. Accelerated processing of ROW applications for development and pipeline infrastructure is critical to meeting the Nation's growing need and demand for this clean and abundant energy source. The funding increase will enable BLM to complete action on an additional 120 ROW applications, a seven percent increase over the number estimated for 2003. The BLM faces a backlog of 2,386 applications for permits to drill that is impeding greater production of coalbed natural gas. An increase of \$350,000 will enable BLM to process an additional 284 APDs over the 7,000 estimated for 2003.

To ensure that increased oil and gas development is conducted in an environmentally sound manner, and to assure the appropriate return to the U.S. Treasury for the use of this public resource, an increase of \$2.0 million will support additional inspections, compliance, and production verification activities. The funds will be targeted primarily to the Powder River and San Juan basins.

The energy resources of Alaska's North Slope are national assets that can contribute significantly to the Nation's energy security. The expected production from this region will increase domestic petroleum production and lessen U.S. dependence on foreign oil. The 2004 budget includes an increase of \$425,000 for activities on the North Slope, for a total of \$8.4 million. The funding will support planning for sales in National Petroleum Reserve -Alaska and, if authorized, the Arctic National Wildlife Refuge. Congressional authorization will be required for a lease sale to be conducted in ANWR.

Increased energy development also requires increased availability of mineral materials, such as sand, gravel, and stone, for the construction of roads and drilling pads. The budget includes an increase of \$184,000 for mineral materials management to reduce the current backlog of site inspections and production verifications and to help meet the growing demand for mineral materials.

The BLM is proposing \$500,000 to expand resource monitoring to increase its ability to assess the cumulative impact of oil and gas development, especially on cultural resources and species-at-risk. This effort would be focused on monitoring species such as the black-tailed prairie dog, mountain plover, long-billed curlew, and burrowing owl in States where coalbed natural gas development is occurring. This funding will also be used to develop alternative strategies to meet the Bureau's National Historic Preservation Act Section 106 responsibilities on a larger scale.

The budget reduces work related to the Energy Policy and Conservation Act by \$1.0 million. The BLM has completed studies in the five highest priority basins.

Resource Use - Forestry Management - The 2004 BLM budget proposes an increase of \$2.5 million to revitalize and build capacity in BLM's forestry management programs, including an increase of \$1.0 million for Public Domain Forestry Management and an increase of \$1.5 million for O&C Grant Lands. The increased funding will enable BLM to conduct commercial thinning treatments on 3,300 acres of O&C lands in western Oregon and on 2,000 acres of public domain lands. Activities will be consistent with the Northwest Forest Plan. These treatments will produce an estimated 32 million board feet of timber to help stimulate local economies, including 30 million board feet from the O&C lands and two million board feet from the public domain lands.

Resource Protection - The 2004 budget request includes a total increase of \$3.3 million to strengthen BLM resource protection capabilities. The proposed increases, which are spread among BLM's numerous resource inventory,

monitoring, and restoration programs, will help the Bureau provide for the protection and restoration of vital natural and cultural resources in the face of growing stresses on these resources, such as increased recreational use, suburban encroachment on public lands, and noxious weed infestations. The request addresses two broad categories of needs. It includes \$2.3 million to enhance resource protection programs and \$1.0 million to strengthen monitoring functions.

The \$2.3 million increase will enable BLM to expand the number of critical on-the-ground resource protection and restoration projects it undertakes. For example, BLM will direct a \$500,000 increase in its rangeland management program to the eradication and control of tamarisk in the southwest. A \$350,000 increase in its T&E species program will accelerate efforts to implement species recovery plans and conservation strategies, and a \$300,000 increase in riparian management will enable BLM to restore additional miles and acres of stream and wetland habitat vital to numerous species. The BLM request for resource protection includes \$800,000 that will be specifically targeted to resource protection and restoration needs of specially designated areas in the National Landscape Conservation System.

The BLM budget includes \$1.0 million to conduct long-term, large-scale, "cumulative effects" resource monitoring. Effective resource protection and improvements require this type of monitoring to measure the effects of management over a long period of time. Such monitoring will help measure trends, such as wildlife and fish populations or the condition of cultural resources, to determine if changes are needed in management to reach land use plan objectives. Monitoring cumulative impacts builds the basis for adaptive management and improvements in effective resource management.

Land use plans are the basis for every action and approved use on BLM-administered lands. The development and revision of these plans will expedite access to the Nation's resources and foster balanced development of the public lands, while ensuring protection of those resources that are critical to the West and the Nation. The 2004 budget includes an increase of \$1.0 million for land use planning that will support the strategic plan's resource use and resource protection goals.

Resource Protection - Cooperative Conservation Initiative - The BLM's Challenge Cost Share program has been extremely successful in leveraging millions of Federal dollars with private and State funding for conservation efforts that benefit resources on BLM-administered lands. Through this program, BLM, working collaboratively with States, local communities, industry, environmental

groups, and others, undertakes important resource protection and restoration projects that might otherwise not be funded, including weed control, trail construction and maintenance, and wildlife population surveys.

The number of potential partners for Challenge Cost Share projects continues to grow. Approximately 940 projects totaling \$34 million were submitted by BLM States, centers, and field offices for 2003 funding. The 2004 request includes an increase of \$2.0 million for the Challenge Cost Share program, for a total of \$21.0 million.

Recreation and Visitor Services - Americans are increasingly looking to BLM to fulfill their outdoor recreation needs. This trend will only continue, a function of the inexorable population growth in the western United States that is causing city limits and suburbs to creep closer and closer to BLM-administered lands. In many areas, the dynamics of urban-suburban sprawl have left BLM lands as virtually the only open space available for outdoor enthusiasts. This rise in visitation is straining BLM's ability to provide for the safety of visitors and to meet their needs and expectations for a quality experience, while at the same time providing for adequate protection of natural and cultural resources within these recreational areas. One of the greatest management challenges confronting BLM is the dramatic rise in the number of off-highway vehicles utilizing BLM lands. They generate significant workload increases in terms of natural and cultural resource protection, law enforcement, and visitor safety.

For 2004, BLM is proposing a net increase of \$5.2 million to enhance its ability to provide expanded and improved, yet environmentally sustainable, recreational opportunities to keep up with this growing demand. The BLM will direct \$1.8 million of the increase for recreation and visitor services to NLCS units.

The \$5.2 million increase includes \$4.8 million for recreation and visitor service enhancements. These funds will enable BLM to undertake a number of planning, outreach, consultation, partnership-building, and on-the-ground efforts to improve the overall visitor experience while assuring continued protection of vital natural and cultural resources. It will improve BLM's ability to resolve contentious user conflicts. Within the total for recreation enhancements, BLM will use \$1.5 million to improve travel and public access management, including initiating comprehensive travel management planning in high priority locations and increasing access signing, route identification, and OHV monitoring. The BLM will use increases of \$2.4 million to expand and improve various visitor services including recreational, interpretation, and educational programs and services, and for

improved signage and information materials at high priority and popular sites. The funding will also support partnership building efforts and volunteer recruitment and training, and expanded consultation efforts with gateway communities whose economic health is intrinsically tied to the management of neighboring public lands. It is estimated that about one-fourth to one-third of all recreation-related funding increases would be leveraged with partners for collaborative and cooperative efforts, generating significant additional return on investment, while providing a greater level of State, local, and interest group ownership. The request also includes \$600,000 for facility and maintenance upgrades related to visitor health and safety and improved accessibility.

In addition to these recreation enhancements, the request includes \$350,000 to strengthen BLM's monitoring capabilities related to recreation. The BLM will track the cumulative impacts to, on, and from recreation opportunities; for example, the impact of resource use authorizations on recreational resources and opportunities, and conversely, the impacts of recreation on other approved uses of the public lands. The BLM recreation program is implementing higher fees for special event permits that will generate additional receipts for BLM. The \$5.2 million net increase includes a program decrease of \$300,000 to reflect this cost recovery proposal.

Serving Communities - Wildland Fire Management - The 2004 budget request proposes \$698.7 million to support the fire preparedness, suppression, fuels reduction, and burned area rehabilitation needs of the Department. This represents a \$45.0 million increase over the 2003 President's budget level.

The request demonstrates 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. It includes a \$35.0 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. A \$5.0 million increase is requested in Fire Preparedness to cover increased contract costs for aviation services. The funds will enable Interior to maintain the current level of aircraft support in the face of rising insurance and safety costs. The budget supports a more robust burned area rehabilitation program with an increase of \$4.5 million. Of that amount, \$2.5 million will be used to rehabilitate lands damaged in the prior fire seasons. The BLM will use the other \$2.0 million to continue to build a long-term stockpile of native seeds, enabling the rehabilitation program to increase revegetation of burned areas with native plants that are less prone to fire.

Payments in Lieu of Taxes - The 2004 budget shifts the Payments in Lieu of Taxes appropriation account to the Departmental Management budget in recognition of the fact that PILT payments are made not only for BLM lands, but also for the lands of other Federal agencies, including the National Park Service, Fish and Wildlife Service, and U.S. Forest Service.

Other - The 2004 BLM request in support of the serving communities mission goal includes an increase of \$2.7 million to enhance law enforcement and security on BLM-administered lands, with a particular emphasis on the southwest border.

Construction and Maintenance - The 2004 budget includes \$11.0 million for BLM's construction program, the same as the 2003 President's budget. The request will support 30 construction projects in nine States, including administrative facilities, visitor centers, sanitation improvements, trails, bridges, roads, and recreation site improvements. Site and facility priorities are determined via an aggressive evaluation of applicable health and safety issues, resource protection needs, mission support objectives, and public service goals.

In 2004, BLM will maintain level funding to address critical maintenance needs, including \$11.9 million for deferred maintenance and \$29.0 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 \$37.4 million is requested for annual maintenance and operations.

Land Acquisition - The 2004 budget includes \$23.7 million for BLM land acquisition, a decrease of \$21.0 million from the 2003 request level reflecting Interior's efforts to focus funds on caring for lands currently under its management. The request will support 18 projects in 10 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 2004 budget includes \$10.0 million for the Fund, the same amount requested in 2003. The Department continues to face major demands regarding the cleanup of hazardous substances, largely due to non-Departmental activities such as mining, landfills, and other industrial uses occurring on Interior-administered lands. The number of nominated sites for CHF funding will continue to increase as Bureaus assess their inventory of sites. Appropriated

funds are supplemented by recoveries obtained from principal responsible parties, enabling Interior to remediate more sites than would otherwise be possible through appropriations. In 2004, the program will continue to emphasize improved project management and cost oversight of projects receiving CHF support.

Legislative Proposal - The 2004 budget is accompanied by a legislative proposal to amend the Federal Land Transaction Facilitation Act. The amendments will make technical changes in the Act, which will provide additional receipts for land acquisition and resource protection and restoration.

SUMMARY OF BUREAU APPROPRIATIONS

(all dollar amounts in thousands)

Comparison of 2004 Request with 2003 President's Budget:

	2003 Budget		2004 Request		Change from 2003	
	FTE	Amount	FTE	Amount	FTE	Amount
Appropriations						
Management of Lands and Resources	6,246	812,990	6,288	828,079	+42	+15,089
Wildland Fire Management	2,722	653,754	2,722	698,725	0	+44,971
Central Hazardous Materials Fund	6	9,978	6	9,978	0	0
Construction	9	10,976	9	10,976	0	0
Payments in Lieu of Taxes*	[1]	[165,000]	[1]	[200,000]	[0]	[+35,000]
Land Acquisition	38	44,686	38	23,686	0	-21,000
Oregon & California Grant Lands	967	105,633	975	106,672	+8	+1,039
Range Improvements	58	10,000	58	10,000	0	0
Service Charges, Deposits & Forfeitures (SCDF) ..	95	17,812	95	20,490	0	+2,678
Miscellaneous Trust Funds (Current)	80	12,405	80	12,405	0	0
Subtotal, Appropriations	10,221	1,678,234	10,271	1,721,011	+50	+42,777
(minus SCDF offset)		(17,812)		(20,490)		(2,678)
Net Subtotal, Appropriations	10,221	1,660,422	10,271	1,700,521	+50	40,099
Permanents and Trusts						
Miscellaneous Trust Funds (Mandatory)	15	1,595	15	1,595	0	0
Miscellaneous Permanent Appropriations	17	186,191	17	133,004	0	-53,187
Permanent Operating Funds						
Operations & Main. of Quarters	3	383	3	383	0	0
Recreation Fee Collections	1	0	1	0	0	0
Recreation Fee Demonstration	74	9,500	74	9,500	0	0
Forest Ecosystems Health & Recovery	51	5,214	51	8,237	0	+3,023
Expenses, Road Maintenance Deposits	18	1,800	18	1,800	0	0
Timber Sale Pipeline Restoration Fund	51	3,549	51	8,000	0	+4,451
Southern Nevada Land Sales	13	180,518	13	45,682	0	-134,836
Southern Nevada Earnings on Investments	0	1,717	0	4,109	0	+2,392
Land Sales, Deshutes County	0	0	0	0	0	0
Lincoln County Land Sales	0	1,700	0	1,700	0	0
Interest, Lincoln County Land Sales Act	0	169	0	314	0	+145
Commercial Film & Photography Fees	0	500	0	500	0	0
Federal Land Disposal Account	1	26,000	1	20,550	0	-5,450
Naval Oil Shale Clean-Up (No. 3)	0	1,500	0	1,500	0	0
Subtotal, Perm. Operating Funds	212	232,550	212	102,275	0	-130,275
Helium Fund	49	22,000	49	22,000	0	0
Offsetting Collection	0	(22,000)	0	(22,000)	0	0
Working Capital Fund	21	30,000	21	30,000	0	0
Offsetting Collection	0	(30,000)	0	(30,000)	0	0
Subtotal, Permanents and Trusts	314	420,336	314	236,874	0	-183,462
Reimbursable & Other FTE	204		204		0	
TOTAL, BUREAU OF LAND MANAGEMENT ...	10,739	2,080,758	10,789	1,937,395	+50	-143,363

* Proposed for transfer to Departmental Management in 2004

HIGHLIGHTS OF BUDGET CHANGES

By Appropriation Activity/Subactivity

APPROPRIATION: Management of Lands and Resources

	<u>2002 Actual</u>	<u>2003 Budget</u>	<u>2004 Request</u>	<u>Change from 2003 Budget</u>
Land Resources				
Soil, Water, & Air Management	34,430	34,683	34,936	+253
Range Management	70,594	69,754	70,180	+426
Forestry Management	7,619	7,235	8,197	+962
Riparian Management	22,778	21,786	21,972	+186
Cultural Resources Management	14,159	14,382	14,700	+318
Wild Horse & Burro Management	29,629	29,717	29,422	-295
Subtotal, Land Resources	179,209	177,557	179,407	+1,850
Wildlife & Fisheries				
Wildlife Management	25,287	22,086	22,423	+337
Fisheries Management	12,097	11,669	11,869	+200
Subtotal, Wildlife & Fisheries	37,384	33,755	34,292	+537
Threatened & Endangered Species	21,591	21,288	21,831	+543
Recreation Management				
Wilderness Management	17,207	17,093	16,999	-94
Recreation Resources Management	45,700	44,603	48,718	+4,115
Recreation Operations (fees)	905	1,000	1,000	0
Subtotal, Recreation Management	63,812	62,696	66,717	+4,021
Energy & Minerals				
Oil & Gas	76,499	84,936	85,953	+1,017
Coal Management	8,815	9,588	9,538	-50
Other Mineral Resources	10,079	10,317	10,434	+117
Subtotal, Energy & Minerals	95,393	104,841	105,925	+1,084
Alaska Minerals	3,997	2,228	2,222	-6
Realty & Ownership Management				
Alaska Conveyance	36,301	35,067	32,943	-2,124
Cadastral Survey	14,523	14,022	13,945	-77
Land & Realty Management	33,752	36,161	34,045	-2,116
Subtotal, Realty & Owner. Mgmt.	84,576	85,250	80,933	-4,317
Resource Protection & Maintenance				
Resource Management Planning	33,000	47,301	48,146	+845
Facilities Maintenance	0	0	0	0
Resource Protection & Law Enfrmt.	11,930	12,112	14,798	+2,686
Hazardous Materials Management	16,687	16,814	16,726	-88
Subtotal, Resource Protection	61,617	76,227	79,670	+3,443
Transportation & Facilities Maintenance				
Operations	6,633	6,428	6,402	-26
Annual Maintenance	30,266	30,613	31,025	+412
Deferred Maintenance	12,910	11,889	11,889	0
Infrastructure Improvement	27,994	29,028	29,028	0
Subtotal, Trans. & Fac. Main.	77,803	77,958	78,344	+386
Land & Resource Information System ..	19,741	19,341	18,991	-350

	<u>2002 Actual</u>	<u>2003 Budget</u>	<u>2004 Request</u>	<u>Change from 2003 Budget</u>
Mining Law Administration				
Administration	32,250	32,696	32,696	0
Fee Collection	0	0	0	0
Offsetting Fees	-18,551	-32,696	-32,696	0
Subtotal, Mining Law Admin.	13,699	0	0	0
Workforce & Organizational Support				
Information Systems Operations	16,380	16,449	18,762	+2,313
Administrative Support	49,183	50,111	49,817	-294
Bureauwide Fixed Costs	63,645	66,316	70,195	+3,879
Subtotal, Support	129,208	132,876	138,774	+5,898
Communication Site Management				
Communications Site Management ...	1,997	2,000	2,000	0
Offsetting Fees	-2,000	-2,000	-2,000	0
Subtotal, Comm. Site Mgmt.	-3	0	0	0
Grasshoppers & Mormon Crickets	0	0	0	0
Challenge Cost Share	0	18,973	20,973	+2,000
TOTAL APPROPRIATION	788,027	812,990	828,079	15,089

Highlights of Budget Changes

Uncontrollable Costs Amount
[15,827]

Land Resources +1,850

Soil, Water, and Air Management: In 2004, BLM priorities will focus on improving watershed and landscape management by assessing and improving watershed conditions and developing partnerships to clean up abandoned mine land sites. A \$400 increase will be directed specifically towards systematic monitoring of 150 priority sub-basins that have been ranked as most important for conservation and restoration action. Uncontrollable costs total \$526 of which \$242 are budgeted and \$284 are absorbed. The budget also includes a reduction of \$389 for deferral of certain information technology projects and IT efficiencies and consolidations.

Rangeland Management: 2004 efforts will focus on rangeland health activities including range-land assessments and evaluations, livestock grazing, monitoring, permit renewals, and grazing administration. An increase of \$500 will be directed to implement the BLM's Partners Against Weeds Strategy by increasing control efforts on tamarisk in the southwest. Also, an increase of \$300 will be directed to National Landscape Conservation System units to improve and protect critical rangeland resources. Uncontrollable costs total \$1,343 of which \$618 are budgeted and \$725 are absorbed. The budget also includes a reduction of \$992 for deferral of certain information technology projects and IT efficiencies and consolidations.

Public Domain Forest Management: Increased funding in the public domain forestry management program will be used to support increased timber production from commercial thinning projects to stimulate local economies and improve forest health. An increase of \$1,000 would contribute to the Resource Use mission goal from the Department's Strategic Plan by providing 2 million board feet of wood products for public use and optimal value and restoring 2,000 acres of public domain forestlands. Uncontrollable costs total \$135 of which \$62 are budgeted and \$73 are absorbed. The budget also includes a reduction of \$100 for deferral of certain information technology projects and IT efficiencies and consolidations.

Riparian Management: The BLM manages more than 23 million acres of lands classified as riparian or wetlands areas. An increase of \$300 will be used to increase the percent of riparian and wetland areas in proper functioning condition through monitoring and restoration efforts

to decrease the number of disturbed or degraded acres and by reducing the sources of their degradation. Uncontrollable costs total \$409 of which \$188 are budgeted and \$221 are absorbed. The budget also includes a reduction of \$302 for deferral of certain information technology projects and IT efficiencies and consolidations.

Cultural Resources Management: BLM will address critical needs of the highest priority cultural and paleontological sites with high public and scientific values. Increased funds will support the resource protection mission goal by increasing the percentage of properties inventoried and evaluated (+\$100) and increasing the percentage of historic or prehistoric properties stabilized or restored (+\$300). Uncontrollable costs total \$296 of which \$136 are budgeted and \$160 are absorbed. The budget also includes a reduction of \$218 for deferral of certain information technology projects and IT efficiencies and consolidations.

Wild Horse and Burro Management: Emphasis will be directed to the long-term goal of reaching appropriate management levels and ensuring healthy, viable herds on all 204 BLM-managed herd management areas and achieving a thriving natural ecological balance on the public lands. Uncontrollable costs total \$339 of which \$156 are budgeted and \$183 are absorbed. The budget also includes a reduction of \$451 for deferral of certain information technology projects and IT efficiencies and consolidations.

Wildlife and Fisheries

+537

Wildlife Management: The program priority is sound management and protection of diverse habitats while supporting multiple-use opportunities on public land. Assuring effective resource protection requires long-term, large-scale, cumulative effects monitoring to measure the effects of management of all programs over a long time. Monitoring wildlife and habitat is essential to maintaining or creating habitat conditions in which biological communities will flourish. An increase of \$250 will be directed towards monitoring of species and habitats. Also, an increase of \$200 will be directed to improve and protect critical resources in National Landscape Conservation System units. Uncontrollable costs total \$404 of which \$186 are budgeted and \$218 are absorbed. The budget also includes a reduction of \$299 for deferral of certain information technology projects and IT efficiencies and consolidations.

Fisheries Management: The BLM manages lands that directly affect over 117,000 miles of fish-bearing streams and almost 3 million acres of reservoirs and natural lakes. In 2004, a \$250 increase will be directed towards cumulative effects monitoring to determine if changes are needed in management to reach land use plan objectives. Monitoring fish habitat is essential to creating habitat conditions in which biological communities will flourish. Uncontrollable costs total \$178 of which \$82 are budgeted and \$96 are absorbed. The budget also includes a reduction of \$132 for deferral of certain information technology projects and IT efficiencies and consolidations.

Threatened and Endangered Species

+543

Threatened and Endangered Species Management: This Activity funds inventory and monitoring of special status species populations; development and implementation of recovery plans and conservation strategies; restoration of habitat; reintroduction of special state species; habitat mapping; and interagency cooperative conservation efforts and training related to the Endangered Species Act. Increased funding (+\$650) will be used to implement recovery plans and conservation strategies, which include habitat restoration activities with an emphasis on sage grouse habitat. Of the \$650, \$300 will be spent for projects within National Landscape Conservation System Units. Uncontrollable costs total \$385 of which \$177 are budgeted and \$208 are absorbed. The budget also includes a reduction of \$284 for deferral of certain information technology projects and IT efficiencies and consolidations.

Recreation Management

+4,021

Wilderness Management: This subactivity supports the stewardship, protection, and restoration of wilderness areas and wilderness study areas, and the identification and assessment of lands with wilderness characteristics. BLM manages wilderness as one of the multiple uses of the public lands, retaining the land's natural character while balancing the exercise of valid existing rights and other authorized uses. Uncontrollable costs total \$337 of which \$155 are budgeted and

\$182 are absorbed. The budget also includes a reduction of \$249 for deferral of certain information technology projects and IT efficiencies and consolidations.

Recreation Resources Management: The BLM's recreation management goal to ensure quality recreational experiences on public land will be supported in 2004 by a net program increase of \$4,550 for recreation and visitor services enhancements and monitoring. \$1,500 will improve travel and transportation management through comprehensive travel management planning and on-the-ground actions in high priority locations. Increased funds for interpretation, education, and volunteer strategies will provide better experiences for the visiting public (+\$1,206). Visitor services will be enhanced and improved with an additional \$1,044. Additional funds (\$150) will be used to provide travel, tourism, and other support for Gateway communities near significant recreation-oriented BLM lands. \$600 will be directed to encouraging and expanding partnerships, collaboration, and outreach at the National and local levels. An additional \$350 will be used for monitoring, including \$175 in NLCS units. A decrease of -\$300 will result from cost recovery savings by charging additional processing costs for permitting and managing special recreation events. Uncontrollable costs total \$878 of which \$404 are budgeted and \$474 are absorbed. The budget also includes a reduction of \$839 for deferral of certain information technology projects and IT efficiencies and consolidations.

Energy and Minerals

+1,084

Oil and Gas Management: Increased funding in the oil and gas program will be used to continue to support the President's National Energy Plan, to increase the availability of oil and gas and to evaluate and eliminate impediments to development. Increases are requested to prepare a 2004 lease sale in the northwest sector of the National Petroleum Reserve in Alaska (+\$425), and if authorized, a 2005 sale in ANWR; to support increased coalbed methane development in Wyoming, New Mexico, Utah, Montana, and Colorado (+\$350); and to support additional monitoring of cumulative effects of energy development (+\$500) on other resource values. Increased funding in the geothermal program will be directed toward improving geothermal leasing and processing more permits to drill (+\$550). Additional funding is requested in inspection and enforcement to hire, train, and equip employees to perform inspections of oil and gas operations (+\$2,000). A reduction in funding related to Energy Policy and Conservation Act studies (-\$1,000) reflects the completion of the assessments of the highest priority basins. Uncontrollable costs total \$1,535 of which \$706 are budgeted and \$829 are absorbed. The budget also includes a reduction of \$2,514 for deferral of certain information technology projects and IT efficiencies and consolidations.

Coal Management: The program will continue to emphasize implementation of the President's Energy Policy and increasing responsiveness to industry needs for post-lease actions. High priority energy tasks include identifying opportunities to effectively resolve conflicts between coalbed methane and coal development; reviewing leasing processes to expedite coal leasing; and reviewing and revising royalty rate guidelines to streamline the approval process. Uncontrollable costs total \$178 of which \$82 are budgeted and \$96 are absorbed. The budget also includes a reduction of \$132 for deferral of certain information technology projects and IT efficiencies and consolidations.

Other Mineral Resources Management: An increase will be used to process 50 additional mineral material permits in New Mexico, Colorado, Wyoming, and Nevada (+\$184). Mineral materials from public lands are needed for access roads and drill pads for exploration and development of energy minerals; for community development; and for transportation and utility corridors. Uncontrollable costs total \$241 of which \$111 are budgeted and \$130 are absorbed. The budget also includes a reduction of \$178 for deferral of certain information technology projects and IT efficiencies and consolidations.

Alaska Minerals

-6

Alaska Minerals: Uncontrollable costs total \$22 of which \$10 are budgeted and \$12 are absorbed. The budget also includes a reduction of \$16 for deferral of certain information technology projects and IT efficiencies and consolidations.

Realty and Ownership

Alaska Conveyance and Lands: The BLM will make significant progress in transferring Federal land to other ownerships, patenting 300,000 acres to the Alaska Native Corporations and 100,000 acres to the State and will absorb a program decrease of \$2,000. Priorities will also include resolving 450 pending applications for Alaska Native allotment parcels, and assisting certified veterans of the Vietnam War to file for Alaska Native allotments. The Administration is in the process of reviewing options for improving the conveyance program and speeding up conveyance work. Uncontrollable costs total \$446 of which \$205 are budgeted and \$241 are absorbed. The budget also includes a reduction of \$329 for deferral of certain information technology projects and IT efficiencies and consolidations.

Cadastral Survey: Program priorities will continue to include field surveys, availability of land title records and scanned survey information, continued support for a National Integrated Land System in cooperation with the U.S. Forest Service, and the enhancement of Geographic Coordinate Data Base capability. Uncontrollable costs total \$276 of which \$127 are budgeted and \$149 are absorbed. The budget also includes a reduction of \$204 for deferral of certain information technology projects and IT efficiencies and consolidations.

Land and Realty Management: An increase of \$300 will be used for issuing 120 more rights-of-way in support of increased nonrenewable energy development, including coalbed methane, from public lands in Arizona, Colorado, Idaho, and Wyoming. An increase of \$300 will support renewable energy projects, such as wind and solar energy. The Bureau will promulgate regulations to allow it to recover additional costs from applicants for various use authorizations; therefore the request includes a reduction of -\$2,500 to account for increased fee collection. Additional priorities include amending the Federal Land Transaction Facilitation Act and making land tenure adjustments through sales, exchanges and other disposals. Uncontrollable costs total \$774 of which \$356 are budgeted and \$418 are absorbed. The budget also includes a reduction of \$572 for deferral of certain information technology projects and IT efficiencies and consolidations.

Resource Protection and Maintenance

+3,443

Resource Management Planning: In 2004, an additional \$1,000 will bring the program to \$48.1 million, enabling the BLM to complete 18 plans and amend 47 existing plans begun in prior years. BLM will also continue the development or amendment of 75 plans that are currently underway and initiate an additional 13 plans. New land use plans and amendments of existing plans will address demands for increased oil, gas, and coal leasing; fire and fuels management; public health and safety; mandated plans for national conservation areas and national monuments; and early avoidance or resolution of prospective litigation, appeals, and protests. Increased funding will assure that management actions related to a diversity of energy and minerals management actions are fully addressed in the land use planning program. Uncontrollable costs total \$557 of which \$256 are budgeted and \$301 are absorbed. The budget also includes a reduction of \$411 for deferral of certain information technology projects and IT efficiencies and consolidations.

Resource Protection and Law Enforcement: The public lands along our southwestern border are being extensively damaged by illegal activities, including unauthorized entry and drug smuggling. A \$2,000 increase will provide for increased patrols, enhanced surveillance, heightened public and resource protection, and improved investigative capabilities. A \$741 increase will be directed to security and protection of public and private facilities on BLM managed lands. Uncontrollable costs total \$198 of which \$91 are budgeted and \$107 are absorbed. The budget also includes a reduction of \$146 for deferral of certain information technology projects and IT efficiencies and consolidations.

Hazard Management and Resource Restoration: The hazard management and resource restoration program supports the cleanup of hazardous materials on public lands and BLM facilities; BLM's emergency planning for continuity of operations and oil and chemical spill response; and BLM's management and mitigation of physical hazards. Uncontrollable costs total \$317 of which \$146 are budgeted and \$171 are absorbed. The budget also includes a reduction of \$234 for deferral of certain information technology projects and IT efficiencies and consolidations.

	<u>Amount</u>
Transportation and Facilities Maintenance	+386
<p><i>Operations Maintenance:</i> Operational costs include utilities, grounds upkeep, and waste management at BLM recreation sites. Uncontrollable costs total \$93 of which \$43 are budgeted and \$50 are absorbed. The budget also includes a reduction of \$69 for deferral of certain information technology projects and IT efficiencies and consolidations.</p> <p><i>Annual Maintenance:</i> Annual maintenance is critical to maintaining the functionality of the BLM's infrastructure, providing visitor safety on public lands, and ensuring proper facilities management stewardship. BLM's long-term goal is to perform sufficient annual maintenance work so that no new deferred maintenance needs will accrue. A \$600 increase will assist in addressing public health and safety issues and enhance accessibility to BLM recreation sites and facilities. Uncontrollable costs total \$676 of which \$311 are budgeted and \$365 are absorbed. The budget also includes a reduction of \$499 for deferral of certain information technology projects and IT efficiencies and consolidations.</p>	
Land and Resources Information System	-350
<p><i>Land and Resources Information System:</i> The BLM utilizes Land and Resource Information Systems to maintain an extensive amount of historical and current information about land ownership and use in the United States. The 2004 focus will be upon continuing to build a strong foundation for managing land in a more powerful, graphical manner using proven Geographic Information System technology and ensuring that the system can provide a solid basis for partnerships with other government agencies. Uncontrollable costs total \$178 of which \$82 are budgeted and \$96 are absorbed. The budget also includes a reduction of \$432 for deferral of certain information technology projects and IT efficiencies and consolidations.</p>	
Workforce and Organizational Support	+5,898
<p><i>Information Systems Operations:</i> Information systems operations provide effective management of information technology to support decisions involving resources valued in the billions of dollars, as well as providing support for administrative and management activities so they can operate more effectively. An increase of \$2,360 will be directed toward additional information technology and security enhancements. Uncontrollable costs total \$170 of which \$78 are budgeted and \$92 are absorbed. The budget also includes a reduction of \$125 for deferral of certain information technology projects and IT efficiencies and consolidations.</p> <p><i>Administrative Support:</i> BLM will continue to emphasize ensuring sound financial systems and accountability, improving customer service, implementing best business practices, and providing timely and accurate business services and information to customers and employees. Uncontrollable costs total \$1,057 of which \$486 are budgeted and \$571 are absorbed. The budget also includes a reduction of \$780 for deferral of certain information technology projects and IT efficiencies and consolidations.</p> <p><i>Bureauwide Fixed Costs:</i> Uncontrollable costs total \$3,879 which are all budgeted.</p>	
Challenge Cost Share	+2,000
<p><i>Challenge Cost Share:</i> The BLM's Challenge Cost Share program supports resource protection and recreation mission goals by leveraging funds with partners to complete monitoring and inventory of resources, implement habitat improvement projects, develop recovery and land use plans, protect cultural resources, and provide enhanced recreational experiences. A \$2,000 increase will expand such partnership opportunities and focus additional resources on natural resource restoration projects. The number of potential and willing partners for CCS projects continues to grow.</p>	

APPROPRIATION: Wildland Fire Management

	<u>2002 Actual</u>	<u>2003 Budget</u>	<u>2004 Request</u>	<u>Change from 2003 Budget</u>
Wildland Fire Preparedness	280,807	277,213	282,725	+5,512
Wildland Fire Suppression Operations .	177,986	160,351	195,310	+34,959
Wildland Fire Other Operations	236,190	216,190	220,690	+4,500
TOTAL APPROPRIATION	694,983	653,754	698,725	+44,971

Highlights of Budget Changes

	<u>Amount</u>
Uncontrollable Costs	[+7,876]
Wildland Fire Preparedness	+5,512
<p>The focus of this program is to provide safe, cost-effective fire management through appropriate planning, staffing, training, and equipment. The goal is to suppress fires at minimum cost considering firefighter and public safety, benefits, and values to be protected, consistent with resource objectives. An increase of \$5,000 is requested to cover the increased costs of aircraft used in the wildland fire management program. Uncontrollable costs total \$7,876 of which \$3,862 are budgeted and \$4,014 are absorbed. The budget also includes a reduction of \$3,350 for IT efficiencies and consolidations.</p>	
Wildland Fire Suppression Operations	+34,959
<p>This activity funds the emergency and unpredictable aspects of the Department's wildland fire management program. The \$34,959 increase will fund wildland firefighting efforts at the 10-year average cost, as adjusted for inflation.</p>	
Wildland Fire Other Operations	+4,500
<p>This activity funds three components of the Department's wildland fire program: burned area rehabilitation, which addresses actions needed to begin to restore lands damaged by wildland fire to fire-adapted ecosystems; hazardous fuel reduction operations, including all aspects of using fire, mechanical, chemical, and other means as a management tool to reduce fuel loadings and restore an appropriate role for fire in ecosystems; and the Rural Fire Assistance Program, which provides technical expertise, training, supplies and materials, equipment, and participation in interagency prevention and educational activities to rural fire departments around the country.</p> <p>Beginning in 2003, the WFM program proposes to fund emergency stabilization in the suppression budget activity. These emergency activities are conducted in the period immediately following a fire and may extend, under certain circumstances, for up to one year after the fire is contained. Longer-term rehabilitation (one to three years) is and will continue to be funded under the Other Operations budget activity.</p> <p>The budget includes an increase of \$4,500 for burned area rehabilitation. The increase will improve the Fire program's ability to respond to areas burned in 2001 and 2002, and fires expected in 2003. Of the total increase, \$2.0 million will be dedicated to the acquisition and storage of seed for native plants to be used in restoration of lands to fire-adapted conditions, and the remaining \$2.5 million will fund on-the-ground rehabilitation projects.</p>	

APPROPRIATION: Central Hazardous Materials Fund

	<u>2002 Actual</u>	<u>2003 Budget</u>	<u>2004 Request</u>	<u>Change from 2003 Budget</u>
TOTAL APPROPRIATION	9,678	9,978	9,978	0

APPROPRIATION: Construction

	<u>2002 Actual</u>	<u>2003 Budget</u>	<u>2004 Request</u>	Change from <u>2003 Budget</u>
TOTAL APPROPRIATION	13,076	10,976	10,976	0

Highlights of Budget Changes

Construction

Construction: The current funding request includes 30 high priority construction projects. 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. Construction will continue to be funded at the 2003 request level of \$10,976.

APPROPRIATION: Payments in Lieu of Taxes

	<u>2002 Actual</u>	<u>2003 Budget</u>	<u>2004 Request</u>	Change from <u>2003 Budget</u>
TOTAL APPROPRIATION	[209,999]	[165,000]	[200,000]	[+35,000]

* Proposed for transfer to Departmental Management in 2004

Highlights of Budget Changes

Payments in Lieu of Taxes

Payments in Lieu of Taxes: Funding for Payments in Lieu of Taxes is being transferred to Departmental Management in 2004.

APPROPRIATION: Land Acquisition

	<u>2002 Actual</u>	<u>2003 Budget</u>	<u>2004 Request</u>	Change from <u>2003 Budget</u>
Acquisitions	43,420	38,686	18,186	-20,500
Emergencies and Hardships	1,000	1,500	1,500	0
Land Exchange Equalization Payments	500	500	500	0
Acquisition Management	4,994	4,000	3,500	-500
TOTAL APPROPRIATION	49,914	44,686	23,686	-21,000

Highlights of Budget Changes

Land Acquisition

Land Acquisition: BLM will acquire only the most significant or threatened properties in the most sensitive areas on BLM-managed lands. The request funds 18 projects in 10 states. (-\$20,500).

Land Acquisition Management: The BLM anticipates fewer land transactions in 2004 from the LWCF account. The Acquisition Management funds have been reduced accordingly to meet the support requirements of the proposed 2004 land acquisition program. (-\$500).

Amount
-21,000

APPROPRIATION: Oregon and California Grant Lands

	<u>2002 Actual</u>	<u>2003 Budget</u>	<u>2004 Request</u>	Change from <u>2003 Budget</u>
W. Oregon Resources Management	85,834	86,355	87,454	+1,099
W. Oregon Info. & Resources Data Sys.	2,194	2,206	2,202	-4
W. Oregon Facilities Maintenance	10,904	10,958	10,911	-47
W. Oregon Trans. & Facilities Maint.	0	0	0	0
W. Oregon Construction & Acquisition	294	299	297	-2
Jobs-in-the-Woods	5,806	5,815	5,808	-7
TOTAL APPROPRIATION	105,032	105,633	106,672	+1,039

Highlights of Budget Changes

	<u>Amount</u>
Uncontrollable Cost Net Increases	[+1,767]
Western Oregon Resources Management	+1,099

Forest Management: The top priorities of the program are offering for sale the Allowable Sale Quantity set by the direction of the Northwest Forest Plan, and implementation of the Healthy Forests Initiative. An increase of \$1,500 will provide 30 million additional board feet of wood products for public use and accelerate the development of old growth characteristics on 3,300 acres of O&C lands by thinning younger trees to reduce competition with more mature trees. Uncontrollable costs total \$506 of which \$233 are budgeted and \$273 are absorbed. The budget also includes a reduction of \$365 for deferral of certain information technology projects and IT efficiencies and consolidations.

Reforestation and Forest Development: 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 \$350 of which \$161 are budgeted and \$189 are absorbed. The budget also includes a reduction of \$252 for deferral of certain information technology projects and IT efficiencies and consolidations.

Other Forest Resources: Emphasis is on implementing the Survey and Manage requirements of the Northwest Forest Plan. Uncontrollable costs total \$661 of which \$304 are budgeted and \$357 are absorbed. The budget also includes a reduction of \$475 for deferral of certain information technology projects and IT efficiencies and consolidations.

Resource Management Planning: Emphasis is on maintaining existing plans and supporting inventories by incorporating available information from ongoing activities and projects. Uncontrollable costs total \$26 of which \$12 are budgeted and \$14 are absorbed. The budget also includes a reduction of \$19 for deferral of certain information technology projects and IT efficiencies and consolidations.

Western Oregon Information and Data System	-4
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Information System Operations and Maintenance: Focus is on information systems needed to implement the Northwest Forest Plan, including aquatic/riparian management, Survey and Manage requirements, forest road impacts, and effectiveness monitoring. Uncontrollable costs total \$13 of which \$6 are budgeted and \$7 are absorbed. The budget also includes a reduction of \$10 for deferral of certain information technology projects and IT efficiencies and consolidations.

Western Oregon Construction and Acquisition	-2
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Acquisition: Emphasis is on acquisition of legal access to public lands in western Oregon. Uncontrollable costs total \$6 of which \$3 are budgeted and \$3 are absorbed. The budget also includes a reduction of \$5 for deferral of certain information technology projects and IT efficiencies and consolidations.

Western Oregon Transportation and Facilities Maintenance

-47

Operations: Priority is continued operations of 124 recreation sites in western Oregon. Uncontrollable costs total \$37 of which \$17 are budgeted and \$20 are absorbed. The budget also includes a reduction of \$27 for deferral of certain information technology projects and IT efficiencies and consolidations.

Annual Maintenance: Emphasis is on maintaining BLM's investment in roads for public safety and minimizing environmental impacts, especially to stream systems. Uncontrollable costs total \$143 of which \$66 are budgeted and \$77 are absorbed. The budget also includes a reduction of \$103 for deferral of certain information technology projects and IT efficiencies and consolidations.

Jobs-in-the-Woods

-7

Jobs-in-the-Woods: Emphasis is on ecosystem restoration while providing economic opportunities for businesses and workers in the Northwest Forest Plan region, including projects done in cooperation with local watershed associations that address road erosion and sedimentation, stream channel restoration, fish passage, and terrestrial habitat improvement. 200 job opportunities are provided annually by the contracts in this program. Uncontrollable costs total \$24 of which \$11 are budgeted and \$13 are absorbed. The budget also includes a reduction of \$18 for deferral of certain information technology projects and IT efficiencies and consolidations.

APPROPRIATION: Range Improvements

	<u>2002 Actual</u>	<u>2003 Budget</u>	<u>2004 Request</u>	Change from <u>2003 Budget</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, Deposits, and Forfeitures

	<u>2002 Actual</u>	<u>2003 Budget</u>	<u>2004 Request</u>	Change from <u>2003 Budget</u>
Rights-of-Way Processing	10,023	10,000	12,000	+2,000
Adopt-a-Horse Program	1,217	1,225	1,225	0
Repair of Damaged Lands	2,922	3,666	3,666	0
Cost Recovable Realty Cases	540	515	1,015	+500
Timber Purchaser Expenses	73	50	50	0
Copy Fees	3,059	2,356	2,534	+178
TOTAL APPROPRIATION	17,834	17,812	20,490	+2,678

APPROPRIATION: Miscellaneous Trust Funds (current)

	<u>2002 Actual</u>	<u>2003 Budget</u>	<u>2004 Request</u>	Change from <u>2003 Budget</u>
TOTAL APPROPRIATION	12,371	12,405	12,405	0



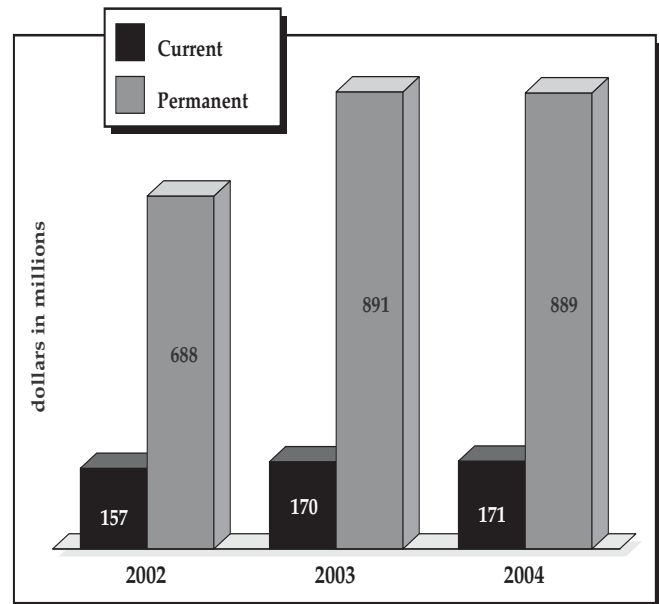
MINERALS MANAGEMENT SERVICE

Mission – The Minerals Management Service was formed by Secretarial Order in 1982 to facilitate the Nation’s mineral revenue collection efforts and manage 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 increased natural gas produced from the OCS will continue to play a key role in our Nation’s efforts to reduce air pollution. In 2004, the MMS programs will collect about \$5.8 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 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 \$676 million in previously appropriated activities, releasing the equivalent amount of budget authority to address other Federal high-priority programs. The 2004 budget request will add another \$100.2 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, States, 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 MMS programs have worked extensively to step down from the goals in the Department’s new unified strategic plan. 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.

The MMS is piloting activity-based cost management in 2003 and has completed a work force development plan. The MMS has taken an aggressive approach to outsourcing and will meet the two-year, 15 percent goal of 78 functions reviewed by the end of 2003. In 2002, MMS’s Environmental Studies program was reviewed using

OMB's Program Assessment Rating Tool. The assessment found that the program is very effective in providing timely and peer-reviewed environmental research to decisionmakers and that the strength of the research is derived from the program process MMS put into place. The Environmental Studies program received a score of 82 percent and was rated moderately effective.

Budget Overview – The 2004 MMS budget request is \$271.6 million in current appropriations. Three permanent appropriations totaling \$888.8 million will provide States with their statutory shares of mineral leasing revenues generated on Federal lands.

Offsetting receipts are estimated to be \$100.2 million in 2004, the same level as the 2003 request. The 2004 request for direct appropriations is \$171.3 million, including increases totaling \$12.9 million over the 2003 President's budget. These increases will enable MMS to continue development of the e-government initiative in the Offshore Minerals Management program; perform needed software upgrades and operational support to the newly re-engineered royalty system; and allow MMS to keep pace with the heavy demand for services on the OCS. Included in the additional funding is \$2.8 million for uncontrollable costs and \$645,000 to address information technology security requirements. The increase in funding is offset by \$11.9 million in savings generated by the completion of the royalty-in-kind management system, organizational streamlining and downsizing within the OCS program, and savings in bureau information technology investments.

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 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 inspections of mineral extraction operations on-site. The 2004 budget requests \$139.2 million for OCS program activities, a net increase of \$1.7 million above the 2003 request.

The 2004 budget request includes an increase of \$1.6 million in support for OCS activities in the Gulf of Mexico. This increase continues to support the Administration's energy policy to promote domestic production of oil and natural gas, which includes processing permits to drill, reviewing development plans, and inspecting offshore operations to ensure both worker and environmental safety. As leases mature and move toward production, industry demand for MMS's services increases, particu-

larly in deep water. To facilitate this move to production, and to prevent an accumulation of unprocessed permits, MMS plans to increase staff needed to perform required environmental impact assessments in support of permit requests; to review development plans; and to ensure adequate inspection of offshore operations.

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, naturally-occurring crystalline substances composed of water and gas, in which a solid water-lattice holds gas molecules in a cage-like structure. The Methane Hydrate Research and Development Act of 2000 directs several Federal agencies, including MMS, the U.S. Geological Survey, and Department of Energy, to commence basic and applied research to identify, explore, assess, and develop methane hydrates as a source of energy. The MMS participates in interagency discussions of proposed gas research activities. The 2004 President's budget request includes an increase of \$300,000 to develop the methodology to establish an analytical model to determine the quantitative estimation of hydrates in the OCS. This two-phase initiative will allow MMS to be ready with proper policy and planning for future gas production from hydrates in the OCS once industry is ready with the technology for offshore hydrate production. The USGS will collaborate with MMS on emerging hydrate resource projects in Alaska and the Gulf of Mexico, as well as studies of hydrate occurrence and release in marine environments. Additionally, Interior is collaborating with DOE in basic research with industry to develop the technologies necessary to produce natural gas from this emerging resource. In 2004 DOE will fund one joint industry project that will continue resource characterization of hydrates from Alaska permafrost and the Gulf of Mexico.

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 requested additional funding to begin the first phase of a multi-year plan to develop an e-government transformation initiative, an innovative web-based management information system. In 2004, MMS requests an increase of \$2.9 million to launch the second phase of the project, which will include expanding the development of the electronic document and records management systems capabilities.

The MMS is also responsible for overseeing and ensuring that over 4,000 offshore production facilities and 33,000 miles of pipeline are secure. An increase of \$600,000 is proposed to improve cooperative efforts with industry and Federal, State, and local entities to develop consistent security protocols and protective measures for these facilities and the 55,000 petroleum workers in the Gulf of Mexico, and to provide additional security for facilities.

The MMS is committed to the Administration's management agenda and continues to explore areas in which to streamline its organizational structure while increasing its operational effectiveness. The 2003 President's budget included a proposal to streamline the OCS Pacific Region office. This restructuring will be complete by the end of 2003, and MMS will realize additional savings of \$1.5 million into 2004. In 2004, MMS proposes to consolidate its operations in the Gulf of Mexico Region by closing two offices: one in Corpus Christi, Texas, and the other in Pensacola, Florida. These office closures will generate \$875,000 in savings. The functions at these offices will continue at the Gulf of Mexico OCS regional office. The MMS has also identified additional streamlining savings of \$1.2 million for 2004 by employing a combination of technological solutions, centralization of functions, and joining duties across its organization.

Minerals Revenue Management – In 2004, the total Minerals Revenue Management program is funded at \$80.4 million, a decrease of \$2.9 million from the 2003 request level.

The goal of the MRM program is to ensure that revenues 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 American Indian mineral royalty owners, and to U.S. Treasury accounts. In order to meet these responsibilities, the Department completed a three-year effort to re-engineer the operational systems of the royalty management program in 2001. The re-engineered system is now on-line and operational, using contractor-owned and operated software. In order to ensure continued system-wide functionality, the 2004 request includes an

increase of \$2.0 million in order to implement contractor software upgrades.

In 2003, MMS will complete the procurement of its royalty-in-kind system, freeing \$6.0 million for other initiatives. The three-module RIK system is designed to manage the transactions involved in the proper collection and valuation of royalties taken in-kind. In 2004, MMS requests \$1.0 million to operate, support, and provide enhancements to the system.

In response to the Administration's initiative to enhance U.S. energy security in the near-term, MMS has begun accepting royalty-in-kind payments to transfer to DOE for use in refilling the Strategic Petroleum Reserve, the Nation's emergency energy stockpile. Oil delivery began in April 2002 at 60,000 barrels per day, and increased to 100,000 barrels per day by October 2002. By spring 2003, delivery will reach 130,000 barrels. The MMS will use a portion of the revenues from in-kind sales to recover transportation, salaries, and other administrative costs directly associated with the filling of the SPR.

Administrative Initiatives – Interior is undertaking significant information technology reforms to improve the management of IT investments, improve the security of systems and information, and realize short- and long-term efficiencies and savings. The Department's corporate approach includes consolidated purchases of hardware and software; consolidation of support functions including help desks, e-mail support, and web services; and coordination of training. The MMS's budget includes a reduction of \$2.3 million for IT systems streamlining and an increase of \$645,000 for IT security.

Oil Spill Research Program – This program supports oil pollution research related to oil spill prevention, as authorized by the Oil Spill Pollution Act of 1990. The budget requests \$7.1 million in 2004, an increase of \$1.0 million. The additional funding will be used to begin 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.

SUMMARY OF BUREAU APPROPRIATIONS
(all dollar amounts in thousands)

Comparison of 2004 Request with 2003 President's Budget:

	2003 Budget		2004 Request		Change from 2003	
	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>
Appropriations						
Royalty and Offshore Minerals Management	1,725	164,222	1,725	164,216	0	-6
Oil Spill Research	22	6,105	22	7,105	0	+1,000
Subtotal, Direct Appropriations	1,747	170,327	1,747	171,321	0	+994
Offsetting Collections	0	[100,230]	0	[100,230]	0	0
Subtotal, Appropriations	1,747	170,327	1,747	171,321	0	+994
Permanents and Trusts						
Mineral Leasing and Associated Payments	0	886,694	0	884,438	0	-2,256
Leases of Lands Acquired for Flood Control, Navigation, and Allied Purposes	0	1,231	0	1,252	0	+21
Nat'l. Forests Funds, Payments to State	0	3,057	0	3,081	0	+24
Subtotal, Permanents and Trusts	0	890,982	0	888,771	0	-2,211
TOTAL, MINERALS MANAGEMENT SERVICE	1,747	1,061,309	1,747	1,060,092	0	-1,217

HIGHLIGHTS OF BUDGET CHANGES
By Appropriation Activity/Subactivity

APPROPRIATION: Royalty and Minerals Management

	<u>2002 Actual</u>	<u>2003 Budget</u>	<u>2004 Request</u>	<u>Change from 2003 Budget</u>
Outer Continental Shelf Lands				
Leasing & Environmental Program				
Appropriation	18,238	17,298	16,910	-388
Offsetting Collections	17,135	20,335	20,335	0
Total, Leasing & Environ. Prog.	35,373	37,633	37,245	-388
Resource Evaluation Program				
Appropriation	16,074	16,445	16,805	+360
Offsetting Collections	8,903	8,903	8,903	0
Total, Resource Evaluation Prog. ...	24,977	25,348	25,708	+360
Regulatory Program				
Appropriation	35,129	36,069	35,959	-110
Offsetting Collections	14,443	14,443	14,443	0
Total, Regulatory Program	49,572	50,512	50,402	-110
Information Management Program				
Appropriation	845	10,001	11,802	+1,801
Offsetting Collections	14,049	14,049	14,049	0
Total, Info. Mgmt. Program	14,894	24,050	25,851	+1,801
Offshore Management Support				
Appropriation	0	0	0	0
Offsetting Collections	0	0	0	0
Total, Offshore Mgmt. Support	0	0	0	0
OCS Appropriation	70,286	79,813	81,476	+1,663
OCS Offsetting Collections	54,530	57,730	57,730	0
Subtotal, OCS Lands	124,816	137,543	139,206	+1,663
Minerals Revenue Management				
Compliance & Asset Management				
Appropriation	34,871	35,489	33,029	-2,460
Offsetting Collections	16,435	13,235	13,235	0
Total, Valuation & Operations	51,306	48,724	46,264	-2,460
Revenue & Operations				
Appropriation	21,961	21,295	20,867	-428
Offsetting Collections	13,250	13,250	13,250	0
Total, Compliance	35,211	34,545	34,117	-428
Indian Allottee Refunds				
Appropriation	0	0	0	0
Offsetting Collections	15	15	15	0
Total, Indian Allottee Refunds	15	15	15	0
Late Interest Payments				
Appropriation	0	0	0	0
Offsetting Collections	0	0	0	0
Total, Late Interest Payments	0	0	0	0

	<u>2002 Actual</u>	<u>2003 Budget</u>	<u>2004 Request</u>	<u>Change from 2003 Budget</u>
Program Service Office				
Appropriation	0	0	0	0
Offsetting Collections	0	0	0	0
Total, Program Service Office	0	0	0	0
RM				
RM Appropriation	56,832	56,784	53,896	-2,888
RM Offsetting Collections	29,700	26,500	26,500	0
Subtotal, Royalty Management	86,532	83,284	80,396	-2,888
General Administration				
Executive Direction				
Appropriation	1,003	1,030	1,062	+32
Offsetting Collections	1,000	1,000	1,000	0
Total, Executive Direction	2,003	2,030	2,062	+32
Policy & Management Improvement				
Appropriation	3,036	3,095	3,150	+55
Offsetting Collections	1,000	1,000	1,000	0
Total, Policy & Mgmt. Improve.	4,036	4,095	4,150	+55
Administrative Operations				
Appropriation	14,407	15,083	15,272	+189
Offsetting Collections	1,555	1,555	1,555	0
Total, Admin. Operations	15,962	16,638	16,827	+189
General Support Services				
Appropriation	5,071	8,417	9,360	+943
Offsetting Collections	14,945	12,445	12,445	0
Total, General Support Services	20,016	20,862	21,805	+943
GA				
GA Appropriation	23,517	27,625	28,844	+1,219
GA Offsetting Collections	18,500	16,000	16,000	0
Subtotal, General Administration ..	42,017	43,625	44,844	+1,219
TOTAL APPROPRIATION	253,365	264,452	264,446	-6
Total Appropriation	150,635	164,222	164,216	-6
Total Offsetting Collections	102,730	100,230	100,230	0

Highlights of Budget Changes

Uncontrollable Costs Amount
[+5,229]

Outer Continental Shelf Lands

The Minerals Management Services' Gulf of Mexico OCS Region is confronted with a continuing increase in the level and complexity of work associated with offshore oil and gas activity. Near record numbers of deepwater rigs are now drilling in the Gulf. While there has been some fluctuation in the price of oil and some moderation in the pace of oil and gas activity, principally in shallow water, deepwater exploration has increased dramatically and is expected to remain at high levels and generate additional workload for the MMS.

Leasing & Environmental

-388

An increase is proposed for GOM Workload (+240). Decreases reflect organizational streamlining initiatives within the Offshore Minerals Management program (-300), the closure of one OCS office (-125), and savings from streamlining activities in the Pacific Region (-500). Uncontrollable costs total \$584 of which \$297 are budgeted and \$287 are absorbed.

	<u>Amount</u>
Resource Evaluation	+360
<p>Increases are proposed for Gulf of Mexico Workload (+560), and to pursue methane hydrates research (+300). Decreases reflect organizational streamlining initiatives within the Offshore Minerals Management program (-300) and savings from streamlining activities in the Pacific Region (-500). Uncontrollable costs total \$591 of which \$300 are budgeted and \$291 are absorbed.</p>	
Regulatory	-110
<p>Increases are requested for GOM Workload (+800) and physical security of OCS facilities (+350). Decreases reflect organizational streamlining initiatives within the Offshore Minerals Management program (-500), the closure of one OCS subdistrict office (-750), and savings from streamlining activities in the Pacific Region (-500). Uncontrollable costs total \$966 of which \$490 are budgeted and \$476 are absorbed.</p>	
Information Management	+1,801
<p>An increase of \$2,908 is requested for the multi-year e-Government initiative. The budget includes decreases that reflect organizational streamlining initiatives within the Offshore Minerals Management program (-100) and reductions in bureau IT investments (-1,150) associated with the Department's streamlining initiative. Uncontrollable costs total \$282 of which \$143 are budgeted and \$139 are absorbed.</p>	
Minerals Revenue Management	
<p>Minerals Revenue Management in partnership with the Department of Energy responded to President Bush's November 13, 2001, directive to fill the remaining capacity of the Strategic Petroleum Reserve from crude oil originating as Royalty-in-Kind oil. MRM has well-developed relationships with producers, pipelines, aggregators, exchange partners, and purchasers of crude oil. The last staged increase, to a total delivery of 130,000 barrels per day, in the SPR fill initiative is effective April 1, 2003, and will represent 80 percent of all Federal oil produced from the Gulf of Mexico.</p>	
Compliance and Asset Management	-2,460
<p>Increases are proposed to fund operational support and enhancements for the royalty-in-kind systems (+1,000), and to provide contractor software upgrades to the reengineered minerals revenue management system (+2,000). Decreases reflect the completion of RIK Liquids and Risk Management Systems (-6,015). Uncontrollable costs total \$1,093 of which \$555 are budgeted and \$538 are absorbed.</p>	
Revenue & Operations	-428
<p>Decreases of \$740 reflect reductions in bureau IT investments. Uncontrollable costs total \$615 of which \$312 are budgeted and \$303 are absorbed.</p>	
General Administration	
Executive Direction	+32
<p>Uncontrollable costs total \$63 of which \$32 are budgeted and \$31 are absorbed.</p>	
Policy & Management Improvement	+55
<p>Uncontrollable costs total \$108 of which \$55 are budgeted and \$53 are absorbed.</p>	
Administrative Operations	+189
<p>An increase is requested to ensure physical security of MMS facilities (+250). Decreases reflect reductions in bureau IT investments (-380). Uncontrollable costs total \$629 of which \$319 are budgeted and \$310 are absorbed.</p>	
General Support Services	+943
<p>Increases are proposed for IT Security (+645). Uncontrollable costs total \$298 of which \$298 are budgeted and \$0 are absorbed.</p>	

APPROPRIATION: Oil Spill Research

	<u>2002 Actual</u>	<u>2003 Budget</u>	<u>2004 Request</u>	<u>Change from 2003 Budget</u>
TOTAL APPROPRIATION	6,105	6,105	7,105	+1,000

Highlights of Budget Changes

	<u>Amount</u>
National Oil Spill Response Test Facility An increase of \$1,000 is requested to begin a four-year phased replacement of equipment and for increased operational costs at the National Oil Spill Response Test Facility.	+1,000



OFFICE OF SURFACE MINING RECLAMATION AND ENFORCEMENT

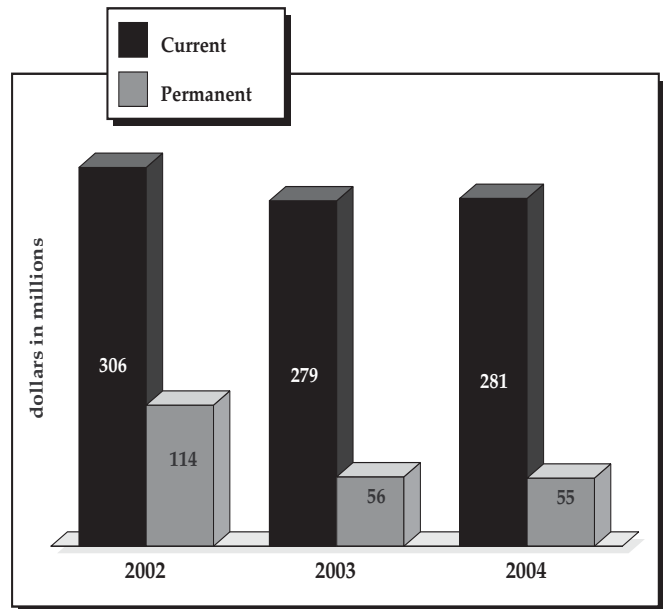
Mission – The Office of Surface Mining Reclamation and Enforcement was established in 1977 to carry out the requirements of the Surface Mining Control and Reclamation Act in cooperation with States and Indian Tribes. The primary objectives of OSM are to ensure that coal mining activities are conducted 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. It 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. The OSM has shifted its approach to State programs from direct oversight and review to measuring on-the-ground results. To maximize reclamation from available funding, OSM has implemented creative approaches and incentives to encourage reclamation of abandoned mine sites. Efforts to address acid mine drainage in the Appalachian coal region, encourage remining, 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 2004 will increase the number of health and safety hazards restored or 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 the Department's new unified strategic plan. The OSM has developed an activity-based cost management system for 2003 that allows managers to more specifically identify costs of outputs; is continuing its study of 25 FTEs in the information technology area to determine whether conversion to contract is the best strategy for achieving the best value; and is continuing its workforce analysis to determine the human capital competencies required to achieve performance improvements. The budget proposal supports the Department's new strategic plan goal 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.

The Abandoned Mine Land Reclamation grants program

was assessed during formulation of the 2004 budget using the Administration's Program Assessment Rating Tool. This process generated extensive information on program effectiveness and accountability including the need for additional performance measures.

Budget Overview – The 2004 request for OSM is \$281.2 million, a net increase of \$1.8 million above the 2003 President's budget.

Regulation and Technology – The goal of this 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 \$106.7 million, an increase of \$1.3 million from the amount requested in 2003.

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 \$57.6 million in 2004, the same level as the 2003 request. This funding will allow the States and Tribes to free 94 percent of mine sites from offsite impacts and release 100,000 acres from phase one and two performance bonds.

Abandoned Mine Lands Fund – In 2004, 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 2004 request of \$174.5 million is an increase of \$434,000 above the 2003 request 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.

State reclamation grants will be funded at \$142.1 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 Tribe and the amount of pre-SMCRA coal production that occurred in each State or Tribe. This funding level will result in the reclamation of 6,900 acres of disturbed land and other hazards that threaten human health and welfare and environmental quality.

The 2004 request does not include a request for new budget authority for the AML Federal emergency pro-

gram. Due to the nature of emergency projects, the amount of emergency work is variable year-to-year. Since 1995, a succession of favorable weather years has resulted in smaller expenditures for emergency projects and a buildup of carryover balances. The Department anticipates that carryover balances will continue to be sufficient to meet anticipated program needs in 2004.

The proposed budget continues funding for the successful Clean Streams program at \$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. In Appalachia acid mine drainage is the leading cause of aquatic habitat destruction impacting many native species, such as 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.

Coal Fee 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. Furthermore, 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. The Administration plans to propose an extension to the fee collection authority. Additionally, OSM will explore options for amending SMCRA to allow more receipts to be targeted to abandoned mine reclamation, increasing the pace of the overall reclamation program.

Administrative Initiatives and Uncontrollable Costs – The budget provides \$1.6 million to cover a portion of the 2004 uncontrollable costs and a program increase of \$575,000 to address information technology security requirements. The Department is undertaking significant IT reforms to improve the management of IT investments, to improve the security of systems and information, and to realize short- and long-term efficiencies and savings. The Department's corporate approach includes consolidated purchases of hardware and software; consolidation of support functions including help desks, e-mail support, and web services; and coordination of training. The OSM budget includes a reduction of \$410,000 for IT systems streamlining.

SUMMARY OF BUREAU APPROPRIATIONS
(all dollar amounts in thousands)

Comparison of 2004 Request with 2003 President's Budget:

	2003 Budget		2004 Request		Change from 2003	
	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>
Appropriations						
Regulation and Technology	410	105,367	410	106,699	0	+1,332
Abandoned Mine Reclamation Fund	220	174,035	220	174,469	0	+434
Subtotal, Appropriations	630	279,402	630	281,168	0	+1,766
Permanents and Trusts						
Abandoned Mine Reclamation Fund Transfer	0	56,079	0	55,000	0	-1,079
Subtotal, Permanents and Trusts	0	56,079	0	55,000	0	-1,079
TOTAL, OFFICE OF SURFACE MINING	630	335,481	630	336,168	0	+687

HIGHLIGHTS OF BUDGET CHANGES
By Appropriation Activity/Subactivity

APPROPRIATION: Regulation and Technology

	<u>2002 Actual</u>	<u>2003 Budget</u>	<u>2004 Request</u>	<u>Change from 2003 Budget</u>
Environmental Restoration	191	437	438	+1
Environmental Protection	77,730	79,159	79,463	+304
Technology Development & Transfer ...	12,151	12,593	12,749	+156
Financial Management	477	485	491	+6
Executive Direction & Administration ...	12,244	12,693	13,558	+865
TOTAL APPROPRIATION	102,793	105,367	106,699	+1,332

Highlights of Budget Changes

	<u>Amount</u>
Uncontrollable Costs	[+2,062]
Environmental Restoration	+1
A \$1 decrease reflects savings resulting from information services streamlining. Uncontrollable costs total \$4, of which \$2 are budgeted and \$2 are absorbed.	
Environmental Protection	+304
A \$145 decrease reflects savings resulting from information services streamlining. Uncontrollable costs total \$901, of which \$449 are budgeted and \$452 are absorbed.	
Technology Development and Transfer	+156
A \$76 decrease reflects savings resulting from information services streamlining. Uncontrollable costs total \$466, of which \$232 are budgeted and \$234 are absorbed.	
Financial Management	+6
A \$3 decrease reflects savings resulting from information services streamlining. Uncontrollable costs total \$18, of which \$9 are budgeted and \$9 are absorbed.	

Amount
+865

Executive Direction and Administration
 An increase of \$374 is proposed to address information technology security needs. A \$44 decrease reflects savings resulting from information services streamlining. Uncontrollable costs total \$672, of which \$535 are budgeted and \$137 are absorbed.

APPROPRIATION: Abandoned Mine Reclamation Fund

	<u>2002 Actual</u>	<u>2003 Budget</u>	<u>2004 Request</u>	<u>Change from 2003 Budget</u>
Environmental Restoration	186,697	156,987	157,137	+150
Environmental Protection	0	0	0	0
Technology Development & Transfer ...	4,118	4,164	4,184	+20
Financial Management	6,070	6,179	6,260	+81
Executive Direction & Administration ...	6,552	6,705	6,888	+183
TOTAL APPROPRIATION	203,437	174,035	174,469	+434

Highlights of Budget Changes

	<u>Amount</u>
Uncontrollable Costs	[+817]
Environmental Restoration	+150
A \$71 decrease reflects savings resulting from information services streamlining. Uncontrollable costs total \$444, of which \$221 are budgeted and \$224 are absorbed.	
Technology Development and Transfer	+20
A \$11 decrease reflects savings resulting from information services streamlining. Uncontrollable costs total \$63, of which \$31 are budgeted and \$32 are absorbed.	
Financial Management	+81
A \$35 decrease reflects savings resulting from information services streamlining. Uncontrollable costs total \$233, of which \$116 are budgeted and \$117 are absorbed.	
Executive Direction and Administration	+183
An increase of \$201 is proposed to address information technology security needs. A \$24 decrease reflects savings resulting from information services streamlining. Uncontrollable costs net to a total of \$76, of which \$6 are budgeted and \$70 are absorbed.	



BUREAU OF RECLAMATION

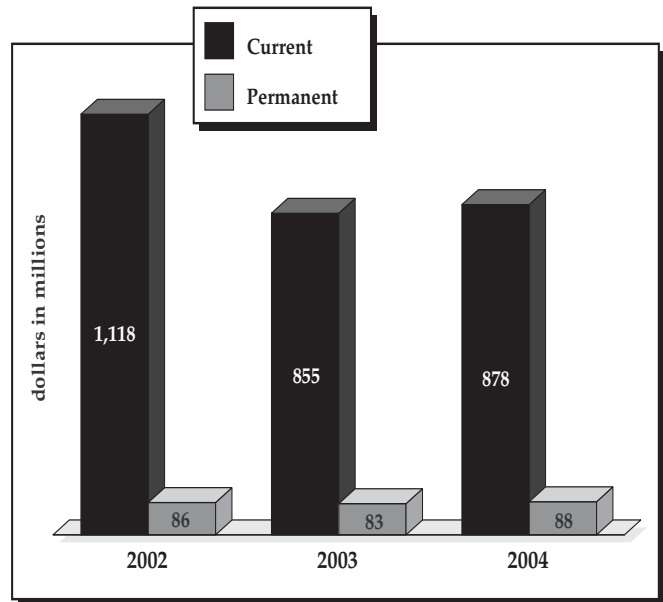
Mission – The Bureau of Reclamation’s mission is to manage, develop, and protect water and related resources in an environmentally and economically sound manner in the interest of the American public.

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 456 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, water supply facilities developed by Reclamation have contributed to sustained economic growth and an enhanced quality of life in the western States. Lands and communities served by the bureau’s 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 have 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 this new mix of water resource needs in 2004 and beyond. While continuing to develop authorized facilities to store and convey new water supplies, 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; expanding the use and application of science and technology; better

Reclamation Funding



understanding the requirements of the Endangered Species Act; and implementing business practices that will provide effective and efficient services to customers, partners, and employees.

Management Excellence – Reclamation continues to strive for excellence in all of 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.

A new Departmental strategic plan will improve the integration of bureau activities and incorporate the President’s management agenda and the Secretary’s Citizen-Centered Governance Plan. Under the new draft plan, Reclamation’s major end 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. The development of intermediate outcomes for these areas will further integrate performance and budget in Reclamation, and lay the groundwork for implementation of activity-based cost management in 2004.

In 2003 the Rural Water, Hydropower, and Title XVI – Water Reclamation and Reuse programs were evaluated using the Program Assessment Rating Tool. Overall the programs are effectively managed, but performance measurement needs improvement.

Budget Overview – Total budget authority for Reclamation in 2004 is \$965.6 million, including current and permanent appropriations and offsets. The 2004 request for current appropriations is \$878.0 million, a net increase of \$23.1 million above the 2003 request, as amended.

The 2004 budget request for current appropriations is offset by discretionary receipts in the Central Valley Project Restoration Fund resulting in a net request of \$847.2 million that is an increase of \$31.9 million from the 2003 request, as amended. The request for permanent appropriations totals \$87.5 million.

Water and Related Resources – The 2004 request for this account is \$771.2 million. The account total includes an undistributed reduction of \$40.0 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 safety measures are in place to protect the public; sustaining the health and integrity of ecosystems while addressing the water needs of a growing population; and assisting States, Tribes, and local entities in solving contemporary water resources issues.

The 2004 request provides a total of \$348.3 million for facility operation, maintenance, and rehabilitation, an increase of \$8.3 million over the 2003 request, as amended. 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 2004 request includes \$71.0 million for the Dam Safety program to protect the downstream public by

ensuring the safety and reliability of Reclamation dams. The reduction of \$10.0 million from the 2003 request is due primarily to design efficiencies that will result in project savings.

The 2004 request also includes a total of \$463.0 million for resource management and development activities, an increase \$24.0 million from the 2003 request, as amended.

Western Water Initiative – The new Reclamation western water initiative will position the Department of the Interior to play a leading role in developing solutions to meet the increasing demands for the limited water resources in the West. The budget proposes \$11.0 million for the initiative that will: develop pilot projects that demonstrate how to prevent crisis-level water conflicts in the West; expand the use of science to reduce the cost of water desalination and waste disposal; design new water management programs that address environmental needs on a basin-wide scale; and strengthen the expertise of Reclamation employees in the purpose, process, and requirements of the Endangered Species Act. The water initiative is expected to benefit western communities that are struggling with increased water demands, drought, and compliance with the Endangered Species Act.

Project Requests – The budget includes \$58.0 million for the Animas La Plata Project in Colorado for the Colorado Ute Settlement Act Amendment of 2000 requirements outlined in the final record of decision. The Secretary is committed to completion of this project and requests an increase of \$25.0 million over the 2003 budget request. The work proposed for the third year of the project includes continued construction of the Ridges Basin Dam and Durango Pumping Plant and preconstruction activities for Navajo Nation Municipal Pipeline, Ridges Basin Inlet Conduit, utility relocations, and project support activities, including land acquisition. Mitigation projects will also be initiated for fish, wildlife, wetlands, and cultural resources.

The request provides \$34.1 million for the Central Arizona Project. The request includes \$170.1 million for operating, managing and improving California's Central Valley Project, including an increase of \$13.0 million for the CVP Replacements, Additions, and Extraordinary Maintenance program. The CVP request also includes the second of three \$34.0 million annual payments to the plaintiffs for the settlement of *Summer Peck Ranch Inc. v. Bureau of Reclamation*.

The Reclamation budget puts increased emphasis on resolving water management and delivery issues that involve endangered species in several western States. The Klamath Project is funded at \$20.8 million, Colum-

bia/Snake salmon recovery is funded at \$19.0 million, and the Middle Rio Grande Project is funded at \$17.4 million. Together, these programs are funded at \$12.5 million above the 2003 request.

Collectively, the 2004 budget request includes \$32.3 million for rural water projects – Garrison Diversion Unit, Mni Wiconi, Mid-Dakota – which is a 53 percent reduction. No funding is provided for the Lewis and Clark Rural Water Project. The findings in the OMB Program Assessment Rating Tool process indicated that a new approach was necessary for rural water delivery programs. Findings indicated the rural water program should be scaled back until systematic program weaknesses, such as non-existent guidelines for eligibility, local cost share, and program planning, are in place. In the long term, the water needs of these communities may benefit from the new western water initiative that will help communities look at new technologies and new management strategies for their water resources.

Other funds requested would assist the Bureau in meeting objectives in the areas of improved water management and environmental compliance. Examples include \$13.8 million for the Lower Colorado River Operations program and \$14.9 million for the Colorado River Storage Project.

Central Valley Project Restoration Fund – The 2004 Reclamation budget includes a request for \$39.6 million from the Central Valley Project Restoration Fund, which is the estimated level of collections from CVP water and power users. The request is financed, in part, by collecting an estimated \$30.8 million in additional mitigation and restoration charges authorized by the Central Valley Project Improvement Act.

The 2004 program funds a wide variety of activities to restore fish and wildlife habitat and populations in the CVP area of California, including: acquisition of water for anadromous fish and other environmental purposes; providing for long-term water deliveries to wildlife refuges; continuation of the Anadromous Fish Restoration Plan; restoration of land to improve wildlife habitat, conserve water, and reduce drainage; and continued 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 finaliz-

ing 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 2004 budget proposal includes \$15.0 million for the implementation of Stage 1 activities consistent with existing authorities. These activities are included in the preferred program alternative recommended by CALFED and approved by the Secretary of the Interior. The majority of these funds will specifically address the environmental water account, water storage, 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 regional and area offices. The fund operates on a self-supporting basis through user charges that are deposited in the fund.

The 2004 budget includes a reduction of \$4.5 million in the Working Capital Fund from savings related to information technology management reforms. This reduction is possible due to the availability of unobligated balances that can be cancelled. The Department is undertaking significant information technology reforms to improve the management of IT investments, to improve the security of systems and information, and to realize short and long-term efficiencies and savings. The Department's corporate approach includes consolidated purchases of hardware and software; consolidation of support functions that include help desks, e-mail support, and web services; and coordination of training.

Other Accounts – Funding of \$200,000 is requested for administration of the Loan Program. No funding is requested to initiate the final "grandfathered" loan application program in 2004. The request for Policy and Administration, the account that finances Reclamation's central management functions, is \$56.5 million. Permanent appropriations available in the Colorado River Dam Fund are estimated to be \$80.2 million in 2004.

SUMMARY OF BUREAU APPROPRIATIONS
(all dollar amounts in thousands)

Comparison of 2004 Request with 2003 President's Budget:

	2003 Budget		2004 Request		Change from 2003	
	FTE	Amount	FTE	Amount	FTE	Amount
Appropriations						
Water and Related Resources	3,121	741,047	3,127	771,217	+6	+30,170
Loan Program	0	0	2	200	+2	+200
Policy and Administration	335	54,870	335	56,525	0	+1,655
CVP Restoration Fund	23	48,904	23	39,600	0	-9,304
California Bay-Delta Restoration	10	15,000	10	15,000	0	0
San Gabriel Basin Restoration Fund	0	-4,900	0	0	0	+4,900
Working Capital Fund	1,745	0	1,737	-4,525	-8	-4,525
Subtotal, Appropriations *	5,234	854,921	5,234	878,017	0	+23,096
Permanents and Other						
Colorado River Dam Fund,						
Boulder Canyon Project	202	80,447	202	80,166	0	-281
Basin Funds	190	0	190	0	0	0
Loan Program Subsidy re-estimate	0	427	0	0	0	-427
Loan Program Liquidating Account	0	-2,479	0	-2,511	0	-32
Miscellaneous Permanents	0	280	0	280	0	0
Reclamation Trust Funds	2	4,200	2	9,600	0	+5,400
Subtotal, Permanents and Trusts	394	82,875	394	87,535	0	+4,660
TOTAL, BUREAU OF RECLAMATION	5,628	937,796	5,628	965,552	0	+27,756

* Note: For scorekeeping purposes, Reclamation's current budget authority is offset by discretionary receipts in the CVP Restoration Fund of \$39.6 million in 2003 and \$30.8 million in 2004.

HIGHLIGHTS OF BUDGET CHANGES
By Appropriation Activity/Subactivity

APPROPRIATION: Water and Related Resources

	<u>2002 Actual</u>	<u>2003 Budget</u>	<u>2004 Request</u>	<u>Change from 2003 Budget</u>
Animas La Plata Project	18,399	33,000	58,000	+25,000
Boise Area Projects	9,692	5,906	6,684	+778
Central Arizona Project	33,192	34,783	34,087	-696
Central Valley Project	143,691	149,873*	170,092	+20,219
Colorado River Basin Salinity Control ..	22,127	24,062	23,752	-310
Colorado River Storage Project	8,190	13,472	14,936	+1,464
Columbia Basin Project	10,503	10,831	8,982	-1,849
Columbia/Snake River				
Salmon Recovery	9,689	15,000	19,000	+4,000
Dam Safety Program	58,273	80,950	70,953	-9,997
Endangered Species				
Recovery Implementation	11,228	12,747	13,371	+624
Garrison Diversion Unit	24,608	25,239	17,314	-7,925
Klamath Project	15,928	14,267	20,817	+6,550
Lower Colorado River Ops Program	13,280	12,421	13,822	+1,401
Mid-Dakota Project	14,397	10,040	2,015	-8,025
Middle Rio Grande Project	26,366	15,463	17,388	+1,925
Mni Wiconi Project	34,228	31,520	12,971	-18,549
Native American Affairs	6,855	8,500	8,600	+100
Natural Desert Terminal Lake	200,000	0	0	0
Pick-Sloan Missouri Basin Program	59,026	33,587	37,707	+4,120
Science and Technology Program	10,340	7,150	9,305	+2,155
Site Security Activities	32,014	28,440	28,583	+143
Water Management and Conservation ..	6,850	6,581	6,639	+58
Water Reclamation/Reuse Projects	38,793	11,550*	12,680	+1,130
Western Water Initiative	0	0	11,000	+11,000
Yakima Project/Basin Water Enhance ..	17,616	18,654	19,975	+1,321
Yuma Area Project	20,215	20,765	22,672	+1,907
Other Project/Programs	156,805	154,188	149,902	-4,286
Underfinancing	Applied	-37,942	-40,030	-2,088
TOTAL	1,002,305	741,047	771,217	30,170

* The 2003 column reflects the budget amendment for the \$34 million payment to the plaintiffs for settlement of *Sumner Peck Ranch Inc. v. Bureau of Reclamation*.

Program Highlights

The 2004 request includes funds for the following projects and programs.

Animas La Plata Project

The Colorado Ute Settlement Act Amendments of 2000 (Title III of P.L. 106-554, December 21, 2000) provide for the implementation and completion of the Animas LaPlata Project. The basic facilities to be constructed include Ridges Basin Dam and Reservoir; Durango Pumping Plant; Ridges Basin Inlet Conduit; and the Navajo Nation Municipal Pipeline. Other significant activities include a variety of fish, wildlife, wetlands, and cultural resources mitigation projects.

Boise Area Projects

The request provides funds for continued operation, maintenance, and rehabilitation of project facilities, including an ongoing 4-year program for replacement of the original twenty ensign valves at Arrowrock Dam with clamshell gates to ensure safe operation.

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; native fish protection; fulfilling endangered species mitigation commitments for Roosevelt Dam and for the Central Arizona Project Aqueduct; and design 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 Central Valley Project Restoration Fund. Funds are also requested for the second of three \$34 million installments for the settlement of *Sumner Peck Ranch Inc. v. Bureau of Reclamation*.

Colorado River Basin Salinity Control Program, Title I

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, Sections 5 and 8

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 studies of hydro system impacts in selected subbasins; and significantly increased research, monitoring, and evaluation.

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. Continues dam safety risk management and risk reduction activities at Reclamation's 362 high and significant hazard dams. Corrective actions will continue or start on: Horsetooth Dam (CO), Wickiup Dam (OR), Deer Creek Dam (UT), Pineview Dam (UT), and Keechelus Dam (WA). 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 reside in, or migrate through, 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.

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.

Klamath Project

The request continues funding for studies and initiatives related to improving water supply and water quality to meet agriculture, tribal, wildlife refuge, and environmental needs in the Klamath River Basin; and for improvements in fish passage and habitat.

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.

Mid-Dakota Project

This program provides for grants to the project sponsor for construction of water supply transmission lines and storage reservoirs.

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.

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.

Native American Affairs Program

This program provides funding for efforts to promote the successful application of Reclamation programs to Indian issues and needs; for support for Indian water rights negotiations for 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.

Natural Desert Terminal Lakes Project

As part of the Farm Bill, \$200 million was transferred to Reclamation for at-risk natural desert terminal lakes.

Pick-Sloan Missouri Basin Program

Funds are provided for the Federal share of the costs of operations, maintenance, and rehabilitation of the Pick-Sloan Missouri Basin Program facilities.

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 through cost-shared research and technology transfer.

Site Security Activities

Funds are requested to continue Reclamation's ongoing security efforts including over all program management; site security, including guards and surveillance; and security improvements.

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, Title XVI

Funds are requested to continue Federal cost-sharing for nine water reclamation and reuse projects and studies in California and Arizona; and to conduct water recycling and desalination research program, as well as studies of potential water recycling projects.

Western Water Initiative

To complement its core activities, Reclamation is proposing a new initiative totaling \$11 million that is directed at enhancing its efficiency and performance in water and power delivery. The initiative includes Enhanced Water Management and Conservation; Expanded Science and Technology; Preventing Water Management Crisis; and Strengthening Endangered Species Act

Expertise and will result in enhanced efficiency in the operation of Bureau of Reclamation programs and projects. They will improve the Bureau's performance in carrying out its core mission functions: the delivery of water and power in an environmentally sound and cost efficient manner. Ultimately, the Bureau of Reclamation will develop a forward looking 21st century water resource management program that will respond to the growing demand for water in the West, as opposed to costly crisis management approaches demonstrated and required by the Klamath River and the Middle Rio Grande basins.

Yakima Project/Basin Water Enhancement

Work includes operation and maintenance of existing facilities in cooperation with the Bonneville Power Administration, and the implementation of water conservation, fish, and wildlife improvements, and other measures authorized by the Yakima River Basin Water Enhancement Act.

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>2002 Actual</u>	<u>2003 Budget</u>	<u>2004 Request</u>	<u>Change from 2003 Budget</u>
Loan Program	7,295	0	0	0
Program Administration	0	0	200	+200
TOTAL APPROPRIATION	7,295	0	200	+200

Program Highlights

Loan Program

No funding is requested to initiate the final "grandfathered" loan application program. Funds are requested for program administration.

APPROPRIATION: Policy and Administration

	<u>2002 Actual</u>	<u>2003 Budget</u>	<u>2004 Request</u>	<u>Change from 2003 Budget</u>
TOTAL APPROPRIATION	52,937	54,870	56,525	1,655

Program Highlights

Policy and Administration

This appropriation funds all of Reclamation's centralized management functions, and supports management and administrative activities that are not directly chargeable to a specific project or program.

APPROPRIATION: Central Valley Project Restoration Fund

	<u>2002 Actual</u>	<u>2003 Budget</u>	<u>2004 Request</u>	Change from <u>2003 Budget</u>
Fish and Wildlife Resources Habitat	39,932	42,971	35,332	-7,639
Fish and Wildlife Resources Mgt	15,106	5,933	4,268	-1,665
TOTAL APPROPRIATION	55,038	48,904	39,600	-9,304

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 Central Valley Project area of California; includes land retirement activities to reduce drainage. Programs are planned in cooperation with US Fish & Wildlife Service and the Central Valley Project Restoration Fund Roundtable.

APPROPRIATION: California Bay-Delta Restoration

	<u>2002 Actual</u>	<u>2003 Budget</u>	<u>2004 Request</u>	Change from <u>2003 Budget</u>
TOTAL APPROPRIATION	0	15,000	15,000	0

Program Highlights**California Bay-Delta Restoration**

This account funds activities that are consistent with the objectives of the CALFED Bay-Delta program. Funds are requested in 2004 for the Reclamation share of the costs to continue work on studies addressing water storage.



CENTRAL UTAH PROJECT

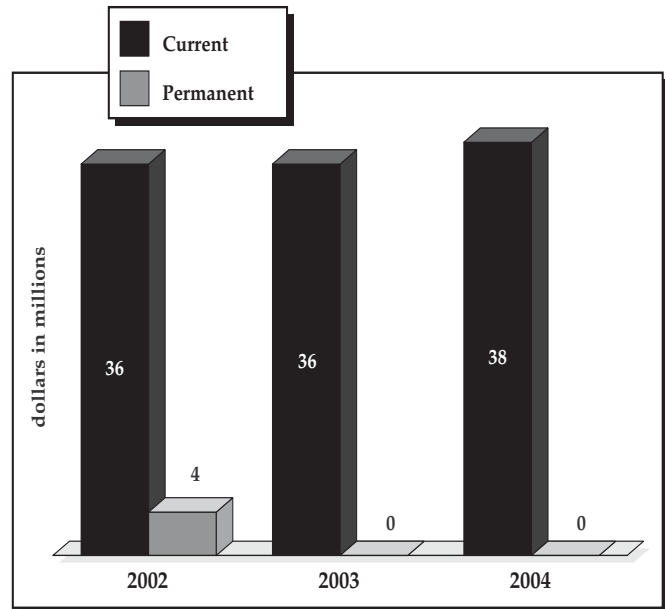
Mission – The purpose of this program is to complete the Central Utah Project in a timely and environmentally sound manner.

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 2002 on projects funded through the District include: completion of the Spanish Fork flow control structure and continued construction on Phases I and II of the Diamond Fork System scheduled to be completed in 2004, which will convey water from the Colorado River Basin to the Utah Valley; implementation of 30 water conservation measures, resulting in the conservation of about 60,000 acre-feet of water in 2002; implementation of 11 local development projects for rural communities; and continued construction of the Uinta Basin replacement project in Duchesne County. Planning documents for facilities to deliver water through the Utah Lake drainage basin water delivery system are scheduled to be completed in 2004.

Accomplishments through 2002 on projects funded through the Mitigation Commission include completion of 5.7 miles of a nearly 10-mile habitat restoration project on the Provo River. Public access to 8.5 miles of the Provo River is now available, with three of seven planned public access points completed. Public angler access has been completed for all but three miles of a 51-mile mitigation commitment under the Bonneville Unit. Final completion of this mitigation commitment is expected in 2004. Reconstruction of the State of Utah's Fountain Green Fish Hatchery was completed, doubling its production of sport fish. Planning proceeded on three other hatchery

CUPCA Funding



improvement plans, including one to assist the Ute Indian Tribe. The Commission became a key partner in the June sucker recovery implementation program that was formally launched in 2002 with eight other Federal, State, and local organizations. Cooperative agreements were signed with partners that will improve and protect Commission lands around the Great Salt Lake and along the Jordan River.

Budget Overview – The 2004 Central Utah Project requests \$38.2 million, an increase of \$2.0 million over the 2003 request. The budget refocuses resources to address redesign and realignment of the Diamond Fork tunnel due to the interception with water that is highly contaminated with hydrogen sulfide. As described in the following detail, the request includes: \$26.4 million for planning and construction activities administered by the District; \$9.4 million for mitigation and conservation activities funded through the Mitigation Commission; and \$2.4 million for activities administered by the program office, which includes \$629,000 for mitigation and conservation activities funded through the program office.

SUMMARY OF BUREAU APPROPRIATIONS
(all dollar amounts in thousands)

Comparison of 2004 Request with 2003 President's Budget:

	2003 Budget		2004 Request		Change from 2003	
	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>
Appropriations						
Central Utah Project Completion Account	5	24,969	5	28,768	0	+3,799
Utah Reclamation Mitigation & Conservation	0	11,259	0	9,423	0	-1,836
Subtotal, Appropriations	5	36,228	5	38,191	0	+1,963
Permanents and Trusts						
Utah Reclamation Mitigation & Conservation	13	0	13	0	0	0
Subtotal, Permanents and Trusts	13	0	13	0	0	0
TOTAL, CENTRAL UTAH PROJECT	18	36,228	18	38,191	0	+1,963

HIGHLIGHTS OF BUDGET CHANGES
By Appropriation Activity/Subactivity

APPROPRIATION: Central Utah Project Completion Account

	<u>2002 Actual</u>	<u>2003 Budget</u>	<u>2004 Request</u>	<u>Change from 2003 Budget</u>
Central Utah Project Construction	23,809	23,040	26,411	+3,371
Mitigation and Conservation	360	579	629	+50
Program Administration	1,310	1,350	1,728	+378
TOTAL APPROPRIATION	25,479	24,969	28,768	+3,799

Program Highlights

Central Utah Project Construction

The request includes \$26,411 for use by the Central Utah Water Conservancy District, including \$20,000 to continue construction on the remaining segments of the Diamond Fork System that had to be realigned due to the interception with water that is highly contaminated with hydrogen sulfide; \$2,177 for construction on the Uinta Basin Replacement projects; \$250 to implement approved local development projects and water management improvement projects; and \$1,984 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 \$629 for mitigation and conservation activities funded through the program office.

Program Administration

These funds support the program office in Provo, Utah, and other activities necessary to carry out responsibilities of the Secretary.

APPROPRIATION: Utah Reclamation Mitigation and Conservation Account

	<u>2002 Actual</u>	<u>2003 Budget</u>	<u>2004 Request</u>	<u>Change from 2003 Budget</u>
Fish, Wildlife, and Recreation				
Mitigation and Conservation	10,749	11,259	9,423	-1,836
TOTAL APPROPRIATION	10,749	11,259	9,423	-1,836

Program Highlights**Fish, Wildlife, and Recreation Mitigation and Conservation**

Funds are requested for use by the Utah Reclamation Mitigation and Conservation Commission in implementing the fish, wildlife, and recreation mitigation and conservation projects authorized in Title III (\$7,718); and in completing mitigation measures committed to in Bureau of Reclamation planning documents (\$1,705). Activities funded in 2004 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.



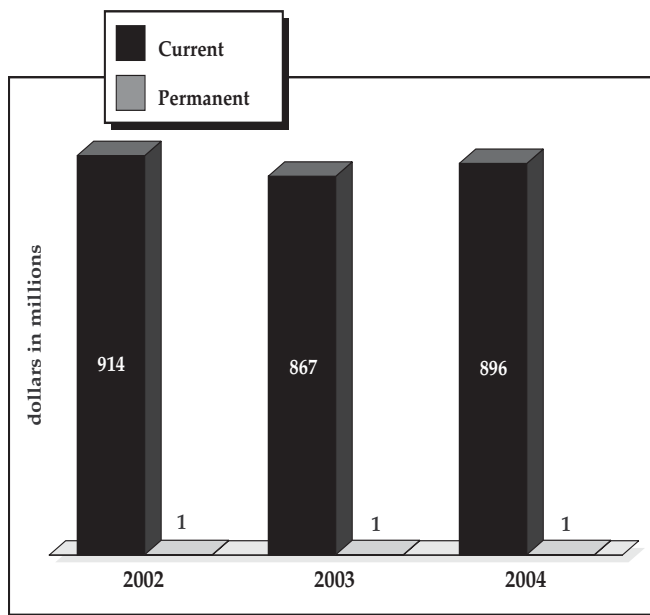
U.S. GEOLOGICAL SURVEY

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 mapping, 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 that reduce the impact of natural hazards and disasters 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 mapping 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, USGS is seeking ways to integrate its diverse programs, capabilities, and talents to address those issues that require a multidisciplinary solution. The USGS also places great value on partnerships and is

USGS Funding



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 American public.

Management Excellence – The USGS 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. This budget proposal supports the Department’s new unified strategic plan, specifically in relation to informed decisions through the application of science and to advance knowledge through scientific leadership. The proposal assists in sustaining biological communities on lands managed or influenced by Interior, and improving the health of watersheds, landscapes, and marine resources through research into areas such as chronic wasting disease and invasive species. Base en-

ergy and minerals programs will continue to generate information to help manage and influence resource use to enhance public benefit and promote responsible use. The USGS hazards program will continue to generate information and assistance to protect lives and property.

The USGS is committed to budget and performance integration. The USGS has consolidated the planning, evaluation, and budget staffs within one office. In 2003, USGS made a major system commitment to ensure planning and budget integration through the implementation of the Budget and Science Information System – Plus. This project management system is interfaced with the financial system and is used by planning, budget, and program staffs to manage programs and funding appropriately and uniformly at local, regional, and national levels. The USGS has committed to studying 327 positions for competitive sourcing between 2002 and 2004.

Budget Overview – The 2004 USGS budget request is \$895.5 million in current appropriations, an increase of \$28.2 million over the 2003 request. Funding increases will allow USGS to enhance and continue partnership opportunities with States in science areas such as chronic wasting disease, invasive species, mapping, water resources investigations, and science for Interior bureaus. These increases are partially offset by a completion of projects and reprioritization of USGS science during 2004.

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. The majority of USGS programs receiving increases in the 2004 President's budget are partnership oriented.

Science for Interior Bureaus – The 2004 President's budget request continues the Administration's commitment to strengthen science support to land and resource management bureaus by proposing a \$3.0 million increase for science on the Interior landscape. This program will provide dedicated funds for enhanced earth and biological sciences support to meet regional priorities designated by the Interior Department's bureaus, with an emphasis on cost-sharing and other partnership opportunities to leverage funds. Priority needs have been identified through consultations with the Interior bureaus. Criteria for funding will be based on the identified needs of the bureaus, funding availability, and partnership opportunities.

The budget continues a \$4.0 million proposal for the Everglades critical ecosystem science initiative so USGS can continue to provide the long-term science, analysis, monitoring, modeling, and decision support systems needed for adaptive management and implementation of the Comprehensive Everglades Restoration Plan. Total USGS Everglades-related funding is \$12.6 million.

Mapping – The 2004 budget supports the transition of the National Mapping program toward leadership in geospatial data standards, data consistency, data integration, and partnerships for data collection, maintenance, and dissemination. The budget proposes an increase of \$3.8 million for America View partnerships and urban dynamics studies. America View was a successful pilot project that increased the ability of a State-user community to quickly access and apply geographical data. This initiative currently includes USGS and an 11-State consortium. The urban dynamics program conducts studies to document and analyze data to understand and forecast urban land transformations to better predict future resource challenges before they occur.

Program increases are offset by an \$8.6 million reduction. A combined program and management review has found that the concentrated efforts of the Center for Integration of Natural Disaster Information are not required and that CINDI's functions could be carried out in other parts of USGS, bringing about a \$1.4 million savings. Additionally, \$2.8 million in lower-priority mapping research is ending in order to address higher priority needs within the Survey. Finally, \$4.4 million of the reduction is associated with transition from actual data collection of geographical information associated with the National Map. The Administration's review of the effectiveness of the Mapping program with its Program Assessment Rating Tool, found that the program was not optimally designed. The USGS is currently working to address these concerns through program evaluation, workforce planning, and modification of business practices. The role of the USGS Mapping program will be more focused on the development of data and software standards that enable partnerships among Federal, State, and local government agencies to collect and maintain geospatial data.

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 2004 President's budget provides a \$5.8 million increase for high priority science that supports

decisionmaking. This includes \$500,000 to continue three-dimensional mapping of the glacial material that characterizes the surface deposits and shallow aquifers of the central Great Lakes Region. An increase of \$4.5 million is provided for the National Cooperative Geologic Mapping program to continue geologic mapping that depict the distribution of the Nation's sediment, rocks, resources. To continue efforts in cooperation with the University of New Orleans to better understand the natural subsidence and how it contributes to storm vulnerability and wetland loss in the Louisiana coastal areas, \$500,000 is provided. Finally, the budget provides \$300,000 for the additional acquisition of interferometric synthetic aperture radar satellite data to allow additional monitoring of earthquake, volcanic, and flood activity at volcanically and seismically active sites on a more regular basis.

The budget includes an \$11.0 million reduction in lower priority efforts, \$9.1 million of which is for minerals research and assessments. The overall reduction also includes \$1.9 million for the Advanced National Seismic System. The USGS will fix identified system weaknesses in the areas of information technology management and security in 2004 before requesting funding for new investments in ANSS. Finally, through base funding, USGS will work collaboratively with the Minerals Management Service to provide the scientific information that is an important component to the President's vision for improved energy security by focusing research on emerging energy sources, specifically methane hydrates.

Water Resources – The 2004 budget proposes \$200.1 million to continue the water resources work performed by USGS. This includes a \$6.3 million increase to continue the long-term, nationwide studies on the quality of streams, ground water, and aquatic ecosystems through the National Water-Quality Assessment program. The Toxic Substances Hydrology program receives \$11.0 million under the proposed budget to provide scientific information and tools that explain the occurrence, behavior, and effects of toxic substances in the Nation's hydrologic environments. A \$2.1 million increase is proposed for the National Streamflow Information program to continue to operate and maintain approximately 7,000 streamgages nationwide that provide long-term, accurate, and unbiased information that meet the needs of many diverse users. Finally, a \$1.8 million increase is proposed for the National Water Information System to assure the collection, long-term storage, and near-real-time delivery of water information by making the NWIS interface more effective for a wider range of users.

Biological Research – Finding solutions and assisting in the mitigation of biological resource problems facing Federal agencies, as well as State, local, and tribal govern-

ments, is a high priority of the Administration. The 2004 budget requests a \$4.6 million increase for invasive species, chronic wasting disease, and amphibian research. To meet the goals of the National Invasive Species Management Plan, USGS, through a partnership consortium, provides management-oriented research and delivers information needed to prevent, detect, control, and eradicate invasive species and to restore impaired ecosystems. The 2004 request for invasives includes an increase of \$3.0 million for research related to ballast water, and the control and management of tamarisk and nutria. The USGS, along with the Fish and Wildlife Service, National Park Service, U.S. Department of Agriculture, and other Federal agencies, is partnering with States to provide critical research and information dissemination regarding chronic wasting disease. An increase of \$1.0 million is requested in 2004 for USGS to study disease pathways of chronic wasting disease and \$500,000 is requested for research into amphibian declines and malformations that have been occurring in recent years.

Information Dissemination – The USGS recognizes the importance of communicating science results. Results need to be shared and made available in a comprehensible manner for use by decisionmakers and other stakeholders. To assist in this effort, \$2.2 million is requested in 2004 for the enhancement and development of nodes in the National Biological Information Infrastructure. This increase includes \$1.0 million for strengthening the California information node and initiating a mid-Atlantic node, \$250,000 to increase the amount of chronic wasting disease information on the wildlife disease - human health node, and \$1.0 million to increase invasive species information on the NBII. The budget also includes \$1.5 million for the development of a Geospatial One-Stop grant program to support the involvement of State, local, and tribal governments, as well as private industry and academia in the design, development, and implementation of Geospatial One-Stop.

Science Support – The 2004 USGS budget includes \$1.5 million for development of an enterprise geographic information system. This initiative is in direct support of the President's management goal of expanding electronic government to make it easier for the public to access and use the USGS vast spatial data holdings and other Interior bureau data. The budget also includes an increase of \$4.0 million to complete the conversion of existing radio equipment from wideband to narrowband to meet the statutory December 2004 deadline.

Administrative Initiatives and Uncontrollable Costs – The 2004 budget request provides \$11.7 million to cover a portion of the 2004 uncontrollable costs. The Interior Department is undertaking significant information tech-

nology reforms to improve the management of IT investments, to improve the security of systems and information, and to realize short- and long-term efficiencies and savings. The Interior Department's corporate approach includes consolidated purchases of hardware and soft-

ware; consolidation of support functions including help desks, e-mail support, and web services; and coordination of training. The USGS budget request includes a reduction of \$10.4 million in 2004 to reflect these management reforms.

SUMMARY OF BUREAU APPROPRIATIONS
(all dollar amounts in thousands)

Comparison of 2004 Request with 2003 President's Budget:

	2003 Budget		2004 Request		Change from 2003	
	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>
Appropriations						
Surveys, Investigations, & Research	6,736	867,338	6,756	895,505	20	+28,167
Permanents, Trust Funds, & Others						
Operations & Maintenance of Quarters	0	50	0	48	0	-2
Contributed Funds	0	738	0	737	0	-1
Working Capital Fund	229	0	229	0	0	0
Subtotal, Permanents, Trust Funds, & Others .	229	788	229	785	0	-3
Transfers & Reimbursables	2,432	0	2,432	0	0	0
TOTAL, U. S. GEOLOGICAL SURVEY	9,397	868,126	9,417	896,290	20	+28,164

HIGHLIGHTS OF BUDGET CHANGES
By Appropriation Activity/Subactivity

APPROPRIATION: Surveys, Investigations, and Research

	<u>2002 Actual</u>	<u>2003 Budget</u>	<u>2004 Request</u>	<u>Change from 2003 Budget</u>
Mapping, Remote Sensing, & Geographic Investigations				
Cooperative Topographic Mapping ..	80,983	80,940	74,108	-6,832
Land Remote Sensing	35,809	32,828	34,039	+1,211
Geographic Analysis/Monitoring	16,338	15,526	12,335	-3,191
Subtotal, Mapping	133,130	129,294	120,482	-8,812
Geologic Hazards, Resource, & Processes				
Geologic Hazards Assessments	74,932	73,971	72,776	-1,195
Geologic Landscape/Coastal Assess. .	77,887	73,217	79,430	+6,213
Geologic Resource Assessments	79,732	77,468	69,369	-8,099
Subtotal, Geologic Hazards	232,551	224,656	221,575	-3,081
Water Resources Investigations				
Hydrologic Monitor., Assess, & Rsch	136,106	113,489	135,560	+22,071
Cooperative Water Program	64,318	64,339	64,536	+197
Water Resources Rsch Act Program ...	6,000	0	0	0
Subtotal, Water Resources	206,424	177,828	200,096	+22,268
Biological Research				
Biological Research/Monitoring	133,354	127,619	134,036	+6,417
Biological Info Mgmt/Delivery	18,896	18,893	20,700	+1,807
Cooperative Research Units	13,954	13,969	14,139	+170
Subtotal, Biological Research	166,204	160,481	168,875	+8,394
Science Support	86,159	86,104	91,529	+5,425
Facilities	89,445	88,975	92,948	+3,973
TOTAL APPROPRIATION	913,913	867,338	895,505	+28,167

Highlights of Budget Changes

	<u>Amount</u>
Uncontrollable Cost Net Increase (non-add)	[+19,412]
Mapping, Remote Sensing, and Geographic Investigations	
Cooperative Topographic Mapping	-6,832
<p>The budget proposes an increase (+\$1,500) for the development of a grant program to support the involvement of non-Federal entities in the design, development and implementation of Geospatial One-Stop. The proposed decrease (-\$4,444) reduces funding for data collection associated with the National Map as the Survey is moving away from actual data collection. The budget includes a reduction of \$4,715 in information technology investments, to reflect reduced data acquisition activities as well as streamlining and management improvements in this area. Uncontrollable cost increases total \$1,610, of which \$827 are budgeted and \$783 are absorbed.</p>	
Land Remote Sensing	+1,211
<p>The proposed increase (+\$3,000) funds public access to remotely sensed data through the America View consortium. The budget includes a reduction of -\$1,925 in information technology investments, to reflect streamlining and management improvements in this area. Uncontrollable cost increases total \$264, of which \$136 are budgeted and \$128 are absorbed.</p>	

	<u>Amount</u>
Geographic Analysis and Monitoring	-3,191
<p>The proposed increase (+\$809) provides funding to provide better understanding and forecast urban land transformations. This is offset by a proposed reduction (-\$1,400) to move functions from the Center to Integrate Natural Disaster Information to other areas within USGS and to end lower priority mapping research (-\$2,770) in order to fund higher priorities elsewhere within the Survey. Uncontrollable costs total \$331, of which \$170 are budgeted and \$161 are absorbed.</p>	
Geologic Hazards, Resources and Processes	
Geologic Hazard Assessments	-1,195
<p>The budget proposes an increase (+\$300) to the Volcano Hazards program that will allow additional acquisition of interferometric synthetic aperture radar data to be used to provide essential ground-based monitoring for volcanoes and earthquakes and limited InSAR research and development. A decrease (-\$1,900) is also proposed for the Advanced National Seismic System, due to IT management and security issues. The budget includes a reduction of -\$190 in information technology investments to reflect streamlining savings and management improvements in this area. Uncontrollable costs total \$1,195, of which \$595 are budgeted and \$600 are absorbed.</p>	
Geologic Landscape and Coastal Assessments	+6,213
<p>The proposed increase to the Earth Surface Dynamics program includes the following: restoration of funding to the Central Great Lakes Geologic Mapping Coalition (+\$500) and support for the science on the Interior landscape initiative to meet regional priorities designated by the Interior bureaus, such as ecosystem sustainability studies in the Great Basin, energy resource and predictive landscape changes in Alaska, and restoration ecology for selected landscapes in the Central Region (+\$250). The proposed increase (+\$4,500) to the National Cooperative Geologic Mapping program restores funding to continue its STATEMAP, EDMAP, and FEDMAP efforts. The proposed increase to the Coastal and Marine Geology program includes the following: additional funding to expand Louisiana subsidence studies (+\$500) and support for the science on the Interior landscape initiative to meet regional priorities designated by the Interior bureaus, such as impacts of sea-level rise on coastal habitats and impacts of altered freshwater flow on bays in the Eastern Region (+\$200). The budget includes a reduction of -\$397 in information technology investments specifically to reflect streamlining and management improvements in this area. Uncontrollable costs total \$1,331, of which \$660 are budgeted and \$671 are absorbed.</p>	
Geologic Resource Assessments	-8,099
<p>The proposed decrease (-\$9,122) to the Mineral Resources program will discontinue funding for lower priority assessments of industrial minerals and aggregates. The proposed increase to the Energy Resources program (+\$500) will support the science on the Interior landscape initiative to meet regional priorities designated by the Interior bureaus, such as energy development-related physical and biological issues on the North Slope, AK, and effects of coalbed methane production on public lands in the Rocky Mountains. The budget includes a reduction of -\$363 in information technology investments to reflect streamlining and management improvements in this area. Uncontrollable costs total \$1,779, of which \$886 are budgeted and \$893 are absorbed.</p>	
Water Resources Investigations	
Hydrologic Monitoring, Assessments & Research	+22,071
<p>The budget proposes an increase for the National Water-Quality Assessment program (+\$6,310) to continue all 42 study units. An increase is also proposed for Toxic Substances Hydrology program (+\$11,000) to assess the primacy of the studies within the program and to continue funding higher priority studies while bringing lower priority studies to a close. The increase proposed for the National Streamflow Information program (+\$2,098) will enable USGS to maintain streamgaging operations at the 2002 level. An increase is also proposed to ensure continued support for the National Water Information System (+\$1,800). The proposed increase for science on the Interior landscape includes increases for the Ground-Water Resources program (+\$100) and Hydrologic Networks Analysis (+\$650). These increases will allow USGS to meet regional priorities designated by the Interior bureaus, such as assessments of ground-water resources in the Central Region for land management decisions on sustainability and ecosystem health and studies of groundwater and hydrologic networks to expand understanding of arctic hydrology on the North Slope, AK. Other priorities include instream flow methods for</p>	

	<u>Amount</u>
<p>aquatic systems in the arid west, hydrologic processes related to ecosystem sustainability in the Great Basin, and restoration ecology and coalbed methane production in the Central Region. A technical adjustment of -\$300 is proposed to move funding for vessel operations from Hydrologic Monitoring, Assessments, and Research to Facilities. The budget includes a reduction of \$1,070 in information technology investments to reflect streamlining and management improvements in this area. Uncontrollable cost increases for this subactivity total \$2,798, of which \$1,483 will be budgeted and \$1,315 will be absorbed through reductions in other program activities.</p>	
<p>Cooperative Water Program</p> <p>The budget includes a reduction of \$510 in information technology investments to reflect streamlining and management improvements in this area. Uncontrollable cost increases for this subactivity total \$1,335, of which \$707 will be budgeted and \$628 will be absorbed through reductions in other program activities.</p>	+197
<p>Biological Research</p> <p>Biological Research & Monitoring</p> <p>Proposed increases include +\$500 to continue efforts to expand amphibian research and monitoring on various potential causes of amphibian declines and deformities; +\$1,000 for chronic wasting disease research, building on a multi-year comprehensive research effort that prioritizes the urgent needs of State and Federal managers in their efforts to control the disease and minimize its impacts; +\$3,050 for invasive species research related to control and eradication of nutria, control and management of tamarisk, and ballast water research. The budget proposes +\$1,300 to provide support for the Science on the Interior Landscape Initiative to meet regional priorities designated by the Interior bureaus, such as the effects of urban dynamics on the health and sustainability of natural ecosystems within public lands in the Eastern Region, effects and controls of invasive species in riparian and aquatic habitats and other restoration ecology activities in the Central Region, and interaction of wildfire and plant communities in the Great Basin and effects of species invasions on ecosystem functions in Hawaii. A technical adjustment of -\$600 is proposed to move funding for vessel operations from Biological Research and Monitoring to Facilities. The budget also includes a reduction of \$100 for information technology investments to reflect streamlining and management improvements in this area. Uncontrollable costs total \$2,495, of which \$1,267 are budgeted and \$1,228 are absorbed.</p>	+6,417
<p>Biological Information Management & Delivery</p> <p>Proposed increases include +\$1,000 for the National Biologic Information Infrastructure to strengthen the resources of the existing NBII California information node and to initiate a mid-Atlantic information node; +\$250 to increase the amount of geospatial information on chronic wasting disease available on the NBII wildlife disease - human health node; and +\$1,000 to begin developing a prototype model for a national early detection network for invasive species in U.S. terrestrial and aquatic ecosystems. The budget also includes a reduction of \$550 for information technology investments to reflect streamlining and management improvements in this area. Uncontrollable costs total \$214, of which \$107 are budgeted and \$107 are absorbed.</p>	+1,807
<p>Science Support</p> <p>The proposed change provides an increase (+\$3,990) to replace existing wideband radios with digital narrowband land mobile radios and a reduction (-\$1,200) for accessible data transfer. The budget also includes an increase of \$1,380 for IT Security. Uncontrollable costs total \$2,610, of which \$1,605 are budgeted and \$1,005 are absorbed. This subactivity also includes a decrease of \$350 in information technology investments, specifically to reflect streamlining and management improvements in this area.</p>	+5,425
<p>Facilities</p> <p>The budget proposes an increase (+\$900) provided through a technical adjustment transferring associated funding and expenses for the operation and maintenance of large vessels to the Facilities Budget Activity. Uncontrollable cost total \$3,116, of which \$3,073 are budgeted and \$43 are absorbed.</p>	+3,973



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. About 44 percent of the budget is devoted to payments and grants to States, local communities, and landowners, funded in annual and permanent appropriations.

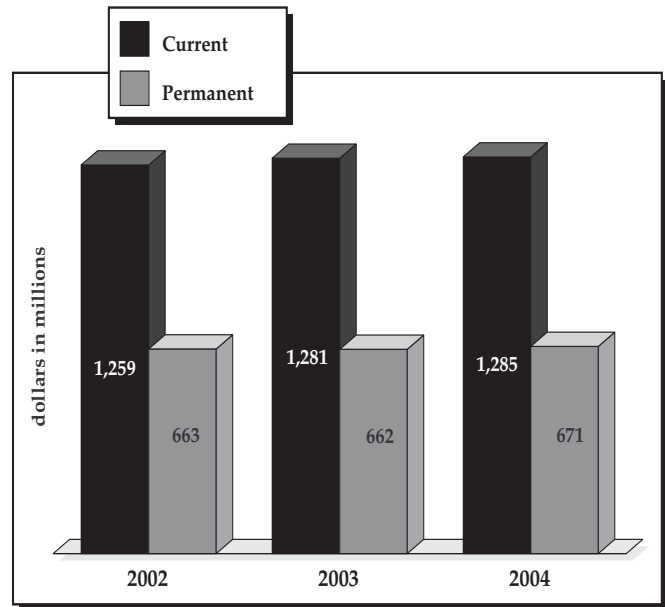
The national wildlife refuge system is among the world’s most significant land and water systems managed for the benefit of fish and wildlife. The 95 million-acre network provides stepping stones of habitat for many species of migratory birds and other wildlife, sanctuary for hundreds of threatened and endangered species, and secure spawning areas for healthy wild salmon fisheries. The system includes 540 refuges and thousands of small prairie wetlands. These refuges provide recreational opportunities for photography, hiking, fishing, hunting, and education programs for 39 million visitors annually.

The FWS 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. The FWS’s 69 national fish hatcheries produce more than 150 million fish annually, including striped bass, steelhead, lake trout, and salmon.

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. The Service’s programs have worked extensively to step down from the goals in the Department’s new unified strategic plan. The Service is also developing an implementation plan for an ESA recovery task tracking system; has completed a workforce development plan; is piloting activity-based cost management at two regions in 2003; and will complete nearly 500 competitive sourcing studies by the end of 2004. The Partners for Fish and Wildlife program and the national fish hatchery system were assessed during formulation of the 2004 budget using the Administration’s Program Assessment Rating Tool. The PART process identified actions needed to clarify program purpose and design

and made recommendations to improve strategic planning, program management, and program results.

Budget Overview – The 2004 request for current appropriations totals \$1.3 billion, an increase of \$4.0 million over 2003. The budget also includes \$671.1 million available under permanent appropriations, most of which will be provided directly to States for fish and wildlife restoration and conservation. More than 76 percent of the FWS current request supports the Department’s mission goal for resource protection, with remaining resources devoted to achieving resource use, recreation, and serving communities mission goals.

Cooperative Conservation Initiative – The 2004 budget continues the Secretary’s vision of cooperative conservation through a revised Cooperative Conservation Initiative that focuses on existing successful programs that build resource protection partnerships. The FWS funding for the initiative totals \$70.2 million, including \$11.9 million for the national wildlife refuge systems’ Challenge Cost-Share program; \$38.4 million for the Partners for Fish and Wildlife program; \$10.4 million for Migratory Bird Joint Ventures program; and \$9.6 million for the Coastal program. In recognition of the Partners program’s success in achieving its annual goals, the request increases the program by \$9.1 million, or 31 percent, which will allow the program to partner with 2,500 additional landowners on the program’s waiting list. The request also increases the Refuge Challenge Cost-Share program by \$3.0 million, or 33.8 percent, and the Joint Venture program by \$2.9 million, or 39.6 percent. Since the 2004 Cooperative Conservation Initiative builds on existing conservation partnership programs, the budget does not include funding for a new \$13.0 million Service-wide program included in the 2003 budget.

The budget also provides \$246.2 million for five Service grant programs that facilitate State and local conservation efforts. These programs are funded through the Land and Water Conservation Fund in 2004, re-emphasizing the importance in achieving the land and water conservation goals set forth in the LWCF Act.

The 2004 request for the Landowner Incentive program is \$40.0 million, a \$10.0 million reduction from the 2003 President’s budget, but the same as the 2002 enacted level. The program provides matching, competitive grants to States, the District of Columbia, Territories, and 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 species, 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.

The request for the Cooperative Endangered Species Conservation Fund is \$86.6 million, \$2.3 million below 2003. A total of \$58.8 million is included for habitat conservation planning and land acquisition programs, which support States, local governments, and landowners in protecting habitat within or near areas covered by habitat conservation plans. The remaining \$27.8 million is allocated for grants to implement candidate conservation agreements, recovery actions, other State initiatives to conserve candidate, proposed, and listed species, and administration. States can, in turn, pass the funding on to municipalities, Tribes, and private landowners to enlist their support in species conservation efforts.

The budget proposes \$49.6 million for the North American Wetlands Conservation Fund, \$6.0 million above 2003. Together with funding from permanent appropriations, \$75.5 million will be available for the program in 2004. 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.

State and Tribal Wildlife grants, funded at the 2003 level of \$60.0 million, 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.

Information Technology – The Department is undertaking significant information technology reforms to improve the management of IT investments, to improve the security of systems and information, and to realize short- and long-term efficiencies and savings. The Department’s corporate approach includes consolidated purchases of hardware and software; consolidation of support functions, including help desks, e-mail support, and web services; and coordination of training. The FWS’s budget

includes a reduction of \$8.1 million in 2004 to reflect these management reforms.

Operations – The 2004 request for FWS’s principal operating account, Resource Management, is \$941.5 million, an increase of \$37.9 million over 2003. The budget directs additional resources to three of the Department’s mission goals, \$28.8 million for resource protection; \$5.5 million for recreation; and \$3.6 million for serving communities. The request funds program-wide uncontrollable cost increases of \$6.6 million, and reflects \$9.4 million in administrative efficiencies, of which \$6.0 million will be realized by absorbing fixed cost increases and \$3.4 million by curtailing unnecessary travel and relocation costs.

Fisheries – The budget includes a total of \$103.6 million for the Fisheries program, an increase of \$8.8 million over 2003. The Fisheries program is a critical partner with States, Tribes, and others in efforts to conserve the Nation’s aquatic resources. The budget furthers the Federal contribution to this conservation partnership with increases of \$1.0 million to support interdepartmental efforts to combat aquatic nuisance species, and \$8.0 million for operation and maintenance of the national fish hatchery system’s hatcheries, fish health centers, and fish technology centers. A \$5.0 million operating increase provides \$1.6 million to implement high-priority endangered species recovery tasks; \$2.5 million to implement priority restoration tasks prescribed in approved fishery management plans; and \$900,000 to assist Federal and State fisheries managers through applied science support services and tools. A \$3.0 million increase for hatchery maintenance will accelerate completion of condition assessments to 75 percent by the end of 2004, and support completion of 59 deferred maintenance projects focused on critical water management facilities, an increase of 16 projects over 2003.

National Wildlife Refuge System – Operation and maintenance of the national wildlife refuge system is funded at \$402.0 million, an increase of \$25.5 million over 2003. The increase funds three Departmental and interdepartmental initiatives, including \$3.0 million, as discussed above, for the Refuge Challenge-Cost Share program, a component of the Cooperative Conservation Initiative; \$2.1 million for combating invasive species; and \$500,000 for control and surveillance of chronic wasting disease on refuge lands.

The requested increase for operations includes \$2.0 million to accelerate completion of Comprehensive Conservation Plans and \$1.6 million to strengthen the law enforcement program. The remaining \$15.0 million is for other high priority operating needs, including: needs identified in the refuge operations needs system; start up

costs on recently established and expanded refuges, including Vieques National Wildlife Refuge in Puerto Rico and Don Edwards San Francisco Bay National Wildlife Refuge; and funding to support land management and research demonstration sites.

The 2004 request includes \$109.1 million for refuge maintenance to continue progress in addressing deferred maintenance. The request includes a \$2.0 million increase for annual maintenance to facilitate continued implementation of a new maintenance management system.

In the Construction appropriation, the request includes \$1.7 million to complete construction of two new visitor centers at the Ottawa National Wildlife Refuge in Ohio and the Savannah National Wildlife Refuge in Georgia.

Endangered Species – The budget includes \$128.7 million for administering the Endangered Species Act, an increase of \$3.0 million over 2003. The increase includes \$3.2 million to meet the litigation-driven workload of the endangered species listing program and \$2.0 million for the recovery program. The recovery program will work in tandem with partners and other FWS programs to accomplish priority recovery tasks to stabilize highly imperiled species and complete final recovery actions for species nearing recovery. The request also includes a \$2.0 million reduction to southern California’s Natural Communities Conservation Planning program. This program was initiated prior to funding being available under the CESCO for HCP planning efforts. To offset this reduction, the CESCO includes an increase of \$2.1 million in HCP planning assistance.

Law Enforcement – The budget provides a total of \$52.7 million for law enforcement, an increase of \$738,000 over 2003. The request includes a \$1.0 million increase for nine additional wildlife inspectors at ports of entry along the northern and southern borders. The request also includes a \$500,000 increase to coordinate Federal and State manatee protection efforts and conduct speed zone enforcement operations on federally designated manatee refuges and sanctuary areas.

Construction – The request for Construction is \$35.4 million, the same as 2003. It will support high priority projects identified in the Department’s five-year construction plan. Highlights include \$3.7 million to replace a seismically unsafe office building at Cabo Rojo National Wildlife Refuge in Puerto Rico; \$1.7 million to complete construction of two new visitor centers at the Ottawa National Wildlife Refuge in Ohio and the Savannah National Wildlife Refuge in Georgia; and \$1.9 million to complete construction of a new laboratory and administration building at the Bozeman Fish Technology Center.

Land Acquisition – The 2004 request for the Land Acquisition appropriation totals \$40.7 million, a decrease of \$29.6 million from 2003. The reduction reflects the priority Interior places on alternative conservation strategies, such as assisting private landowners and working with citizen volunteers to restore habitat on existing Federal lands. The request includes a total of \$24.7 million in line-item land acquisition for acquiring interests in lands, including easements that provide important fish and

wildlife habitat. Highlights include \$5.0 million for Baca Ranch in Colorado; \$2.0 million for Everglades; and \$5.0 million for conservation easements on the Quinault Indian Reservation to protect federally-listed species.

Multinational Species Conservation Fund – The request includes \$7.0 million for the Multinational Species Conservation Fund, an increase of \$2.0 million over 2003 for neotropical migratory bird conservation grants.

SUMMARY OF BUREAU APPROPRIATIONS
(all dollar amounts in thousands)

Comparison of 2004 Request with 2003 President's Budget:

	2003 Budget		2004 Request		Change from 2003	
	FTE	Amount	FTE	Amount	FTE	Amount
Appropriations						
Resource Management	6,889	903,604	6,973	941,526	+84	+37,922
Construction	195	35,402	195	35,393	0	-9
Land Acquisition	111	70,384	111	40,737	0	-29,647
Landowner Incentive Program	7	50,000	7	40,000	0	-10,000
Private Stewardship Grants	4	10,000	4	10,000	0	0
Cooperative Endangered Species Fund	6	88,900	6	86,614	0	-2,286
National Wildlife Refuge Fund -						
Payments in Lieu of Taxes	0	14,414	0	14,414	0	0
North American Wetlands Conservation Fund ...	11	43,560	11	49,560	0	+6,000
Multinational Species Conservation Fund	3	5,000	5	7,000	+2	+2,000
State and Tribal Wildlife Grants	5	60,000	5	59,983	0	-17
Subtotal, Appropriations	7,231	1,281,264	7,317	1,285,227	+86	+3,963
Permanent Accounts						
Recreational Fee Demonstration Program	31	3,800	31	4,000	0	+200
Migratory Bird Conservation Account	75	42,250	75	42,250	0	0
National Wildlife Refuge Fund	30	6,242	30	6,336	0	+94
North American Wetlands Conservation Fund ...	0	526	0	500	0	-26
Sport Fish Restoration	59	329,952	59	337,476	0	+7,524
Federal Aid in Wildlife Restoration	59	236,812	59	238,000	0	+1,188
Miscellaneous Permanent Appropriations	5	2,760	5	2,760	0	0
Contributed Funds	15	4,342	15	4,100	0	-242
Cooperative Endangered Species Fund	0	34,835	0	35,650	0	+815
Reimbursements	769	0	718	0	-51	0
Job Corps	115	0	115	0	0	0
Firefighting	470	0	470	0	0	0
Natural Resource Damage Assessment	46	0	46	0	0	0
Hazardous Materials	8	0	8	0	0	0
Federal Roads (FHWA)	14	0	14	0	0	0
Forest Pest (Agriculture)	1	0	1	0	0	0
Subtotal, Permanent and Trusts	1,697	661,519	1,646	671,072	-51	+9,553
TOTAL, FISH AND WILDLIFE SERVICE	8,928	1,942,783	8,963	1,956,299	+35	+13,516

HIGHLIGHTS OF BUDGET CHANGES

By Appropriation Activity/Subactivity

APPROPRIATION: Resource Management

	<u>2002 Actual</u>	<u>2003 Budget</u>	<u>2004 Request</u>	Change from <u>2003 Budget</u>
Ecological Services				
Endangered Species				
Candidate Conservation	7,620	8,682	8,670	-12
Listing	9,000	9,077	12,286	+3,209
Consultation	45,501	47,770	45,734	-2,036
Recovery	63,617	60,215	62,029	+1,814
Subtotal, Endangered Species	125,738	125,744	128,719	+2,975
Habitat Conservation	83,409	74,623	82,336	+7,713
Environmental Contaminants	10,579	10,780	10,805	+25
Subtotal, Ecological Services	219,726	211,147	221,860	+10,713
National Wildlife Refuge System				
Operations	242,928	268,750	292,879	+24,129
Maintenance	77,029	107,729	109,136	+1,407
Subtotal, NWR System	319,957	376,479	402,015	+25,536
Migratory Bird Management and Law Enforcement				
Migratory Bird Management	28,616	28,310	31,121	+2,811
Law Enforcement				
Operations	48,261	49,778	50,542	+764
Maintenance	2,150	2,150	2,124	-26
Subtotal, Law Enforcement	50,411	51,928	52,666	+738
Subtotal, Migratory Bird Mgmt & Law Enforcement	79,027	80,238	83,787	+3,549
Fisheries				
Hatchery Operations & Maintenance				
Hatchery Operations	37,111	35,701	40,812	+5,111
Hatchery Maint & Rehabilitation	18,251	14,251	17,215	+2,964
Subtotal, Hatchery Ops & Main	55,362	49,952	58,027	+8,075
Fish and Wildlife Management Asst.				
Anadromous Fish Management	10,266	10,224	10,169	-55
Fish & Wildlife Assistance	34,565	32,134	32,984	+850
Marine Mammals	3,716	2,453	2,426	-27
Subtotal, Fish & Wildlife Mgmt Asst	48,547	44,811	45,579	+768
Subtotal, Fisheries	103,909	94,763	103,606	+8,843
General Operations				
Cooperative Conservation Initiative ...	0	13,000	0	-13,000
Central Office Administration	15,530	14,569	17,275	+2,706
International Affairs	8,130	8,167	8,178	+11
Regional Office Administration	24,792	24,217	23,787	-430
Nat'l Conservation Training Ctr	15,526	15,592	15,639	+47
Servicewide Operational Support	56,295	57,762	57,709	-53
National Fish & Wildlife Foundation .	7,705	7,670	7,670	0
Subtotal, General Administration	127,978	140,977	130,258	-10,719
Rescission	-534	0	0	0
TOTAL APPROPRIATION	850,063	903,604	941,526	+37,922

Highlights of Budget Changes

	<u>Amount</u>
Uncontrollable Costs	[+12,567]
Endangered Species	+2,975
<p>The budget includes program increases of \$3,186 for the ESA listing program to complete listing actions required by court orders or settlement agreements and \$2,000 for the Recovery program to implement high priority recovery actions. The request includes a \$2,000 reduction in ESA consultation for Natural Communities Conservation Plan HCP partners, in light of funding available through other Service grant programs. The budget also includes reductions of \$559 for travel and transportation and \$540 for information technology services streamlining. Uncontrollable costs total \$1,945 of which \$888 are budgeted and \$1,057 are absorbed.</p>	
Habitat Conservation	+7,713
<p>The Partners for Fish and Wildlife program will meet resource protection goals and work with additional private landowners to achieve on the ground habitat restoration for federal trust species (+\$9,600) and combat nutria infestations (+\$500). The Jobs in the Woods program in the Pacific Northwest is reduced (-\$1,000). Base funding for the Vermont Partners program [\$149] will be shifted to general program activities. Lower priority projects in Project Planning will be eliminated, including the Portland Metro Greenspaces program (-\$300) and the Middle Rio Grande Bosque initiative (-\$798). The budget includes reductions of \$340 for travel and transportation and \$433 for information technology services streamlining. Uncontrollable costs total \$1,060 of which \$484 are budgeted and \$576 are absorbed.</p>	
Environmental Contaminants	+25
<p>The budget includes reductions of \$42 for travel and transportation and \$27 for information technology services streamlining. Uncontrollable costs total \$206 of which \$94 are budgeted and \$112 are absorbed.</p>	
National Wildlife Refuge System	+25,536
<p>The request includes program increases totaling \$26,240 for the national wildlife refuge system. Operations funding increases (+\$16,600) will address the highest priority tier 1 RONS projects, support land management and research demonstration sites, and provide start up costs on new and expanded refuges including Vieques NWR and Don Edwards San Francisco Bay NWR; combat invasive species including nutria, tamarisk and giant salvinia (+\$2,140); fund additional challenge cost-share projects (+\$3,000); accelerate comprehensive conservation planning (+\$2,000); and control chronic wasting disease on the refuge system (+\$500). Additional funding for annual maintenance is requested to facilitate continued implementation of a new maintenance management system (+\$2,000). The increase of \$26,240 is offset by reductions of \$1,295 for travel and transportation and \$1,332 for information technology services streamlining. Uncontrollable costs total \$4,211 of which \$1,923 are budgeted and \$2,288 are absorbed.</p>	
Migratory Bird Management and Law Enforcement	+3,549
<p>Migratory Birds: Resource protection goals will be met through an increase of \$3,000 for the Joint Venture program and provide a total of \$10,400 for the program, in line with target levels. The budget includes reductions of \$157 for travel and transportation and \$199 for information technology services streamlining. Uncontrollable costs total \$366 of which \$167 are budgeted and \$199 are absorbed.</p>	
<p>Law Enforcement: Additional wildlife inspectors will be hired (+\$1,000) to interdict and deter the illegal trade in protecting species thus sustaining biological communities. Manatee protection efforts will be accelerated in Florida by protecting manatees from boat strikes and enforcing speed zone enforcement operations in refuges and sanctuary areas (+\$500). The budget includes reductions of \$350 for travel and transportation and \$767 for information technology services streamlining. Uncontrollable costs total \$778 of which \$355 are budgeted and \$423 are absorbed.</p>	
Fisheries	+8,843
<p>Hatchery Operations and Maintenance: The Fisheries program "Vision for the Future" will be implemented through increased operations funding for hatchery operations (+\$5,000) and hatchery maintenance (+\$3,000). Increased funding will be used to implement additional</p>	

priority recovery and restoration tasks prescribed in approved recovery plans and fishery management plans; increase fishing opportunities for the public through enhanced restoration activities; and improve the hatchery system's aging infrastructure to fair or better operational conditions to meet fishery management and recovery plan requirements. The budget includes reductions of \$116 for travel and transportation and \$115 for information technology services streamlining. Uncontrollable costs total \$670 of which \$306 are budgeted and \$364 are absorbed.

Fish and Wildlife Management: The request includes an increase of \$1,000 to control and manage aquatic invasive species and reductions of \$193 for travel and transportation and \$276 for information technology services streamlining. Uncontrollable costs total \$519 of which \$237 are budgeted and \$282 are absorbed.

General Operations -10,719

The budget shifts funding for last year's proposed new Cooperative Conservation Initiative to existing partnership programs (-\$13,000). The request provides increased funding for implementing the President's management agenda (+\$2,719) including activity based cost management and competitive sourcing studies; improving information technology security (+\$1,520); and maintenance for the National Conservation Training Center (+\$200). The budget includes reductions of \$348 for travel and transportation and \$3,962 for information technology services streamlining. Uncontrollable costs total \$2,813 of which \$2,152 are budgeted and \$661 are absorbed.

In total, uncontrollable costs for Resource Management account programs total \$12,567 of which \$6,606 are budgeted and \$5,961 are absorbed. The budget includes total program decreases of \$3,400 for travel and transportation and \$7,651 for information technology streamlining for programs funded under resource management. An additional \$377 reduction in information technology spending is reflected within uncontrollable costs for services funded through the Department's working capital fund.

APPROPRIATION: Construction

	<u>2002 Actual</u>	<u>2003 Budget</u>	<u>2004 Request</u>	<u>Change from 2003 Budget</u>
Line Item Construction	35,101	19,115	21,477	+2,362
Bridge Safety	2,675	560	575	+15
Dam Safety	5,275	5,509	2,021	-3,488
Fire Transfers	-11,700	0	0	0
Engineering Services	12,492	10,218	11,320	+1,102
TOTAL APPROPRIATION	43,843	35,402	35,393	-9

Highlights of Budget Changes

Uncontrollable Costs Amount [+402]

Construction -9

Highlights include \$3,700 to replace a seismically unsafe office building at Cabo Rojo NWR in Puerto Rico; \$1,700 million to complete construction of two new visitor centers at the Ottawa NWR in Ohio and the Savannah NWR in Georgia; and \$1,887 million to complete construction of a new laboratory and administration building at the Bozeman Fish Technology Center. A detailed list of projects is contained in Appendix D.

The budget includes reductions of \$235 for information technology services streamlining. Uncontrollable costs total \$402 of which \$226 is budgeted and a total of \$176 is absorbed.

APPROPRIATION: Land Acquisition

	<u>2002 Actual</u>	<u>2003 Budget</u>	<u>2004 Request</u>	Change from <u>2003 Budget</u>
Acquisition Management	15,000	8,500	8,495	-5
Cost Allocation Methodology	0	2,500	2,058	-442
Acquisition - Federal Refuge Lands	80,135	53,884	24,684	-29,200
Fire Transfers	-4,862	0	0	0
Exchanges	1,000	1,000	1,000	0
Inholdings	1,500	2,500	2,500	0
Emergency and Hardship	1,500	2,000	2,000	0
TOTAL APPROPRIATION	94,273	70,384	40,737	-29,647

Highlights of Budget Changes

Uncontrollable Costs	<u>Amount</u> [+378]
Land Acquisition	-29,647

A detailed list of projects is contained in Appendix F. The request includes a reduction of \$29,200 to reflect the Department's focus on resources of existing lands and facilities, and a reduction of \$500 for the cost allocation methodology to reflect decreased costs. Highlights include \$5,000 for Baca Ranch in Colorado; \$1,964 for National Key Deer and Key West NWRs in support of Everglades restoration efforts; and \$5,000 for conservation easements on the Quinault Indian Reservation.

The budget includes a reduction of \$147 for information technology services streamlining. Uncontrollable costs total \$378 of which \$200 is budgeted and a total of \$178 is absorbed.

APPROPRIATION: Landowner Incentive Program

	<u>2002 Actual</u>	<u>2003 Budget</u>	<u>2004 Request</u>	Change from <u>2003 Budget</u>
TOTAL APPROPRIATION	40,000	50,000	40,000	-10,000

Highlights of Budget Changes

Landowner Incentive Grants	<u>Amount</u> -10,000
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The budget decreases the request for the landowner incentive program to the 2002 enacted level of \$40,000.

APPROPRIATION: Private Stewardship Grants

	<u>2002 Actual</u>	<u>2003 Budget</u>	<u>2004 Request</u>	Change from <u>2003 Budget</u>
TOTAL APPROPRIATION	10,000	10,000	10,000	0

APPROPRIATION: Cooperative Endangered Species Conservation Fund

	<u>2002 Actual</u>	<u>2003 Budget</u>	<u>2004 Request</u>	Change from <u>2003 Budget</u>
Conservation Grants	7,520	7,520	7,520	0
HCP Planning Grants	6,650	6,650	8,750	+2,100
Recovery Land Acquisition	17,759	17,759	17,759	0
HCP Land Acquisition	61,306	54,371	50,000	-4,371
Administration	3,000	2,600	2,585	-15
TOTAL APPROPRIATION	96,235	88,900	86,614	-2,286

Highlights of Budget Changes

Grants to States and Administration	<u>Amount</u>
HCP land acquisition is reduced by \$4,371. HCP planning assistance is increased by \$2,100. The budget includes a reduction of \$15 for information technology services streamlining.	-2,286

APPROPRIATION: National Wildlife Refuge Fund

	<u>2002 Actual</u>	<u>2003 Budget</u>	<u>2004 Request</u>	Change from <u>2003 Budget</u>
TOTAL APPROPRIATION	14,414	14,414	14,414	0

APPROPRIATION: North American Wetlands Conservation Fund

	<u>2002 Actual</u>	<u>2003 Budget</u>	<u>2004 Request</u>	Change from <u>2003 Budget</u>
TOTAL APPROPRIATION	43,500	43,560	49,560	+6,000

Highlights of Budget Changes

Wetlands Conservation Grants	<u>Amount</u>
The request increases funding for the North American Wetlands Conservation fund by \$6,000.	+6,000

APPROPRIATION: Multinational Species Conservation Fund

	<u>2002 Actual</u>	<u>2003 Budget</u>	<u>2004 Request</u>	Change from <u>2003 Budget</u>
African Elephant Conservation	1,000	1,000	1,000	0
Rhinoceros and Tiger Conservation	1,000	1,000	1,000	0
Asian Elephant Conservation	1,000	1,000	1,000	0
Great Ape Conservation	1,000	1,000	1,000	0
Neotropical Bird Conservation	0	1,000	3,000	+2,000
TOTAL APPROPRIATION	4,000	5,000	7,000	+2,000

Highlights of Budget Changes

	<u>Amount</u>
Neotropical Migratory Bird Conservation	+2,000
The request increases funding for neotropical migratory bird conservation projects in the western hemisphere (+\$2,000).	

APPROPRIATION: Neotropical Bird Conservation

	<u>2002 Actual</u>	<u>2003 Budget</u>	<u>2004 Request</u>	Change from <u>2003 Budget</u>
TOTAL APPROPRIATION	3,000	0	0	0

APPROPRIATION: State and Tribal Wildlife Grants

	<u>2002 Actual</u>	<u>2003 Budget</u>	<u>2004 Request</u>	Change from <u>2003 Budget</u>
TOTAL APPROPRIATION	59,800	60,000	59,983	-17

Highlights of Budget Changes

	<u>Amount</u>
Administration	-17
The budget includes a reduction of \$17 for information technology services streamlining.	



NATIONAL PARK SERVICE

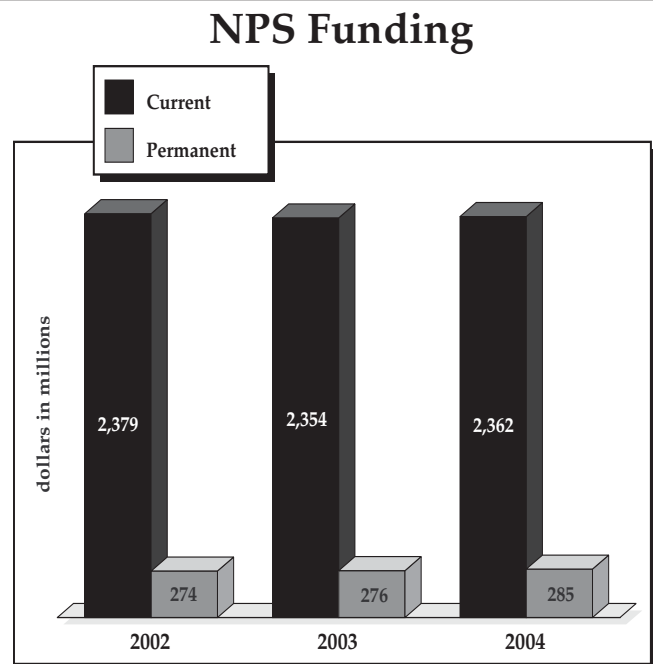
Mission – In 1872, the Congress designated Yellowstone National Park as the Nation’s first “public park or pleasuring ground for the benefit and enjoyment of the people.” The subsequent establishment of the NPS on August 25, 1916, reflected a national consensus that natural and cultural resources must be set aside for public enjoyment and preserved for future generations. As stated in the original authorizing legislation, the NPS 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 – The stewardship responsibilities of NPS include 387 park units covering over 84 million acres in 49 States, the District of Columbia, American Samoa, Guam, Puerto Rico, the Northern Mariana Islands, and the Virgin Islands. Recent additions to the national park system include Flight 93 National Memorial and Cedar Creek and Belle Grove National Historical Park.

In its entirety, the park system represents and interprets the collective struggles and cultural identity of the American people by preserving both the natural and cultural sites that are ingrained in the Nation’s history. Representative of this rich diversity of our national culture are the various designations used for park sites. There are 20 different types of designations, ranging from the traditional national park designation to the more specific national scenic trail, national memorial, national battlefield, national seashore, national historic site, national historical park, and national monument. The NPS also provides funding support and technical assistance to several national heritage areas. Park visits total nearly 280 million annually.

Central to carrying out the NPS mission are the employees. Approximately eighty percent are employed in parks, with the remainder in headquarters, regional offices, and service-wide programs. The NPS estimates that staffing will total 20,369 full time equivalents in 2004.

Park employees serve a diverse clientele of visitors and function in multiple roles including stewards of the pub-



lic trust, interpreters of natural and cultural sites, and guarantors of visitor safety. In the area of cultural resource preservation, park employees serve as historians, curators, archeologists, and conservators. In the natural resource programs, park employees serve as biologists, hydrologists, geologists, and general resource management specialists.

Management Excellence – The National Park 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. The Service’s programs have worked extensively to step down from the goals in the Department’s new unified strategic plan. In 2004, NPS will continue specific reforms to improve management of the deferred maintenance backlog and the effectiveness of its programs. In addition, NPS will conduct competitive sourcing reviews in compliance with the Federal Activities Inventory Reform Act of 1998. The budget requests an additional \$1.0 million to create the

capacity for periodically checking to ensure that NPS programs are running properly and following established Departmental and bureau policies.

The Department is undertaking significant information technology reforms to improve the management of information technology investments, to improve the security of systems and information, and to realize short- and long-term efficiencies and savings. The Department's corporate approach includes consolidated purchases of hardware and software; consolidation of support functions including help desks, e-mail support, and web services; and coordination of training.

Budget Overview – The 2004 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 \$2.362 billion in current appropriations, a net increase of \$8.3 million above the President's 2003 request.

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 \$1.632 billion in current appropriations. The request is a net increase of \$47.3 million above the amount provided in the President's 2003 request. The total amount included for ONPS provides substantial funding for selected park activities, supports the President's initiatives, and is consistent with a reasonable rate of growth based on historical levels.

The budget includes a program increase of \$14.2 million for park base operations, of which \$2.5 million will provide for additional visitor and resource protection at seven border parks. With dramatic increases in the smuggling of drugs and illegal aliens in recent years, this increase in funding will augment law enforcement staffing in these remote areas. The increases will enhance law enforcement operations to support security efforts as well as to protect park resources, employees, and visitors at park units located on or near international borders with Canada and Mexico. Another \$7.8 million of the park base increase will go towards meeting the Presidential commitment to reduce the maintenance backlog.

Cooperative Conservation Initiative – A total of \$22.0 million is requested for the NPS portion of the Department of the Interior's Cooperative Conservation Initiative. Of this total, \$21.0 million will be funded in the NPS Challenge Cost Share program. The base program traditionally has reflected a mixture of cultural, natural, and recreational activities. This year's program, a \$14.0 mil-

lion increase over 2002, moves beyond the traditional Challenge Cost Share program as part of a larger Department of the Interior initiative to provide incentives for partnerships by funding clearly identified resource restoration needs. To be eligible for Cooperative Conservation Initiative funds, project applicants must provide a one-to-one or better match. Another \$1.0 million is requested for the Take Pride in America initiative which is designed to increase public awareness of and appreciation for natural and cultural resources.

Repair and Rehabilitation of Park Facilities – In order to support the President's commitment to manage the maintenance backlog, an increase of \$8.2 million is requested in the Operations account for the repair and rehabilitation program, resulting in a total of \$98.5 million. This amount, together with facility maintenance and construction, provides \$705.8 million for construction and annual and deferred maintenance projects in 2004.

The NPS places emphasis on efficient management of its facilities by building on current management controls and emphasizing the highest standards of responsibility and accountability. The NPS will also continue work on two key projects critical to managing the backlog: expansion of its facility management software system for facilities inventory, work management, and reporting; and comprehensive condition assessments to collect detailed information on constructed assets and facilities.

The \$8.2 million repair and rehabilitation increase includes an \$6.3 million increase to the base repair and rehabilitation program for additional projects, \$2.6 million for conducting facility condition assessments, offset by a \$721,000 decrease for FMSS, as it moves from the development stage to a steady state of operations. In 2003 NPS will develop an estimated baseline facility condition index. In 2004, these performance measures will be used to ensure that NPS can measure the progress on reducing the backlog. The OMB Program Assessment Rating Tool review found areas where NPS maintenance management can better preserve and protect the natural and cultural park resources and ensure that the parks are safe and accessible for public use.

An increase of \$9.0 million is requested for cyclic maintenance. The NPS will allocate a portion of cyclic maintenance and repair and rehabilitation funding for parks that have fully implemented FMSS and established FCI baselines. This gives parks an incentive to act promptly, and focuses resources on those parks that can demonstrate improvements in facility conditions. Preventative care ensures that the maintenance backlog does not continue to increase. Routine maintenance performed before problems arise is less expensive.

The Administration will seek additional funds to address park road maintenance needs through Highway Trust Fund reauthorization. The current authorization, the Transportation Equity Act for the 21st Century, expires at the end of 2003.

Natural Resource Challenge – The budget request includes a \$8.5 million increase for the Natural Resource Challenge program, a presidential priority, to strengthen natural resource management throughout the park system and develop performance measures for natural resource stewardship. This initiative includes measures for protecting native species and habitats; providing leadership for a healthy environment; and sharing information about natural resources with the public. The initiative increases scientific information for decisionmaking; builds capability to develop and implement solutions to resource problems; and fosters creative uses of partnerships for developing information useful to parks and making parks useful for others. The 2004 request focuses on strengthening the NPS Inventory and Monitoring programs including vital signs monitoring and water quality monitoring. This funding increase is consistent with a favorable PART review.

Land Acquisition and State Assistance – The budget proposes funding this program at \$238.6 million in current appropriations. The request is a net decrease of \$47.4 million below the President's 2003 request. This amount includes \$78.6 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 2004 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.

The 2004 request for the LWCF state assistance program is \$160.0 million, a \$40.0 million decrease from 2003. Basic formula grants to States will increase by \$10.0 million; the \$50.0 million discretionary conservation grants program proposed last year is not proposed.

Construction – The Construction and Major Maintenance account is funded at \$327.3 million, an increase of \$6.9 million above the 2003 request. The 2004 request emphasizes the Administration's commitment to manage the deferred maintenance backlog. Line item construction projects total \$207.2 million, including \$17.4 million to improve security at the Washington Monu-

ment and \$3.5 million to upgrade a wastewater treatment facility at Lake Meade in Arizona.

The Construction total includes \$38.5 million for equipment replacement, including \$23.6 million for radio narrowbanding, and an \$8.0 million increase over the President's 2003 request for radios. 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.

U.S. Park Police – The USPP budget is \$78.9 million in current appropriations. The request is a net increase of \$428,000 above the President's 2003 request.

National Recreation and Preservation – This appropriation funds programs connected with local community efforts to preserve natural and cultural resources. For 2003, these programs are proposed at \$47.9 million. The request is \$1.1 million above the President's 2003 request.

Urban Park and Recreation Recovery Program – The budget does not contain funding for new UPARR grants. However, the 2004 budget does include \$305,000 for the administration of grants previously awarded.

Historic Preservation – The budget includes a request of \$67.0 million for the Historic Preservation Fund to fund matching grants to States, Territories, and Tribes to preserve historically and culturally significant sites. This is the same level as the President's 2003 request. The Save America's Treasures initiative to protect nationally significant cultural artifacts is fully funded at \$30.0 million.

Recreational Fee Program – Both parks and visitors have enjoyed the benefits of the Recreational Fee 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 2002, Congress extended the authorization through September 30, 2004. The Administration will work with Congress to make the program permanent. The 2004 estimate for total NPS program receipts is \$141.9 million, including \$17.2 million in revenue estimated for the National Park Passport program.

Uncontrollable Costs – The 2004 budget provides \$15.5 million to cover a portion of uncontrollable cost increases; \$11.6 million in these cost increases will be absorbed through improved processes, administrative efficiencies, and the reprioritization of administrative activities.

SUMMARY OF BUREAU APPROPRIATIONS
(all dollar amounts in thousands)

Comparison of 2004 Request with 2003 President's Budget:

	2003 Budget		2004 Request		Change from 2003	
	FTE	Amount	FTE	Amount	FTE	Amount
Appropriations						
Operation of the National Park System	15,575	1,584,565	15,567	1,631,882	-8	+47,317
United States Park Police	794	78,431	794	78,859	0	+428
National Recreation and Preservation	277	46,824	290	47,936	+13	+1,112
Urban Park and Recreation Fund	4	300	4	305	0	+5
Historic Preservation Fund	0	67,000	0	67,000	0	0
Construction and Major Maintenance	396	320,384	396	327,257	0	+6,873
Land Acquisition and State Assistance	168	286,057	163	238,634	-5	-47,423
LWCF Contract Authority (Rescission)	0	-30,000	0	-30,000	0	0
Subtotal, Appropriations	17,214	2,353,561	17,214	2,361,873	0	+8,312
Mandatory Appropriations						
Recreation Fee Permanent Appropriations	1,261	148,651	1,261	149,651	0	+1,000
Other Permanent Appropriations	193	82,203	193	90,289	0	+8,086
Miscellaneous Trust Funds	113	15,316	113	15,308	0	-8
LWCF Contract Authority	0	30,000	0	30,000	0	0
Subtotal, Mandatory Appropriations	1,567	276,170	1,567	285,248	0	+9,078
Transfers, Reimbursables and Allocations						
Transfers	1,041	0	1,041	0	0	0
Reimbursables	547	0	547	0	0	0
Allocations to Other Agencies	[42]	[0]	[42]	[0]	[0]	[0]
Subtotal, Other	1,588	0	1,588	0	0	0
TOTAL, NATIONAL PARK SERVICE	20,369	2,629,731	20,369	2,647,121	0	+17,390

HIGHLIGHTS OF BUDGET CHANGES
By Appropriation Activity/Subactivity

APPROPRIATION: Operation of the National Park System

	<u>2002 Actual</u>	<u>2003 Budget</u>	<u>2004 Request</u>	<u>Change from 2003 Budget</u>
Park Management				
Resource Stewardship	318,027	334,923	334,646	-277
Visitor Services	302,978	309,681	318,028	+8,347
Facility Operations and Maintenance	480,972	531,428	569,695	+38,267
Park Support	278,873	300,297	294,590	-5,707
Subtotal, Park Management	1,380,850	1,476,329	1,516,959	+40,630
External Administrative Costs	105,348	108,236	114,923	+6,687
TOTAL APPROPRIATION	1,486,198	1,584,565	1,631,882	+47,317

Highlights of Budget Changes

	<u>Amount</u>
Uncontrollable Cost Increases (non-add)	[+25,069]
Park Management	
Resource Stewardship	-277
<p>The NPS is requesting two increases for the Natural Resources Challenge, including the inventory and monitoring program for park vital signs (+\$7,924) and monitoring water quality in parks (+\$600). Increases are also proposed for high priority park base operations (+\$300) and for a study on chronic wasting disease (+\$750). A programming decrease is proposed for the Greenspace for Living program, a two-year program which has been completed (-\$200). The budget also includes a reduction of -\$431 for information technology, reflecting cost savings realized in information technology due to consolidated licensing, purchasing and enterprise actions. Uncontrollable costs total +\$3,755 of which +\$1,945 is budgeted and +\$1,810 is absorbed. This subactivity includes transfers of funds from the Cultural Resources Applied Research component (-\$10,415) to the Facility Maintenance component in the Maintenance budget subactivity, and from the Everglades Restoration and Research component (-\$750) to the GSA Space Rental component within the External Administrative Costs budget activity.</p>	
Visitor Services	+8,347
<p>Increases are requested for high priority park base operations, including law enforcement at border parks (+\$5,623), implementation of a field officer training program (+\$1,400), and for the Lewis and Clark traveling exhibit (+\$600). The budget also includes a reduction of -\$688 for information technology, reflecting cost savings realized in information technology due to consolidated licensing, purchasing and enterprise actions. Uncontrollable costs total +\$6,477 of which +\$3,350 is budgeted and +\$3,127 is absorbed. This subactivity includes a transfer of funds from the Health and Safety component (-\$1,938) to Departmental Program Charges within the External Administrative Costs budget activity.</p>	
Facility Operations and Maintenance	+38,267
<p>Increases are requested for high priority park base operations (+\$7,775), continued enhancement of the comprehensive facility condition assessment program (+\$2,606), additional repair and rehabilitation projects (+\$6,315), and expansion of the cyclic maintenance program (+\$9,000). The budget also includes a reduction of -\$1,489 for information technology, reflecting cost savings realized in information technology due to consolidated licensing, purchasing and enterprise actions. Uncontrollable costs total +\$7,049 of which +\$3,645 is budgeted and +\$3,404 is absorbed. This subactivity includes a transfer of funds from the Cultural Resources Applied Research component in the Resource Stewardship activity to the Facility Maintenance component of this budget subactivity (+\$10,415).</p>	
Park Support	-5,707
<p>Increases are requested for high priority park base operations (+\$478), to establish regional coordinators for the Volunteers-in-Parks and partnership programs (+\$500), and to enhance volunteers activities in parks (+\$1,000). Other increases are proposed to initiate a management accountability review program (+\$1,000), to support the Take Pride in America program (+\$1,000), and for enhanced information technology security (+\$505). Decreases are included for incidental personnel costs (-\$3,000), a reduction in international travel (-\$200), and for the Cooperative Conservation Initiative Challenge Cost Share proposed in FY 2003 (-\$8,000). The budget also includes a reduction of -\$513 for information technology, reflecting cost savings realized in information technology due to consolidated licensing, purchasing and enterprise actions. Uncontrollable costs total +\$4,695 of which +\$2,429 is budgeted and +\$2,266 is absorbed. This subactivity includes a transfer of funds from the Management and Administration component (-\$906) to the Departmental Program Charges within the External Administrative Costs budget activity.</p>	

	<u>Amount</u>
External Administrative Costs	+6,687
<p>Uncontrollable costs total +\$3,093. This activity includes transfers of funds from the Park Management budget activity to the Departmental Program Charges within this budget activity (+\$2,844), and from the Everglades Restoration and Research component in the Resource Stewardship budget subactivity to GSA Space Rental within this budget activity (+\$750).</p>	

APPROPRIATION: United States Park Police

	<u>2002 Actual</u>	<u>2003 Budget</u>	<u>2004 Request</u>	Change from <u>2003 Budget</u>
TOTAL APPROPRIATION	90,480	78,431	78,859	+428

Highlights of Budget Changes

Uncontrollable Cost Increases (non-add)	<u>Amount</u> [+1,041]
United States Park Police	+428
<p>The budget includes a reduction of -\$112 for information technology, reflecting cost savings realized in information technology due to consolidated licensing, purchasing and enterprise actions. Uncontrollable costs total +\$1,041 of which +\$540 is budgeted and +\$501 is absorbed.</p>	

APPROPRIATION: National Recreation and Preservation

	<u>2002 Actual</u>	<u>2003 Budget</u>	<u>2004 Request</u>	Change from <u>2003 Budget</u>
Recreation Programs	548	552	855	+303
Natural Programs	10,894	10,948	12,511	+1,563
Cultural Programs	20,720	19,748	19,071	-677
Environmental Compliance & Review ..	396	400	401	+1
Grants Administration	1,576	1,585	1,595	+10
International Park Affairs	1,714	1,719	1,626	-93
Heritage Partnership Programs	13,206	7,735	7,740	+5
Statutory or Contractual Aid				
Anchorage Museum	2,500	0	0	0
Barnanoff Museum/ Erskin House	250	0	0	0
Bishop Museum Falls of Clyde	300	0	0	0
Brown Foundation	101	101	101	0
Chesapeake Bay Gateways				
& Water Trails	1,200	798	798	0
Dayton Aviation Heritage Comm	299	47	47	0
Denver National History Museum	750	0	0	0
Ice Age National Scientific Reserve ...	806	806	806	0
Independence Mine	1,500	0	0	0
Jamestown 2007 Commission	200	0	0	0
Johnstown Area Heritage				
Association Museum	49	49	49	0
Lake Roosevelt Forum	50	0	0	0
Lamprey Wild & Scenic River	500	200	155	-45
Mandan On-a-Slant Village	750	0	0	0
Martin Luther King Jr. Center	528	528	528	0
Morris Thompson Center	750	0	0	0
National Constitution Center	500	0	0	0

	<u>2002 Actual</u>	<u>2003 Budget</u>	<u>2004 Request</u>	<u>Change from 2003 Budget</u>
Native Hawaiian Culture/ Arts Prog.	740	740	740	0
New Orleans Jazz Commission	66	66	66	0
Penn Center	1,000	0	0	0
Roosevelt Campobello International Park Commission	766	802	847	+45
Saint Charles Interpretive Center	500	0	0	0
Sewell-Belmont House National Historic Site	500	0	0	0
Vancouver Nat'l. Historic Reserve	400	0	0	0
Vulcan Monument	2,000	0	0	0
Subtotal, Statutory/Contractual Aid .	17,005	4,137	4,137	0
TOTAL APPROPRIATION	66,059	46,824	47,936	+1,112

Highlights of Budget Changes

	<u>Amount</u>
Uncontrollable Cost Increases (non-add)	[+415]
Recreation Programs	+303
<p>An increase is requested for the Federal Lands to Parks program (+\$300). The budget includes a reduction of -\$1 for information technology, reflecting cost savings realized in information technology due to consolidated licensing, purchasing and enterprise actions. Uncontrollable costs total +\$7 of which +\$4 is budgeted and +\$3 is absorbed.</p>	
Natural Programs	+1,563
<p>An increase is requested for the Rivers, Trails and Conservation Assistance program (+\$1,500). The budget includes a reduction of -\$14 for information technology, reflecting cost savings realized in information technology due to consolidated licensing, purchasing and enterprise actions. Uncontrollable costs total +\$148 of which +\$77 is budgeted and +\$71 is absorbed.</p>	
Cultural Programs	-677
<p>A programmatic decrease is proposed for the National Register program (-\$765). The budget includes a reduction of -\$18 for information technology, reflecting cost savings realized in information technology due to consolidated licensing, purchasing and enterprise actions. Uncontrollable costs total +\$206 of which +\$106 is budgeted and +\$100 is absorbed.</p>	
Environmental Compliance and Review	+1
<p>The budget includes a reduction of -\$1 for information technology, reflecting cost savings realized in information technology due to consolidated licensing, purchasing and enterprise actions. Uncontrollable costs total +\$3 of which +\$2 is budgeted and +\$1 is absorbed.</p>	
Grants Administration	+10
<p>The budget includes a reduction of -\$2 for information technology, reflecting cost savings realized in information technology due to consolidated licensing, purchasing and enterprise actions. Uncontrollable costs total +\$25 of which +\$12 is budgeted and +\$13 is absorbed.</p>	
International Park Affairs	-93
<p>A programmatic decrease is proposed for the International Park Affairs program (-\$100). The budget includes a reduction of -\$1 for information technology, reflecting cost savings realized in information technology due to consolidated licensing, purchasing and enterprise actions. Uncontrollable costs total +\$15 of which +\$8 is budgeted and +\$7 is absorbed.</p>	
Heritage Partnership Programs	+5
<p>The budget includes a reduction of -\$1 for information technology, reflecting cost savings realized in information technology due to consolidated licensing, purchasing and enterprise actions. Uncontrollable costs total +\$11 of which +\$6 is budgeted and +\$5 is absorbed.</p>	

	<u>Amount</u>
Statutory or Contractual Aid	
Lamprey Wild and Scenic River	-45
A programmatic decrease is requested (-\$45).	
Roosevelt Campobello International Park Commission	+45
An increase is requested to allow the United States to match the Canadian contribution, as required by law (+\$45).	

APPROPRIATION: Urban Parks and Recreation Fund

	<u>2002 Actual</u>	<u>2003 Budget</u>	<u>2004 Request</u>	Change from <u>2003 Budget</u>
UPAR Grants	28,900	0	0	0
UPAR Grants Administration	1,050	300	305	+5
TOTAL APPROPRIATION	29,950	300	305	+5

Highlights of Budget Changes

	<u>Amount</u>
Uncontrollable Cost Increases (non-add)	[+9]
Uncontrollable costs total +\$9 of which +\$5 is budgeted and +\$4 is absorbed.	

APPROPRIATION: Historic Preservation Fund

	<u>2002 Actual</u>	<u>2003 Budget</u>	<u>2004 Request</u>	Change from <u>2003 Budget</u>
Grants-in-Aid	42,000	37,000	37,000	0
Save America's Treasures	30,000	30,000	30,000	0
National Trust	2,500	0	0	0
TOTAL APPROPRIATION	74,500	67,000	67,000	0

APPROPRIATION: Construction and Major Maintenance

	<u>2002 Actual</u>	<u>2003 Budget</u>	<u>2004 Request</u>	Change from <u>2003 Budget</u>
Line Item Construction & Maintenance	296,963	205,136	207,231	+2,095
Special Programs				
Emergency, Unscheduled	3,500	3,500	5,500	+2,000
Housing	12,500	10,500	8,000	-2,500
Dam Safety	2,700	2,700	2,700	0
Equipment Replacement	17,960	31,960	38,460	+6,500
Construction Planning	25,400	25,400	24,480	-920
Construction Program Mgmt & Ops	17,155	27,292	27,466	+174
General Management Planning	11,240	13,896	13,420	-476
Transfer from Ft. Baker, GOGA	1,000	[2,500]	0	[-2,500]
TOTAL APPROPRIATION	388,418	320,384	327,257	+6,873

Highlights of Budget Changes

	<u>Amount</u>
Uncontrollable Cost Increases (non-add)	[+430]
Line Item Construction	+2,095
<p>The proposed construction projects for 2004 comprise some of the highest priority health and safety and resource protection needs within the national park system, including continuation of security enhancement measures at the Washington Monument and the restoration of the Elwha River and Everglades ecosystems.</p>	
Special Programs	+6,000
<p>This activity includes emergency and unscheduled projects, employee housing, dam safety, and equipment replacement. Increases consist of +\$8.0 million for radio narrowbanding and +\$2.0 million to fund minor unscheduled and emergency projects. The budget also includes decreases of -\$2.5 million for employee housing based on high unobligated balances, and -\$1.5 million to reflect the NPS plan to more efficiently fund its efforts to modernize information management equipment.</p>	
Construction Planning	-920
<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. A -\$920 decrease is requested based on the number of projects that have reached the planning stage.</p>	
Construction Program Management and Operations	+174
<p>This activity represents costs associated with base funding Denver Service Center salaries and administrative/infrastructure 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 +377 of which +174 is budgeted and +203 is absorbed.</p>	
General Management Planning	-476
<p>The General Management Planning program will continue the preparation and revision of plans to guide the Service in the protection, use, development, and management of each area and evaluate the potential for adding new units to the national park system. For 2004, the budget request includes a decrease of -\$500 in the Special Resources Studies component of the program, reflecting a reduction in the number of areas studied for national park system inclusion. Uncontrollable costs total +53 of which +24 is budgeted and +29 is absorbed.</p>	

APPROPRIATION: Land Acquisition and State Assistance

	<u>2002 Actual</u>	<u>2003 Budget</u>	<u>2004 Request</u>	<u>Change from 2003 Budget</u>
Assistance to States				
State Conservation Grants	140,000	194,600	156,000	-38,600
Administrative Expenses	3,900	5,400	4,011	-1,389
National Park Service				
Acquisitions	110,117	65,469	58,969	-6,500
Emergencies and Hardships	4,000	4,000	4,000	0
Inholdings	4,000	4,000	4,000	0
Acquisition Management	11,850	12,588	11,654	-934
TOTAL APPROPRIATION	273,867	286,057	238,634	-47,423

Highlights of Budget Changes

	<u>Amount</u>
Uncontrollable Cost Increases (non-add)	[+166]
Federal Land Acquisition A decrease in funding is requested (-\$6,500). The 2004 program consists of acquisitions at six parks.	-6,500
Acquisition Management A decrease in funding is requested (-\$1,000). Uncontrollable costs total +\$142 of which +\$66 is budgeted and +\$76 is absorbed.	-934
State Conservation Grants A decrease in funding is requested (-\$38,600).	-38,600
State Grants Administration A decrease in administrative funding is requested (-\$1,400). Uncontrollable costs total +\$24 of which +\$11 is budgeted and +\$13 is absorbed.	-1,389

APPROPRIATION: Land and Water Conservation Fund Contract Authority

	<u>2002 Actual</u>	<u>2003 Budget</u>	<u>2004 Request</u>	Change from <u>2003 Budget</u>
TOTAL APPROPRIATION	-30,000	-30,000	-30,000	0



BUREAU OF INDIAN AFFAIRS

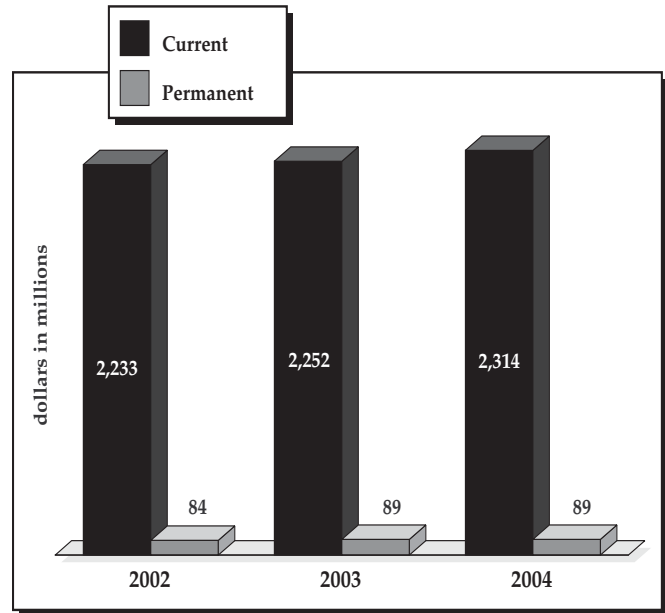
Background – In the last two centuries, the Congress has passed more Federal laws affecting Indians than any other group of people in the United States. The Snyder Act; the Indian Self-Determination and Education Assistance Act; the Indian Education Amendments of 1978; and the Indian Reorganization Act 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 BIA mission 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 approximately 1.2 million American Indians and Alaska Natives who are members of 562 federally recognized Indian Tribes in the 48 contiguous States and Alaska. While BIA's role 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 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 scope of BIA's programs is extensive and covers virtually the entire range of State and local government services. The programs administered by either Tribes or BIA include: an education system for almost 48,000 elementary and secondary students; 25 tribally controlled community colleges; social service programs; management of natural resources on 56 million acres of trust land; economic development programs in some of the most

BIA Funding

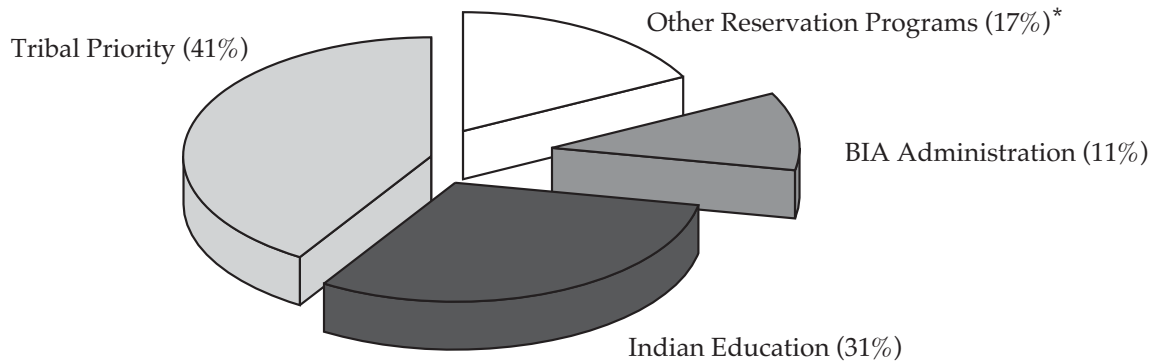


isolated and economically depressed areas of the United States; law enforcement; administration of tribal courts; implementation of legislated land and water claim settlements; replacement and repair of schools; repair and maintenance of roads and bridges; and repair of structural deficiencies on high hazard dams.

Management Excellence – The BIA 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 the Government Performance and Results Act requires, Interior has developed a draft five-year strategic plan to guide its resource allocations and program decisions and improve accountability.

The Department has a unique role to uphold the government-to-government relationship with Tribes, honor trust responsibilities, and provide many diverse services to American Indians and Native Alaskans. These programs support the Department's goal to safeguard property and

OPERATION OF INDIAN PROGRAMS \$1.9 BILLION



In 2004, 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.*

financial assets while improving quality of life for communities and trust beneficiaries. Specifically, BIA's programs and services primarily support the Department's outcome goals to fulfill Indian trust responsibilities and advance quality communities for Tribes. In addition, some BIA programs support the Department's goal to manage resource use to enhance public benefit, promote responsible use, and ensure optimal value. In 2004, 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.

As part of the 2004 budget formulation process, the School Operations, School Construction, and Indian Land Consolidation programs were assessed using the Administration's Program Assessment Rating Tool. The PART process identified actions needed to clarify program purpose and design, and provided recommendations to improve strategic planning, program management, and program results.

In addition to its role in the Department-wide reform efforts described in the highlights section and above, BIA is undertaking several bureau-specific management reforms. The bureau will work with the Department of Housing and Urban Development to determine how their respective housing assistance programs interact

and overlap, and what steps could be taken to improve program performance and eliminate duplication. The bureau will also work with the Department of Labor to coordinate adult education services, and incorporate a common set of measures for Federal job training programs into BIA's strategic and annual plans.

Budget Overview – The 2004 BIA budget is \$2.3 billion in current appropriations, an increase of \$62.0 million above the 2003 budget. The 2004 budget emphasizes areas of priority concern on a nationwide basis to Indian Country, including continued improvement of trust management services, quality education within structurally sound, adequately equipped and well maintained school facilities, public safety and justice, and economic and community development on Indian reservations.

Improving Trust Management – Management of trust assets for Tribes and individual Indians has been a key component of the BIA mission for well over a century. The BIA 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, practices, and procedures. In December 2002, the Department announced a reorganization of the BIA and OST to better meet fiduciary trust responsibilities, be more accountable at every level, and operate with trained people in the principles of fiduciary trust management. The chapter on

Departmental Management discusses additional funding requested in the OST account to implement trust reform activities. To ensure that trust management improvements are sustained, BIA will focus on continuing trust management improvements, sound management of natural resources, accurate and timely real estate transactions, and leasing decisions that preserve and enhance the value of trust lands.

Natural Resource Programs – The BIA budget includes increased funding for Energy and Minerals, Forestry, and Endangered Species programs. These programs play a critical role in the delivery of trust responsibilities and the ability of BIA to manage trust assets. The 2004 request includes a \$2.0 million increase for grants to Tribes to evaluate mineral resource potential on tribal trust and restricted lands. The 2004 request also includes \$1.0 million to help Tribes expedite development of tribal regulations governing mineral leasing, permitting, and rights-of-way for tribal lands, as required under the Energy Policy Act of 2002.

The request includes a \$1.5 million increase to promote production and facilitate sales of forestry products produced from tribal lands. Tribes will manage most of the program through contracts and self-governance compacts. An additional \$1.0 million increase will double the number of Integrated Resource Management Plan grants awarded annually to Tribes. These grants fund strategic planning for comprehensive management of a reservation's resources, of which forest management planning is a key component.

A \$2.0 million increase is requested for the BIA Endangered Species program to expand inventory and survey activities of threatened and endangered species on tribal trust land. Management of endangered species on tribal lands requires biological assessments, habitat conservation planning, habitat protection, and other efforts connected with species preservation and protection. The request also includes \$100,000 to expand partnership efforts to eradicate invasive species on tribal trust lands.

Information Technology Improvements – The BIA's information technology program supports all of BIA's programs – both trust and non-trust related. The BIA budget request includes an increase of \$29.5 million for investment in trust data systems. The funding increase will support a full spectrum of activities to provide a secured environment for the operation of BIA's responsibilities relating to Federal Indian policies including: enterprise architecture, a new secure data network, updated hardware and software that address heightened security needs, operation of current data systems, up-

grades to new data systems, and staffing to oversee and coordinate operations.

The Department is undertaking significant IT reforms to improve the management of IT investments, to improve the security of systems and information, and to realize short- and long-term efficiencies and savings. As part of this effort, BIA's budget includes \$2.5 million for IT security improvements. In addition, the Department's corporate approach to IT includes consolidated purchases of hardware and software; consolidation of support functions including help desks, e-mail support, and web services; and coordination of training. The BIA budget request includes a savings of \$4.7 million in 2004 to reflect these management reforms.

Indian Land Consolidation Program – The budget proposes to transfer the Indian Land Consolidation program from the Office of the Special Trustee to BIA in 2004, and increase funding by \$13.0 million to a total of \$21.0 million in 2004 for nationwide expansion of the program. The program, initiated on a pilot basis in 1999, prevents further fractionation of individual Indian trust allotments by purchasing land from willing sellers and returning it to tribal control for economic development. Approximately four million owners have interests in 10 million acres of individually owned trust lands. If those ownership interests continue splitting among more heirs with each generation, there could be 11 million interests by the year 2030. Consistent with PART recommendations, the expanded program will target purchases to reduce future trust management workloads in land title, leasing, accounting, and probate functions. Program expansion will include establishing a national office to direct and coordinate the program on a nationwide basis.

Building Safer Schools – Safe schools are a necessary prerequisite to providing a solid foundation for making improvements in education. The 2004 request for construction continues the President's commitment to replace, rehabilitate, or repair deteriorating schools so Indian children will have safe and nurturing environments in which to learn. The request for the Education Construction program is \$292.6 million, the same as the 2003 funding level and represents approximately 85 percent of the total Construction account. The BIA regularly examines the condition of its facilities to identify health and safety deficiencies and uses the facility condition index, cost benefit analysis, and other factors to determine whether it is more cost-effective to repair or replace an existing school facility.

The 2004 request provides \$131.4 million to construct replacement or partial replacement facilities at a mini-

imum of seven schools determined to be the highest priority based on the 2001 and 2003 priority ranking lists for education facilities construction. This funding will provide replacement facilities for Isleta Elementary School, Navajo Preparatory School, Pueblo Pintado Community School, Wingate High School, and Mescalero Apache Elementary School, all in New Mexico, and Turtle Mountain High School in North Dakota and Enemy Swim Day School in South Dakota. As a result of the PART review, the 2004 budget reflects a policy change to discontinue providing cost estimates for individual replacement schools until the planning and design documents for the school have been developed to the point where adequate information is available to make a reasonably accurate cost estimate. This generally occurs in the year that construction funds are available for obligation.

The request also provides \$10.0 million for planning and design of replacement schools to be constructed in the future. Funding for replacement school construction is \$16.2 million above the 2003 level, reflecting an internal transfer of funding from the education Facilities Improvement and Repair program. Funds were transferred because the facility condition index indicated that funds would be more efficiently spent replacing some structures rather than repairing or renovating them.

The Facilities Improvement and Repair program is funded at \$148.2 million to address critical health, safety, code, and standard projects at existing education facilities. As indicated earlier, this level reflects a decrease of \$16.2 million for funding that was transferred to the replacement school construction program. This program's funds are used to address major and minor repair projects thus reducing the backlog of needed repairs created by aging and deferred maintenance. Continued funding at this level will fund the elimination of the 2001 school repair and maintenance backlog by 2006. As facilities are brought up to acceptable condition, BIA is making every effort to prevent a new backlog from developing by ensuring that ongoing maintenance activities are not neglected.

Enhancing School Operations – Since the founding of the Nation, Indian education programs have responded to treaty requirements and Federal statutes, including the Snyder Act, the Johnson O'Malley Act, the Elementary and Secondary Education Act, the Tribally Controlled Schools Act, the Indian Self-Determination and Education Assistance Act, the Indian Education Amendments of 1978, the Individuals with Disabilities Education Act, and the 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. This landmark education bill will bring to BIA-funded schools the four pillars of the

President's education reform plan: accountability and testing; flexibility and local control; funding for what works; and expanded parental options for children attending failing schools.

One of BIA's strategic goals is to provide quality educational opportunities from early childhood through adulthood. The 2004 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 \$528.5 million request for school operations will support 185 schools and dormitories with an increase of \$6.8 million over 2003 funding levels. In 2004, BIA will continue to focus on raising academic achievement scores, and consistent with the findings of the PART review, BIA will develop academic performance and cost-efficiency measures that are comparable to similarly located schools.

Of this increase, \$500,000 is included for a study of BIA's Family and Child Education program. Through FACE, BIA is working with school-age children, pre-schoolers, and their parents. Such investments in family involvement in the learning process and in the earliest stages of education have been shown to pay long-term dividends for Indian children and communities. The study will focus on evaluating the academic performance of students that participated in FACE programs.

Of the 185 schools, 120 are currently operated by tribal organizations as grant schools. In this budget, BIA is strengthening its efforts to empower Tribes to take on a greater role in managing the schools. The budget includes a \$3.0 million increase to establish a separate fund to provide all first-year indirect and one-time costs for Tribes that assume operations of a BIA school. The increase is partially offset by a \$5.0 million reduction to the school privatization initiative proposed in 2003 in Indian Student Equalization program adjustments.

Public Safety and Justice in Indian Country – The Department of Justice and BIA work in partnership to improve public safety and justice, largely through enhanced law enforcement services. The 2004 budget request includes \$171.2 million for ongoing law enforcement programs in Indian Country, including an increase of \$10.0 million for the new detention centers that will become operational in 2004. Thirteen new detention centers have or will come on-line between 2002 and 2005. Either Tribes or the BIA operates the detention centers. Construction of the detention centers was funded by grants from Justice.

Guaranteed and Insured Loans – This program is an integral component of BIA's efforts to expand economic development in Indian Country by providing loans to Tribes, Alaska Natives, and individual Indian-owned

businesses. The budget of \$6.5 million includes a \$1.0 million increase over the 2003 request. This increase supports the White House initiative on Indian economic development and 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 reservations to get loans who otherwise would not have been able to get a loan from private lenders. The guaranteed loan program is a cost-effective method for stimulating economic development in Indian Country. The increase of \$1.0 million will fund about \$20 million in additional guaranteed loans. The default rate on these loans has been less than one percent since 1997, and over 90 percent of the businesses funded through this program have been successful.

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. The TPA gives Tribes the flexibility to prioritize funds among most TPA programs according to their unique needs and circumstances and is an important tool for accomplishing BIA's self-determination performance goals. The 2004 request funds the TPA activity at \$777.6 million, an increase of \$2.1 million over 2003. The TPA program comprises 41 percent of the 2004 proposed BIA operating budget.

The self-determination policy strongly influences BIA's implementation of the Administration's initiative to seek competitive outsourcing of programs. The BIA's first option in outsourcing is always to seek tribal operation of programs through contracts, compacts, or grants. To assist in this endeavor, the request includes \$135.3 million for contract support funds, an increase of \$2.1 million over 2003. This increase is offset by a decrease of \$2.0 million in the Indian Self-Determination Fund, which supports new and expanded contracts. Sufficient carryover from prior years is available in this fund.

Indian Land and Water Claims Settlements – This program provides payments to meet Federal requirements for legislated settlements resolving long-standing claims to water and lands by Indian Tribes in Oklahoma, Colorado, Nevada, New Mexico, and Utah. The request of \$51.4 million includes an increase of \$10.0 million for the recently enacted settlement for Cherokee, Choctaw, and Chickasaw land claims. Decreases are included for the Rocky Boy's and Shivwits Band settlements that will be completed in 2003, along with a \$2.2 million decrease for the Ute Indian Rights settlement that will be completed in 2004. Funding is continued at the 2003 level for the Santo Domingo Pueblo settlement, which will also be completed in 2004. The budget also continues funding for the Colorado Ute/ Animas LaPlata settlement, the Pyramid Lake settlement, the White Earth settlement, and the Hoopa-Yurok settlement at the 2003 level. The Bureau of Reclamation budget contains construction funding to implement the Colorado Ute/ Animas LaPlata settlement.

SUMMARY OF BUREAU APPROPRIATIONS
(all dollar amounts in thousands)

Comparison of 2004 Request with 2003 President's Budget:

	2003 Budget		2004 Request		Change from 2003	
	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>
Appropriations						
Operation of Indian Programs	6,831	1,835,110	6,849	1,889,735	+18	+54,625
Reimbursable Programs	686	0	686	0	0	0
Allocations from Other Agencies	694	0	694	0	0	0
Construction	346	345,252	346	345,154	0	-98
Reimbursable Programs	48	0	48	0	0	0
Allocations from Other Agencies	600	0	600	0	0	0
Indian Land and Water Claim Settlements and Miscellaneous Payments to Indians	0	57,949	0	51,375	0	-6,574
Indian Guaranteed Loan Program Account	4	5,493	7	6,497	+3	+1,004
Indian Land Consolidation	0	7,980	0	20,980	0	+13,000
Subtotal, Appropriations	9,209	2,251,784	9,230	2,313,741	+21	+61,957
Permanents and Trusts						
Operation & Maintenance of Quarters	58	5,183	58	5,236	0	+53
Miscellaneous Permanent Appropriations	400	82,546	400	85,165	0	+2,619
White Earth Settlement Fund	0	3,000	0	3,000	0	0
Indian Loan Guaranty & Insurance Fund						
Liquidating Account	0	0	0	0	0	0
Indian Direct Loan Program Account	0	2,000	0	0	0	-2,000
Indian Guaranteed Loan Program Account	0	0	0	0	0	0
Revolving Fund for Loans, Liquidating Acct	0	-4,000	0	-4,000	0	0
Subtotal, Permanents & Trusts	458	88,729	458	89,401	0	+672
TOTAL, BUREAU OF INDIAN AFFAIRS	9,667	2,340,513	9,688	2,403,142	+21	+62,629

HIGHLIGHTS OF BUDGET CHANGES
By Appropriation Activity/Subactivity

APPROPRIATION: Operation of Indian Programs

	<u>2002 Actual</u>	<u>2003 Budget</u>	<u>2004 Request</u>	<u>Change from 2003 Budget</u>
Tribal Priority Allocations (TPA)	752,156	775,534	777,641	+2,107
Other Recurring Programs				
Education				
School Ops - Forward Funded	436,427	452,063	458,524	+6,461
Other School Operations	67,588	69,692	69,991	+299
Continuing Education	41,118	39,039	39,206	+167
Subtotal, Education	545,133	560,794	567,721	+6,927
Resources Management	41,835	34,195	34,342	+147
Subtotal, Other Recurring Progs	586,968	594,989	602,063	+7,074
Non-Recurring Programs				
Tribal Government	0	0	0	0
Community Development	3,175	0	0	0
Resources Management	32,611	30,159	36,288	+6,129
Trust Services	37,012	37,226	37,256	+30
Subtotal, Non-Recurring Progs	72,798	67,385	73,544	+6,159
Central Office Operations				
Tribal Government	2,649	2,649	2,653	+4
Human Services	909	906	907	+1
Community Development	886	873	874	+1
Resources Management	3,476	3,482	3,488	+6
Trust Services	3,129	8,807	5,316	-3,491
General Administration	47,057	55,743	86,121	+30,378
Subtotal, Central Office Ops	58,106	72,460	99,359	+26,899
Regional Office Operations				
Tribal Government	1,324	1,333	1,342	+9
Human Services	3,067	3,156	3,178	+22
Community Development	847	851	857	+6
Resources Management	4,365	5,438	5,475	+37
Trust Services	23,669	24,334	24,500	+166
General Administration	29,407	28,982	29,180	+198
Subtotal, Regional Office Ops	62,679	64,094	64,532	+438
Special Programs and Pooled Overhead				
Education	16,039	16,243	16,253	+10
Public Safety and Justice	160,652	161,039	171,150	+10,111
Community Development	8,623	1,059	1,060	+1
Resources Management	1,311	1,305	1,306	+1
General Administration	80,477	81,002	82,827	+1,825
Subtotal, Special Programs	267,102	260,648	272,596	+11,948
Recission and reduction	(11,424)	0	0	0
Reapportionment of Prior Year Funds ..	10,096			
TOTAL APPROPRIATION	1,798,481	1,835,110	1,889,735	+54,625

Highlights of Budget Changes

	<u>Amount</u>
Uncontrollable Cost Increases	[+24,607]
Tribal Priority Allocations	+2,107
<p>The request includes an increase of \$1,500 to promote production and facilitate sales of forest products. In addition, a transfer of \$2,000 is requested from the Indian Self-Determination Fund to Contract Support. Uncontrollable costs are \$3,699 of which \$2,435 is budgeted and \$1,264 is absorbed. BIA will realize \$1,828 in savings through information technology streamlining.</p>	
Other Recurring Programs	+7,074
<p>Education: The BIA's Education request includes increases of \$3,000 for a separate fund to provide all first year indirect costs and one-time costs for tribes newly operating a BIA school, and \$500 for a study of the Family and Child Education program. These increases are offset by a decrease of \$5,000 for the school privatization initiative included in the 2003 President's budget. Uncontrollable costs are \$14,802 of which \$9,745 is budgeted and \$5,057 is absorbed. BIA will realize \$1,318 in savings through information technology streamlining.</p> <p>Resources Management: Uncontrollable costs are \$347 of which \$228 is budgeted and \$119 is absorbed. BIA will realize \$81 in savings through information technology streamlining.</p>	
Non-Recurring Programs	+6,159
<p>Increases are requested to support BIA's mission to fulfill its trust responsibilities: Minerals and Mining (\$3,000), Forestry (\$1,000), Endangered Species (\$2,000) and Noxious Weed Eradication (\$100). Uncontrollable costs are \$352 of which \$232 is budgeted and \$120 is absorbed. BIA will realize \$173 in savings through information technology streamlining.</p>	
Central Office Operations	+26,899
<p>To support the Department's trust management reform, an increase of \$29,500 is requested for information technology improvements. This is offset by decreases for executive direction -\$1,855 and trust services -\$3,500. In addition, \$2,480 is included as part of the Department-wide IT security initiative. Uncontrollable costs are \$603 of which \$397 is budgeted and \$206 is absorbed. BIA will realize \$123 in savings through information technology streamlining.</p>	
Regional Office Operations	+438
<p>Uncontrollable costs are \$896 of which \$590 is budgeted and \$306 is absorbed. BIA will realize \$152 in savings through information technology streamlining.</p>	
Special Programs and Pooled Overhead	+11,948
<p>An increase of \$10,000 is requested under law enforcement for operational costs for new detention centers. Uncontrollable costs are \$3,908 of which \$2,573 is budgeted and \$1,335 is absorbed. BIA will realize \$625 in savings through information technology streamlining.</p>	
<p>For Operation of Indian Programs, a total of \$8,407 in uncontrollable costs is absorbed.</p>	

APPROPRIATION: Construction

	<u>2002 Actual</u>	<u>2003 Budget</u>	<u>2004 Request</u>	<u>Change from 2003 Budget</u>
Education	292,503	292,717	292,634	-83
Public Safety and Justice	5,541	5,046	5,044	-2
Resources Management	50,645	39,173	39,162	-11
General Administration	8,443	8,316	8,314	-2
TOTAL APPROPRIATION	357,132	345,252	345,154	-98

Highlights of Budget Changes

	<u>Amount</u>
Uncontrollable Cost Increases	[+635]
Education Construction	-83
<p>The Education Construction request supports the BIA goal related to improving the safety and functionality of facilities for clients. The School Construction program includes \$131,354 to replace the following schools on the priority replacement list: Isleta Elementary School, Navajo Preparatory School, Pueblo Pintado Community School, Wingate High School, and Mescalero Apache Elementary School, all in New Mexico, as well as Turtle Mountain High School in North Dakota and Enemy Swim Day School in South Dakota. In addition, \$10,000 is included for advanced planning and design. The Facilities Improvement and Repair program request of \$148,161 will focus on the backlog of health and safety deficiencies at the Bureau-funded elementary and secondary schools. The budget reflects a transfer of \$16,171 from facilities improvement and repair to school construction. This is in response to an increased need for replacement of structures rather than repair and rehabilitation. Uncontrollable costs are \$539 of which \$248 is budgeted and \$291 is absorbed. BIA will realize \$331 in savings through information technology streamlining.</p>	
Public Safety and Justice Construction	-2
<p>The Public Safety and Justice Construction request supports the Bureau’s goal related to improving the safety and functionality of facilities for clients. Uncontrollable costs are \$9 of which \$4 is budgeted and \$5 is absorbed. BIA will realize \$6 in savings through information technology streamlining.</p>	
Resources Management Construction	-11
<p>The Resources Management Construction request supports the BIA goal to fulfill the Federal government’s trust responsibilities on Indian lands. Uncontrollable costs are \$72 of which \$33 is budgeted and \$39 is absorbed. BIA will realize \$44 in savings through information technology streamlining.</p>	
General Administration	-2
<p>The General Administration Construction request supports the BIA goal related to improving the safety and functionality of facilities for clients. Uncontrollable costs are \$15 of which \$7 is budgeted and \$8 is absorbed. BIA will realize \$9 in savings through information technology streamlining.</p>	
<p>For Construction, a total of \$343 in uncontrollable costs is absorbed.</p>	

APPROPRIATION: Indian Land and Water Claim Settlements and Miscellaneous Payments to Indians

	<u>2002 Actual</u>	<u>2003 Budget</u>	<u>2004 Request</u>	<u>Change from 2003 Budget</u>
White Earth Land Settlement (Admin) .	625	625	625	0
Hoopa-Yurok Settlement Fund	250	250	250	0
Indian Water Rights Settlements				
Ute Indian Water Rights Settlement ..	24,728	24,728	22,494	-2,234
Pyramid Lake Water Rights Settle	142	142	142	0
Rocky Boy's Water Rights Settlement	7,950	5,068	0	-5,068
(Michigan) Grt Lakes Fishing Settle ..	6,254	0	0	0
Shivwits Band	5,000	16,000	0	-16,000
Santo Domingo Pueblo	2,000	3,136	9,864	+6,728
Colorado Ute	8,000	8,000	8,000	0
Torres Martinez	6,000	0	0	0
Cherokee, Choctaw, and Chickasaw Settlement			10,000	+10,000
TOTAL APPROPRIATION	60,949	57,949	51,375	-6,574

Highlights of Budget Changes

Indian Settlements and Miscellaneous Payments. Amount
-6,574

An increase of \$10,000 is requested for the recently enacted Cherokee, Choctaw, and Chickasaw settlement. An increase of \$6,728 is requested for the 2004 payment on the Santa Domingo Pueblo settlement. A decrease of \$2,234 is requested to adjust for the lower level of funding required for the final payment of the Ute Indian Rights settlement. Decreases of \$5,068 for the Rocky Boy's settlement and \$16,000 for the Shivwits Band settlement are requested due to completion of payments for these settlements.

APPROPRIATION: Indian Guaranteed Loan Program Account

	<u>2002 Actual</u>	<u>2003 Budget</u>	<u>2004 Request</u>	<u>Change from 2003 Budget</u>
TOTAL APPROPRIATION	4,986	5,493	6,497	+1,004

Highlights of Budget Changes

Uncontrollable Cost Increases Amount
[+9]

Indian Guaranteed Loan Program +1,004

An increase of \$1,000 is requested to expand the program, which will enable banks to provide additional loans to Indian entrepreneurs, thereby further enhancing reservation economies and employment opportunities. Uncontrollable costs are \$9 of which \$4 is budgeted and \$5 is absorbed.

APPROPRIATION: Indian Land Consolidation Program

	<u>2002 Actual</u>	<u>2003 Budget</u>	<u>2004 Request</u>	Change from <u>2003 Budget</u>
TOTAL APPROPRIATION	10,980	7,980	20,980	+13,000

Highlights of Budget Changes

Indian Land Consolidation Loan Program				<u>Amount</u> +13,000
The budget proposes to transfer the program from the Office of Special Trustee to BIA in 2004.				
An increase of \$13,000 is requested for nationwide expansion of the program.				



DEPARTMENTAL OFFICES

Overview - The Department of the Interior protects and manages the Nation's natural resources and cultural heritage; provides scientific and other information about those resources; and honors trust responsibilities and commitments to American Indians, Alaska Natives, and affiliated island communities.

The Interior Department partners with States, Tribes, local communities, and citizens to deliver a suite of services that promote resource protection, ensure access to resources on the Nation's public lands, provide opportunities for recreation, and honor the special responsibilities of the Secretary of the Interior to American Indians, Alaska Natives, and island communities.

Beginning with the 2004 budget submission, the Department's Payments in Lieu of Taxes program will reside within Departmental Management in order to recognize the government-wide scope of the program.

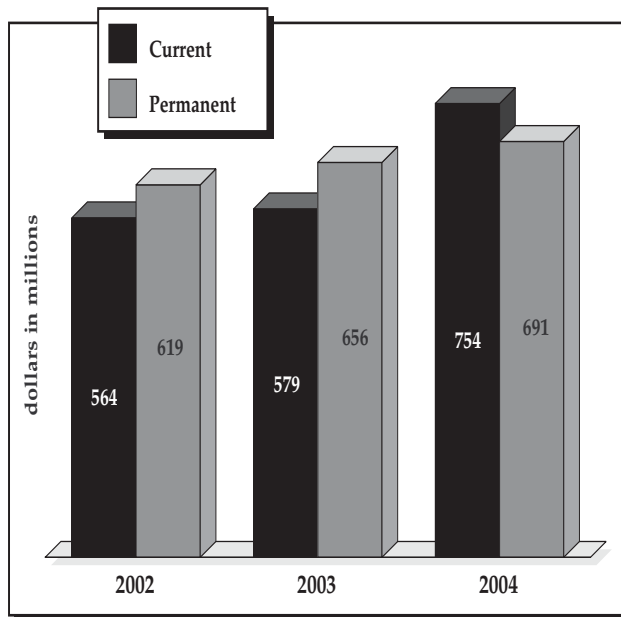
Management Excellence

The Department continues to follow the President's management agenda for a citizen-centered government utilizing the Secretary's Four C's: consultation, cooperation, and communication in the service of conservation. With a goal of efficient and effective delivery of services to citizens, Interior is focusing on management excellence guided by a new strategic plan. The management goals in the plan center on four key principles: customer value, accountability, modernization, and integration.

The Department has drafted a new strategic plan. Completed after a year of consultation with partners and stakeholders, the draft plan presents a unified vision for Interior. That vision is the foundation for an integrated approach to program implementation, management reform, and budget formulation. The 2004 budget aligns with the new strategic plan's four strategic mission components: resource protection, resource use, recreation, and serving communities.

The Departmental Offices principally provide leadership, management, and coordination activities for these

Departmental Offices Funding



responsibilities. They also provide support services used by the bureaus to accomplish their work. These include legal services through the Solicitor's Office and the audits and investigations of the Inspector General.

Within the Departmental Offices are several other significant programs. These include: the Office of Insular Affairs, which provides assistance to insular areas; the Office of the Special Trustee for American Indians, which assists in the management and discharge of the Secretary's responsibilities for trust assets of American Indians; the Natural Resources Damage Assessment and Restoration program, which coordinates Interior's natural resources damage assessment and restoration efforts; and the National Indian Gaming Commission, which regulates certain Indian gaming activities.

Office of the Secretary

Mission - The Office of the Secretary provides 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 Department is comprised of eight bureaus, each with a unique mission. The Department's 2004 budget includes a request of \$10.7 billion to accomplish its mission, and projects the collection of \$7.8 billion in receipts. Its employees are geographically dispersed across the entire United States and include physical and social scientists, historians, architects, engineers, attorneys, trust officers, rangers, law enforcement officers, teachers, and construction and maintenance workers. The Department will issue thousands of leases for oil and gas or geothermal exploration and development; deliver water to 31 million people; maintain and operate over a thousand parks, wildlife refuges, and recreational areas, hosting millions of visitors; and educate over 48,000 Indian children. The Department owns over 34,000 buildings and manages over a half of a billion acres of surface land. Successfully leading such a dynamic organization, while a sizable task, is accomplished with approximately nine-tenths of one percent of Interior's total budget.

The Office of the Secretary provides executive direction for the Interior Department and guides and coordinates all of the administrative activities such as finance, information resources, procurement and property management, human resources, and budgeting. The Office of Hearings and Appeals conducts administrative hearings and appeals.

The majority of activities associated with the Office of the Secretary are funded from the Departmental Management appropriation and are located in Washington, D.C. Field offices, located across the country, are used for work associated with environmental protection; Indian probate; hearings and appeals; indirect cost negotiations; and aircraft services.

The National Business Center provides major administrative systems and services to Interior bureaus and offices and other Federal agencies on a fully reimbursable basis through the Working Capital Fund. The NBC's 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 telecommunications, and facilities and property management. The NBC will expand payroll services to other agencies as one of the four government-wide payroll providers selected by the Office of Personnel Management.

Budget Overview - The 2004 budget request for Depart-

mental Management is \$97.1 million, an increase of \$18.0 million over the 2003 President's budget. This budget proposes strategic investments to address important Department-wide needs, including: improved security of information technology systems; implementation of a comprehensive program for workforce management; migration to a new financial and business management system; and improvement of Interior's capacity to evaluate program performance.

Specifically, the budget includes \$1.4 million as part of a Department-wide IT security program to create and maintain a secure environment for systems and data as required by the Computer Security Act of 1987, Clinger-Cohen Act of 1996, and other legislative and administrative mandates. The budget also includes \$13.8 million to begin a multi-year project to replace the Department's 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.

In addition, the budget request provides \$1.0 million for implementation of an effective human capital strategy based on the Department's *Strategic Human Capital Management Plan*. Implementation will address challenges such as those created by the loss of critical skills and knowledge due to anticipated retirements with a Department-wide approach to training and career-development programs, recruitment, orientation, and performance management. An increase of \$605,000 is proposed for a comprehensive, Department-wide approach to improve the accountability and the effectiveness of programs using program performance information and existing external and internal program reviews. The budget proposes \$400,000 to improve the Department's staff capability to manage critical assets such as dams, national monuments, and icons working in collaboration with the Department of Homeland Security. All of these increases are offset by a \$2.9 million decrease that is associated with the one time physical security enhancements for the main and south Interior buildings included in the 2003 budget.

Administrative Initiatives and Uncontrollable Costs -

The Department is undertaking significant information technology reforms to improve the management of IT investments, improve the security of systems and information, and to realize short- and long-term efficiencies and savings. The Department's corporate approach includes consolidated purchases of hardware and software; consolidation of support functions including help desks, e-mail support, web services, and training. The Departmental Management account is reduced by \$540,000 to reflect these management reforms.

The budget includes \$4.3 million to cover a portion of the 2004 uncontrollable costs. The 2004 budget request reflects realignment of the Office of Ethics, shifting \$650,000 from Departmental Management to the Office of the Solicitor. The 2004 budget also reflects completion of the transfer of the Indirect Cost Negotiation Team from the Office of Inspector General to Departmental Management. Initiated in 2003, this realignment assigns responsibility for this Team to the National Business Center and results in the transfer of an additional \$540,000 from the Office of Inspector General to Departmental Management in 2004.

Payments in Lieu of Taxes - The 2004 budget includes \$200.0 million for the Payments in Lieu of Taxes Program. This represents a \$35.0 million increase over the 2003 request level. In 2004, the Department proposes to shift this program from the Bureau of Land Management to Departmental Management. This shift recognizes that PILT payments are made not only for BLM land, but also for lands administered by other agencies, including the National Park Service, Fish and Wildlife Service, and the U.S. Forest Service.

These PILT payments compensate local governments for tax losses to local property tax bases that are sustained because federally owned land cannot be taxed. These lands vary in the extent to which they burden local governments. In light of the importance of PILT payments to the operational vitality of local governments, it is imperative that the PILT distribution formula accurately reflects these impacts. In the coming year, the Department will examine the PILT distribution formula to determine if changes should be proposed to achieve a more equitable distribution of payments to eligible local governments. As part of this ongoing commitment to improve PILT payment distributions, Interior recently signed a memorandum of agreement with the National Association of Counties to continue a strong dialogue with counties about PILT and other issues of importance to counties.

Office of Insular Affairs

Mission - The Office of Insular Affairs' mission is to assist the islands in developing more efficient and effective government by providing financial and technical assistance and to help manage Federal-island relations by promoting appropriate Federal policies.

Budget Overview - The proposed 2004 OIA budget is \$377.0 million, of which \$87.5 million is requested in current appropriations, a \$3.5 million decrease from the 2003 request. The current appropriations request includes \$47.7 million in discretionary funding and \$39.7

million in mandatory funding. An additional \$289.5 million for permanent and indefinite appropriations is estimated for 2004, including \$167.5 million based on legislation to be proposed by the Administration to extend Compact of Free Association financial assistance to the Republic of the Marshall Islands and Federated States of Micronesia for an additional 20 years, grant assistance for Palau, and \$122.0 million for payments to Guam and the Virgin Islands.

Discretionary Funding - In accordance with the Compact of Free Association Act of 1985, the Administration is developing a proposal to renew financial assistance for the Republic of the Marshall Islands and Federated States of Micronesia for an additional 20 years. The original compact provided the freely associated state governments with maximum flexibility in the use of Compact financial assistance, without providing for adequate accountability, controls, and monitoring. The Compact also did not allow for a meaningful oversight role on the part of the Federal government. The legislative proposal will dramatically improve the accountability requirements on the part of the FAS governments and provide for much more onsite monitoring of the grant funding provided by the Federal government. To fulfill these new requirements, OIA will set up a Compact office in Hawaii, as well as station personnel in the U.S. embassies, to monitor the grant funding provided to the FAS. The 2004 President's budget includes an increase of \$820,000 in discretionary funding to support the additional staffing and office requirements needed to monitor the proposed \$167.5 million in grant assistance.

Financial accountability is fundamental to the success of the insular governments in improving their economic situation. Internal assessments by OIA, the General Accounting Office, and Interior's Inspector General have noted the linkage between poor accountability and poor economic improvement. The financial crises in both the U.S. Virgin Islands and American Samoa have led to the implementation of memorandums of agreement between the Department and local governments, implementing mechanisms for improved financial management and long-term fiscal recovery plans.

The 2004 budget reflects a transfer of \$4.6 million in discretionary funding to the Weather Service and the Federal Aviation Administration from the Compact of Free Association Federal Services activity. Since 1987, Insular Affairs has covered the costs of services provided by these agencies through OIA discretionary funding. Transferring the program funding responsibility back to the servicing agencies will allow for greater control and accountability of the those particular services being provided to the insular areas.

Threats to the conservation and management of island ecosystems are another major challenge facing the insular areas. The request includes \$100,000 to begin development of a marine invasive species early warning system.

Current Mandatory Funding - Total funding for the current mandatory activities in 2004 will remain at \$39.7 million. However, the budget proposes changes to the allocation of \$27.7 million covenant grant funds. Compact impact aid of \$5.4 million will be shifted to permanent funding under the modified Compact of Free Association. Additionally, consistent with recent policy to require Federal agencies to assume full costs for their operations and involvement in the CNMI immigration, labor, and law enforcement initiative, the budget proposes a reduction of \$160,000. The total reductions allow for the reallocation of \$5.0 million to Virgin Islands construction to meet federally mandated wastewater improvements and \$580,000 to disaster assistance.

Permanent and Indefinite Funding - The 2004 estimate for permanent and indefinite funds is \$289.5 million, including approximately \$167.5 million for the legislation to be proposed by the Administration to modify the Compact of Free Association, grant assistance for Palau, and \$122.0 million for payments to Guam and the Virgin Islands. Without legislation to either extend or modify the Compact, there will be no funding for the Federated States of Micronesia and very limited funding for the Marshall Islands. If there is an extension of current services in the absence of a modified Compact, the funding level would be \$148.5 million. The proposed modified Compact, being negotiated by the State Department, will provide approximately \$151.5 million in grant assistance to the Federated States of Micronesia and the Republic of the Marshall Islands, and \$15.0 million in impact aid for the State of Hawaii and the U.S. Pacific Island territories affected by the immigration provision of the Compact. The Compact will also provide \$1.0 million in audit funding for the Freely Associated States.

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.; 18 regional and field offices are located throughout the United States.

Budget Overview - The Solicitor's 2004 budget request is \$50.4 million, an increase of \$2.6 million over the 2003 President's budget. This amount includes \$1.0 million for the Department's Ethics Office, which is transferring from the Office of the Secretary to the Office of the Solicitor. The Ethics Office will transfer intact to the Office of the Solicitor as a separate branch reporting directly to the Solicitor. The amount also includes an increase of \$1.7 million to cover uncontrollable costs and a net decrease of \$100,000 in the Office's 2004 information technology requirements.

Office of Inspector General

Mission - The Office of Inspector General promotes excellence in the programs, operations, and management of the Department of the Interior.

Program Overview - The OIG is the Department's focal point for reviewing the integrity of Departmental programs and operations. It is responsible for objectively and independently assessing major issues that directly impact, or could impact, Interior's ability to accomplish its mission and for keeping the Secretary and the Congress fully and currently informed about problems and deficiencies relating to the administration of the Department's programs. The OIG accomplishes its mission by conducting, supervising, and coordinating audits and investigations of Interior programs and operations. 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 2004 budget request for the OIG is \$39.0 million. This level of funding includes an increase of \$1.1 million to cover uncontrollable costs, and \$2.1 million for audits and investigation activities relating to the top management challenges, program integrity reviews, and increased requests for investigations and audits from Congress and the Department.

In addition, the OIG budget request includes a reduction of \$210,000 to reflect the full year effect of the January 1, 2003 transfer of the Indirect Cost Rate Negotiation function to the Office of the Secretary. Due to changes in the government auditing standards, which took effect January 1, 2003, OIG was required to divest itself of negotiating indirect cost rates associated with grants and contracts awarded to the Tribes, insular areas, and State

governments. The Department's National Business Center is now responsible for carrying out this function.

Office of the Special Trustee for American Indians

Mission - The Office of the Special Trustee for American Indians oversees and coordinates Indian trust asset reform efforts Department-wide to ensure the oversight and establishment of policies, procedures, systems, and practices that allow the Interior Department to effectively discharge its trust responsibilities. The OST has operating responsibility for financial trust fund management, including investment, collection, and disbursement of Indian trust funds. Additional trust functions of the Department are carried out by the Bureau of Land Management, Minerals Management Service, Bureau of Indian Affairs, Office of Hearings and Appeals, and Office of Historical Trust Accounting.

Program Overview - The Office of the Special Trustee manages \$2.8 billion of funds held in 1,400 trust accounts for roughly 290 Indian Tribes and about 230,000 open accounts for individual Indians. The balances of funds that have accumulated in the Indian trust accounts are derived from various sources, including payments for land cessions by treaty; proceeds from sales of land under confiscatory acts of Congress; proceeds from sales and leases of tribal lands and natural resources uses such as mining, timber, and grazing; judgment awards made by the Indian Claims Commission and the U.S. Claims Court; monies appropriated to fund legislative settlements; and interest on trust fund investments.

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 quarterly 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 current accounting systems. The primary elements of this ongoing effort are: 1) the reorganization of Interior trust offices to improve delivery of services, effectiveness, and accountability of trust operations, and 2) the reengineering of Interior's business processes and universal support functions to ensure that the Department meets its trust goals and objectives.

Interior evaluated its trust-related organizations and, after a lengthy consultation process with Tribes and individual Indians, determined that a different structural alignment of its organizational functions is required. The Office of the Special Trustee will continue to retain oversight responsibilities of fiduciary trust asset management, continue managing financial assets, and certain

reform projects. The OST will have additional operating authority including line authority over regional trust administrators and trust officers. These are new positions within the Interior Department and will be filled by skilled trust administrators or staff trained for these responsibilities. A field staff of four to six trust administrators will be centrally located in Indian country and will oversee a staff of trust officers and trust account managers in field locations.

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 the Department of the Interior submit a plan showing how it intends to bring itself into compliance with certain fiduciary obligations that it owes to individual Indian money account holders in accounting to them for its management of their IIM trust funds. The plan describes an 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 2004 request for OST is \$274.6 million. The request for the OST account reflects an 82 percent increase in funds above the 2003 President's budget. This robust increase provides additional funding for trust operations, reform activities, and historical accounting. The 2004 request for the Office of Historical Trust Accounting is \$130.0 million, an increase of \$112.5 million over the 2003 level. This substantial increase provides the added resources to conduct additional historical accounting beyond those accounts undertaken in 2002 and 2003 for both tribal and IIM accounts. These additional funds will provide for the reconciliation of an additional 15,000 judgment and per capita IIM accounts; reconciliation of an additional 200,000 transactions related to land-based IIM accounts; and resolve the proper ownership of the balances of 5,000 inactive special deposit accounts, distributing funds to the appropriate owners and closing these administrative accounts.

A key aspect of implementing the reorganization is an increase of \$15.0 million in funding for new trust officers in field locations that will provide oversight of trust

fiduciary responsibilities as part of the overall reorganization of trust responsibilities in BIA and OST. The OST has been given the direction to expand its operational role in addition to its statutory oversight duties. As a result, OST will develop a regional and agency presence to 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 collocated with BIA agencies where space is available or located in near proximity to the agencies, and will work closely with agency staff in charge of resource management. The trust officers will be the first line of contact for tribal and individual beneficiaries for issues related to their ownership and use of trust assets. The reorganization also realigns the risk management and audit programs within OST and places responsibility for some of the accountability and management control review and reporting within OST offices. The cost of the new trust administrator positions is partially offset by a decrease of \$5.0 million for risk management.

The 2004 request provides a total of \$20.4 million, an increase of \$7.0 million above the 2003 level, for an expanded records and litigation support program. Based on a reassessment of the resource requirements needed to adequately administer, manage, search, retrieve, and store extensive trust records, expanded records management activities will be provided. As OHTA continues historical accounting activity, an additional \$1.5 million is needed in order to search for and provide the appropriate records for this accounting. Continued inventorying and indexing of the 80,000 current boxes of records will require an additional \$2.0 million. Training on records management for compacted and contracted Tribes will be provided at a cost of \$500,000, and an imaging pilot for historical records will be initiated for \$500,000. An increase of \$2.5 million is requested to reimburse the Court for mandated Special Master, associated contractors, Special Master-Monitor, and to produce voluminous amounts of documents, e-mails, and records, contractors to index, image and sort documents, and hire attorneys to assist the Department in litigation. Due to the uncertainty of these proceedings, supplemental appropriations have been provided in past years to meet these growing requirements. It is estimated that *Cobell v. Norton*, as well as numerous tribal lawsuits to address alleged mismanagement and accounting errors will continue in 2004.

The 2004 budget request reflects full ongoing operational status of the trust funds accounting system. The requested program increase provides \$1.5 million, for a total of \$18.9 million to continue improvements to financial services to beneficiaries through trust funds accounting system operations. Additional funds in the amount of \$600,000 are also included as part of the Interior-wide

effort to address the expanded requirements of information technology security.

As the implementation of trust reform continues, some projects will continue with moderate revisions, other projects will be subject to major re-evaluation and rigorous planning and design specification before further implementation, especially as it relates to major IT systems projects. Decreases of \$6.5 million are reflected in current year estimated requirements for trust systems development and probate contracting as new processes are being developed to provide long-term solutions to trust asset management business systems approaches.

The Department is undertaking significant information technology reforms to improve the management of IT investments, improve the security of systems and information, and realize short- and long-term efficiencies and savings. The Department's corporate approach includes consolidated purchases of hardware and software; consolidation of support functions including help desks, e-mail support, and web services; and coordination of training. The OST budget includes a reduction of \$500,000 in 2004 to reflect these management reforms.

As the Department completes the "As-Is" process, and fully implements the reorganization, revisions to aspects of this request may be proposed.

The Indian Land Consolidation program, which acquires small ownership shares in allotted lands, is a key component in trust reform and management. This program is funded under BIA in 2004.

Natural Resource Damage Assessment and Restoration Program

Mission - Appropriations and recoveries to the Restoration program enable the Department to identify, evaluate, and conduct damage assessments of natural resource injuries resulting from oil spills and hazardous substance releases under its resource protection mission. This includes improving the health of watersheds, landscapes, and marine resources and sustaining biological communities. Damage assessment activities identify and quantify the injuries, and form the basis for legal action against the responsible parties, which usually result in negotiated legal settlements. Restoration activities are either 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 given an opportunity to participate in the assessment and restoration process by way of cooperative agreements.

Program Overview - The Restoration program is a Departmental program that draws upon the interdisciplinary strengths of its various bureaus and offices. The program has three principal components: restoration; natural resource damage assessment; and program management. Restoration of damaged lands and resources is the primary focus of the Restoration program. Damage assessment activities are used to ascertain injuries to natural resources, and restoration settlements provide the means to implement appropriate actions to restore and protect those resources for present and future generations. Program management provides coordination and direction, and oversees implementation of actions to facilitate the completion of assessments and restorations in a consistent manner.

The program works closely with conservation partners to enhance restoration success by utilizing their expertise and potential to leverage funding. The program is also utilizing the Secretary's Four C's to identify and resolve issues with industry, trade associations, and stakeholders that are of mutual concern and impediments to restoration.

Budget Overview - The 2004 budget for the Restoration program totals \$54.6 million including \$49.0 million in permanent appropriations. For current appropriations, \$5.6 million is requested, an increase of \$95,000 over the 2003 President's budget to cover uncontrollable costs. The \$5.6 million request includes \$3.9 million for damage assessment projects, \$1.4 million for program management activities, and \$250,000 for restoration support.

The funding level of \$49.0 million for permanent appropriations represents the anticipated amount of settlement receipts to be recovered in settled damage assessment cases in 2004. These receipts are used exclusively by

Trustees for restoration of damaged lands and resources or for reimbursement of past assessment costs.

National Indian Gaming Commission

Mission - The National Indian Gaming Commission monitors and regulates gaming activities conducted on Indian lands for the purpose of shielding Indian Tribes from organized crime and other corrupting influences. It also ensures that Indian Tribes are the primary beneficiaries of gaming revenues and that gaming is conducted fairly and honestly by both operators and players.

Program Overview - The Commission monitors gaming activity, inspects gaming premises, conducts background investigations, audits and reviews financial records of gaming operations, and undertakes enforcement actions when necessary. The NIGC issues regulations necessary to meet its responsibilities under the Indian Gaming Regulatory Act, and provides oversight to over 300 tribally owned, operated, or licensed gaming establishments operating in 28 States. Operating costs of the Commission are financed through annual assessments of gaming operations regulated by the Commission.

When the NIGC was created in 1988, Indian gaming was a \$100 million per year industry, and the agency operated on a \$2.5 million budget. Now the industry consists of over 300 gaming operations with an additional 23 gaming operations expected to open in California in the near future. The Indian gaming industry currently generates approximately \$13 billion per year.

Budget Overview - The 2004 request proposes to amend the Commission's current limitation on assessments to enable the amount of fees collected to fluctuate with the number of Indian gaming operations and the total revenues generated by the industry. When the new assessment structure is fully implemented, the Commission will have the necessary resources to carry out its mission without increasing the burden on individual Tribes.

SUMMARY OF BUREAU APPROPRIATIONS
(all dollar amounts in thousands)

Comparison of 2004 Request with 2003 President's Budget:

	2003 Budget		2004 Request		Change from 2003	
	FTE	Amount	FTE	Amount	FTE	Amount
Appropriations						
Departmental Management	425	79,164	423	97,140	-2	+17,976
Payments in Lieu of Taxes	1	165,000	1	200,000	0	+35,000
Priority Federal Land Acquisitions & Exchanges	0	3,000	0	0	0	-3,000
Assistance to Territories	36	70,217	40	71,343	+4	+1,126
Compact of Free Association	0	20,745	0	16,125	0	-4,620
Office of the Solicitor	358	47,773	363	50,374	+5	+2,601
Office of Inspector General	257	36,091	268	39,049	+11	+2,958
Office of Special Trustee for American Indians ...	470	151,027	565	274,641	+95	+123,614
Natural Resource Damage Assessment	4	5,538	4	5,633	0	+95
National Indian Gaming Commission	8	2,000	0	0	-8	-2,000
Subtotal, Appropriations	1,559	580,555	1,664	754,305	+105	+173,750
Permanents and Other						
Working Capital Fund	1,036	0	1,097	0	+61	0
Payments to U.S. Territories, Fiscal Assistance ...	0	122,000	0	122,000	0	0
Compact of Free Association	0	146,355	0	148,543	0	+2,188
Net Compact of Free Association -						
Legislative Proposal Adjustment	0	0	0	19,000	0	+19,000
Payment for Trust Accounting Deficiencies	0	6,700	0	0	0	-6,700
OST - Tribal Special Funds	0	261,912	0	274,510	0	+12,598
OST - Tribal Trust Fund	0	74,428	0	78,008	0	+3,580
Natural Resource Damage Assessment	0	44,126	0	49,000	0	+4,874
National Indian Gaming Commission	67	7,900	90	8,400	+23	+500
Allocation Account	53	0	49	0	-4	0
Reimbursements - Departmental Management ...	84	0	78	0	-6	0
Reimbursements - Office of the Solicitor	50	0	56	0	+6	0
Reimbursements - Office of Special Trustee	65	0	65	0	0	0
Subtotal, Other Accounts	1,355	663,421	1,435	699,461	+80	+36,040
TOTAL, DEPARTMENTAL OFFICES	2,914	1,243,976	3,099	1,453,766	+185	+209,790

HIGHLIGHTS OF BUDGET CHANGES
By Appropriation Activity/Subactivity

APPROPRIATION: Departmental Management

	<u>2002 Actual</u>	<u>2003 Budget</u>	<u>2004 Request</u>	<u>Change from 2003 Budget</u>
Departmental Direction	12,964	13,405	13,524	+119
Management and Coordination	25,425	27,024	30,322	+3,298
Hearings and Appeals	8,039	8,198	8,280	+82
Central Services	20,333	26,429	27,070	+641
USBM & DOL Workers Comp Costs	884	4,108	4,108	0
Financial Mgt. Syst. Migration Proj.	0	0	13,836	+13,836
TOTAL APPROPRIATION	67,645	79,164	97,140	17,976

Highlights of Budget Changes

	<u>Amount</u>
Uncontrollable Costs	[+4,862]
Departmental Direction	+119
<p>The budget includes a reduction of \$45 for Information Technology services streamlining. Uncontrollable costs total \$315 of which \$164 are budgeted and \$151 are absorbed.</p>	
Management and Coordination	+3,298
<p>In order to coordinate a multi-million dollar Department-wide effort to bring information systems into compliance with accepted security requirements, an increase is requested in the Office of the Chief Information Officer (+\$1,444).</p> <p>The budget request includes an increase in the Office of Personnel Policy for implementation of an effective human capital strategy based on the <i>Department's Strategic Human Capital Management Plan</i>. Implementation will address challenges such as those created by the loss of critical skills and knowledge due to anticipated accessions with a Department-wide approach to training and career-development programs, recruitment, orientation, and performance management (+\$1,000).</p> <p>An increase is proposed in the Office of Planning and Performance Management to develop a comprehensive, Department-wide approach to improve the accountability and the effectiveness of Interior's programs using program performance information and existing external and internal program reviews (+\$605).</p> <p>The budget also includes an increase in the Office of Law Enforcement and Security to improve the Department's staff capability to manage Interior's critical assets such as dams, national monuments, and icons working in collaboration with the Department of Homeland Security (+\$400).</p> <p>The 2004 budget reflects the realignment of the Office of Ethics to the Office of the Solicitor (-\$591) and the remainder of the full year cost of the Indirect Cost Negotiation Team which was transferred from the Office of the Inspector General in the second quarter of 2003 (+\$210).</p> <p>The budget includes a reduction of \$138 for Information Technology services streamlining. Uncontrollable costs total \$710 of which \$369 are budgeted and \$341 are absorbed.</p>	
Hearings and Appeals	+82
<p>The budget includes a reduction of \$42 for Information Technology services streamlining. Uncontrollable costs total \$238 of which \$124 are budgeted and \$114 are absorbed.</p>	
Central Services	+641
<p>The 2003 budget included a request for security enhancements for the main Interior building. The enhancements included a new employee security access control system, a public address system, and protective coating for the windows. Because this was a one-time requirement no additional funding is requested in 2004 (-\$2,900).</p> <p>The request includes the transfer of space costs for the Ethics function that is being transferred to the Office of the Solicitor (-\$59).</p> <p>Uncontrollable costs total \$3,600, including a reduction of \$315 for Information Technology services streamlining.</p>	
Financial Management System Migration Project	+13,836
<p>The budget includes funds to begin a multi-year project to replace the Department's 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 (+\$13,836).</p>	

APPROPRIATION: Payments in Lieu of Taxes

	<u>2002 Actual</u>	<u>2003 Budget</u>	<u>2004 Request</u>	<u>Change from 2003 Budget</u>
TOTAL APPROPRIATION	210,000	165,000	200,000	+35,000

Highlights of Budget Changes

	<u>Amount</u>
Payments in Lieu of Taxes	+35,000

The 2004 budget includes \$200,000 for PILT, a \$35,000 increase over the 2003 request level. The 2004 budget proposes to shift the program from BLM to the Office of the Secretary in recognition of the fact that PILT payments are made not only for BLM lands, but also for lands administered by others, including NPS, FWS, and the U.S. Forest Service.

In 2004, the Department will examine the PILT distribution formula to determine if changes are necessary to achieve a more equitable distribution of payments to eligible local governments.

APPROPRIATION: Federal Priority Land Acquisitions and Exchanges

	<u>2002 Actual</u>	<u>2003 Budget</u>	<u>2004 Request</u>	<u>Change from 2003 Budget</u>
TOTAL APPROPRIATION	0	3,000	0	-3,000

Highlights of Budget Changes

	<u>Amount</u>
Priority Federal Land Acquisitions and Exchanges	-3,000

The 2003 budget included funds for the settlement of the water claims of the Shivwits Band of the Paiute Indian Tribe of Utah. Public Law 106-263 specifies the use of the Land and Water Conservation Fund for implementation of the water rights and habitat acquisition program. Because this was a one-time requirement no additional funding is requested in 2004 (-\$3,000).

APPROPRIATION: Assistance to Territories

	<u>2002 Actual</u>	<u>2003 Budget</u>	<u>2004 Request</u>	<u>Change from 2003 Budget</u>
American Samoa				
Operations Grants	23,100	23,100	23,100	0
Northern Marianas				
Covenant Grants (Mandatory)	27,720	27,720	27,720	0
Territorial Assistance				
Office of Insular Affairs	4,528	5,295	6,321	+1,026
Technical Assistance	16,961	7,461	7,561	+100
Maintenance Assistance Fund	2,300	2,300	2,300	0
Brown Tree Snake	2,350	2,350	2,350	0
Insular Management Controls	1,491	1,491	1,491	0
Coral Reef Initiative	500	500	500	0
Subtotal, Territorial Assistance	28,130	19,397	20,523	+1,126
TOTAL APPROPRIATION	78,950	70,217	71,343	1,126

Highlights of Budget Changes

Uncontrollable Costs	<u>Amount</u> [+261]
Northern Mariana Covenant Grants (Mandatory)	0
<p>The budget proposes changes to the allocation of Covenant Grant funds. Compact impact aid of \$5,420 will be shifted to permanent funding under the modified Compact of Free Association. Additionally, there is a reduction of \$160 for the CNMI immigration, labor, and law enforcement initiative as other agencies assume their full costs for this initiative. The total reductions allow for the reallocation of \$5,000 to Virgin Islands construction to address violations of the Clean Water Act and \$580 to disaster assistance.</p>	
Office of Insular Affairs	+1,026
<p>The budget proposes an increase (+\$820) to support the additional staffing and office requirements that are needed for the new Compact Office to provide the additional oversight of grant funding that will be required in the modified Compact of Free Association. This funding level includes streamlining and management savings in information technology. Uncontrollable increases total \$261 of which \$206 is budgeted and \$55 is absorbed.</p>	
Technical Assistance	+100
<p>The budget proposes an increase (+\$100) to begin development of a marine invasive species early warning system.</p>	

APPROPRIATION: Compact of Free Association

	<u>2002 Actual</u>	<u>2003 Budget</u>	<u>2004 Request</u>	<u>Change from 2003 Budget</u>
Compact of Free Association	7,354	7,354	2,734	-4,620
Mandatory Payments	14,500	12,000	12,000	0
Enewetak Support	1,391	1,391	1,391	0
TOTAL APPROPRIATION	23,245	20,745	16,125	-4,620

Highlights of Budget Changes

Federal Services	<u>Amount</u> -4,620
<p>The budget proposes a transfer of funding (-\$4,620) to the Weather Service and the Federal Aviation Administration for services they provide to the insular areas.</p>	

APPROPRIATION: Office of the Solicitor

	<u>2002 Actual</u>	<u>2003 Budget</u>	<u>2004 Request</u>	<u>Change from 2003 Budget</u>
Legal Services	37,254	38,432	39,911	+1,479
General Administration	7,719	9,341	9,418	+77
Ethics	0	0	1,045	+1,045
TOTAL APPROPRIATION	44,973	47,773	50,374	+2,601

Highlights of Budget Changes

Uncontrollable Costs	<u>Amount</u> [+1,675]
Legal Services	+1,479
Uncontrollable changes total \$1,479.	
General Administration	+77
A net decrease of \$119 is included for the Office's information technology (IT) infrastructure requirements and IT security, and an increase of \$196 for uncontrollable costs.	
Ethics	+1,045
An amount of \$650 is associated with the costs of transferring the Department's Ethics function to the Office of the Solicitor. An increase of \$395 is requested for additional positions and IT improvements required to meet the needs of managing information for purposes of enforcement and full automation of the public and confidential financial disclosure reporting system.	

APPROPRIATION: Office of Inspector General

	<u>2002 Actual</u>	<u>2003 Budget</u>	<u>2004 Request</u>	<u>Change from 2003 Budget</u>
Audit	14,849	15,402	16,480	+1,078
Contracted CFO Audits	3,812	3,812	3,812	0
Investigations	6,763	7,266	8,176	+910
Program Integrity	1,457	1,496	2,155	+659
Policy & Management	7,402	8,115	8,426	+311
TOTAL APPROPRIATION	34,283	36,091	39,049	+2,958

Highlights of Budget Changes

Uncontrollable Costs	<u>Amount</u> [+1,063]
Office of Inspector General	+2,958
The FY 2004 budget includes an increase of \$1,895 for 18 FTEs for OIG's major program activities: the Offices of Audits, Investigations, and Program Integrity. This request targets getting experienced staff to work on some of the most complex and challenging issues facing the Department today, such as: administration of revenue generating activities; management and oversight over grants/contracts/procurement activities; security over information systems; management, restoration and protection of water resources and public lands; Indian education and school construction; and management of DOI Funds by the Insular Areas. These funds would also be targeted at getting entry-level staff into the organization to reduce the likelihood of what could be a catastrophic loss of experience and institutional knowledge in only a few years. Uncontrollable costs are funded at \$1,063.	

APPROPRIATION: Office of the Special Trustee for American Indians

	<u>2002 Actual</u>	<u>2003 Budget</u>	<u>2004 Request</u>	<u>Change from 2003 Budget</u>
Federal Trust Programs				
Executive Direction	2,496	2,781	2,275	-506
Program Ops, Support, & Improvements	96,728	148,246	272,366	+124,120
TOTAL APPROPRIATION	99,224	151,027	274,641	+123,614

Highlights of Budget Changes

	<u>Amount</u>
Uncontrollable Costs	[+1,110]
Executive Direction	-506
<p>A decrease in funding as a result of realignment of some general operations costs (-\$534) to other programs will be provided. Uncontrollable costs are funded at \$28.</p>	

Program Operations, Support, and Improvements +124,120

Net increases in funding for trust operations and reform activities includes a substantial increase in efforts to expand the historical accounting beyond those accounts undertaken in 2002 and 2003 of both tribal and IIM accounts as part of a long term effort. Funds will provide for the reconciliation of more than 15,000 additional Judgement and Per Capita IIM accounts; reconciliation of more than 180,000 transactions related to land-based IIM accounts; and resolve the proper ownership of the balances in 5,000 inactive Special Deposit accounts, distributing funds to the appropriate owners and closing these administrative accounts (+\$112,500). New trust officers in field locations will provide proper oversight of trust fiduciary responsibilities as part of the overall reorganization of trust responsibilities in BIA and OST (+\$15,000). The reorganization also realigns the risk management and audit programs within OST and places responsibility for some of the accountability and management control review and reporting within OST offices. This realignment provides a partial offset for some of the costs of the new trust administrator positions (-\$5,000).

Increased document and records searches, retrieval, and storage will be provided to assist historical accounting and day-to-day records management responsibilities (+\$4,500). Ongoing litigation support to address long standing deficiencies, as well as numerous tribal lawsuits will be supported as well as costs for court fees, attorney's costs, storage of records, and continued significant document production and related costs (+\$2,500).

Additional contractor support of trust accounting systems will provide for additional IIM trust accounts to be maintained (+\$1,500). These increases are partially offset by current year decreases in trust systems development and probate contracting as new processes are being developed to provide long term solutions to trust asset management business systems approaches (-\$6,500). The budget also includes a reduction of funds (-\$530) for Information Technology services streamlining, for the estimated IT savings as a result of Department-wide, corporate approaches to mass buys and network initiatives, consolidation of web services, mail outsourcing, and consolidated training approaches. Other reductions for one time costs of implementation of lock box system (-\$399), institutionalization and implementation of workforce planning activities Department-wide (\$-500). Uncontrollable costs are funded at \$531.

Total uncontrollable costs are \$1,110 of which \$559 are budgeted and \$551 are absorbed.

APPROPRIATION: Natural Resource Damage Assessment and Restoration

	<u>2002 Actual</u>	<u>2003 Budget</u>	<u>2004 Request</u>	<u>Change from 2003 Budget</u>
Damage Assessments	4,165	3,927	3,933	+6
Program Management	1,332	1,361	1,450	+89
Restoration Support	0	250	250	0
TOTAL APPROPRIATION	5,497	5,538	5,633	+95

Highlights of Budget Changes

	<u>Amount</u>
Uncontrollable Costs	[+\$100]
Natural Resource Damage Assessment and Restoration	+95
<p>The budget includes a reduction of \$5 for Information Technology services streamlining. Uncontrollable costs total \$100.</p>	

APPROPRIATION: National Indian Gaming Commission

	<u>2002 Actual</u>	<u>2003 Budget</u>	<u>2004 Request</u>	<u>Change from 2003 Budget</u>
TOTAL APPROPRIATION	0	2,000	0	-2,000

Highlights of Budget Changes

	<u>Amount</u>
Uncontrollable Costs	[0]
National Indian Gaming Commission	-2,000

In lieu of requesting appropriated funds in 2004 to cover operating cost shortfalls being experienced due to limitations on fee collections, the budget includes a request to amend the Commission's current limitation on assessments to enable the total amount of fees collected to fluctuate with the number of Indian gaming operations and the total revenues generated by the industry.

The limitation on fees assessed per gaming establishment will remain unchanged. Funds generated under the new assessment structure will provide the Commission with the necessary resources to carry out its mission without increasing the burden on individual Tribes (-\$2,000).

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 solid black rectangular box is centered horizontally across the upper portion of the image, containing the word "APPENDICES" in white, bold, serif capital letters.

APPENDICES

**COMPARISON OF 2002, 2003, AND 2004
BUDGET AUTHORITY***

(in thousands of dollars)

<u>Appropriation/ Bureau/Account</u>	<u>2002 Actual</u>	<u>2003 Budget</u>	<u>2004 Request</u>	<u>Change from 2003</u>
INTERIOR AND RELATED AGENCIES				
BUREAU OF LAND MANAGEMENT				
<i>Current Appropriations</i>				
Management of Lands and Resources	788,990	812,990	828,079	+15,089
Rescissions/ reductions of new BA	-963	0	0	0
Account total	788,027	812,990	828,079	+15,089
<i>In 2002 this account includes \$13.358 million for Mining Law Administration not offset by collections.</i>				
Wildland Fire Management	624,421	653,754	698,725	+44,971
Contingent Emergency Funds (released)	+54,000	0	0	0
Net transfers	+16,562	0	0	0
Account total	694,983	653,754	698,725	+44,971
Unobligated balances transferred for fire emerg	[+223,438]			
Construction and Access	13,076	10,976	10,976	0
Unobligated balances transferred for fire emerg	[-5,000]			
Oregon and California Grant Lands	105,165	105,633	106,672	+1,039
Rescissions/ reductions of new BA	-133	0	0	0
Account total	105,032	105,633	106,672	+1,039
Land Acquisition	49,920	44,686	23,686	-21,000
Rescissions/ reductions of new BA	-6	0	0	0
Account total	49,914	44,686	23,686	-21,000
Unobligated balances transferred for fire emerg	[-6,000]			
Central Hazardous Materials Fund	9,978	9,978	9,978	0
Net transfers	-300	0	0	0
Account total	9,678	9,978	9,978	0
Service Charges, Deposits, and Forfeitures	17,834	17,812	20,490	+2,678
Service Charges, Deposits, and Forfeitures Offset	-17,834	-17,812	-20,490	-2,678
Range Improvements	10,000	10,000	10,000	0
Miscellaneous Trust Funds	12,371	12,405	12,405	0
Subtotal, current appropriations	1,683,081	1,660,422	1,700,521	+40,099
Budget authority	[1,613,921]	[1,660,422]	[1,700,521]	[+40,099]
Contingent Emergency Funds (released)	[+54,000]	[0]	[0]	[0]
Rescissions/ reductions of new BA	[-1,102]	[0]	[0]	[0]
Net transfers	[+16,262]	[0]	[0]	[0]
Net unobligated balances transferred for fire emerg	[+212,438]			

* Notes explaining the scoring assumptions for this table are found beginning on page A-16.

APPENDIX A

COMPARISON OF 2002, 2003, AND 2004 BUDGET AUTHORITY (in thousands of dollars)

<u>Appropriation/ Bureau/Account</u>	<u>2002 Actual</u>	<u>2003 Budget</u>	<u>2004 Request</u>	<u>Change from 2003</u>
BLM (continued)				
<i>Permanent Appropriations</i>				
Permanent Operating Funds	104,901	232,550	102,275	-130,275
Miscellaneous Permanent Payments	117,570	186,191	133,004	-53,187
Miscellaneous Trust Funds	1,595	1,595	1,595	0
Subtotal, permanent appropriations	224,066	420,336	236,874	-183,462
Total, Bureau of Land Management	1,907,147	2,080,758	1,937,395	-143,363
Budget authority	[1,837,987]	[2,080,758]	[1,937,395]	[-143,363]
Emergency Funds (released)	[+54,000]	[0]	[0]	[0]
Rescissions/reductions of new BA	[-1,102]	[0]	[0]	[0]
Net transfers	[+16,262]	[0]	[0]	[0]
<i>Net unobligated balances transferred for fire emerg</i>	<i>[+212,438]</i>			
MINERALS MANAGEMENT SERVICE				
<i>Current Appropriations</i>				
Royalty and Offshore Minerals Management	150,667	164,222	164,216	-6
Rescissions/reductions of new BA	-32	0	0	0
Account total	150,635	164,222	164,216	-6
Oil Spill Research	6,105	6,105	7,105	+1,000
Subtotal, current appropriations	156,740	170,327	171,321	+994
Budget authority	[156,772]	[170,327]	[171,321]	[+994]
Rescissions/reductions of new BA	[-32]	[0]	[0]	[0]
<i>Permanent Appropriations</i>				
Mineral Leasing and Associated Payments	684,554	886,694	884,438	-2,256
Leases of Lands Acquired for Flood Control, Navigation, and Allied Purposes	976	1,231	1,252	+21
National Forests Fund, Payment to States	2,748	3,057	3,081	+24
Subtotal, permanent appropriations	688,278	890,982	888,771	-2,211
Total, Minerals Management Service	845,018	1,061,309	1,060,092	-1,217
Budget authority	[845,050]	[1,061,309]	[1,060,092]	[-1,217]
Rescissions/reductions of new BA	[-32]	[0]	[0]	[0]

COMPARISON OF 2002, 2003, AND 2004 BUDGET AUTHORITY
(in thousands of dollars)

<u>Appropriation/ Bureau/Account</u>	<u>2002 Actual</u>	<u>2003 Budget</u>	<u>2004 Request</u>	<u>Change from 2003</u>
OFFICE OF SURFACE MINING RECLAMATION AND ENFORCEMENT				
<i>Current Appropriations</i>				
Regulation and Technology	102,834	105,367	106,699	+1,332
Rescissions/ reductions of new BA	-41	0	0	0
Account total	102,793	105,367	106,699	+1,332
Abandoned Mine Reclamation Fund	203,455	174,035	174,469	+434
Rescissions/ reductions of new BA	-18	0	0	0
Account total	203,437	174,035	174,469	+434
Subtotal, current appropriations	306,230	279,402	281,168	+1,766
Budget authority	[306,289]	[279,402]	[281,168]	[+1,766]
Rescissions/ reductions of new BA	[-59]	[0]	[0]	[0]
<i>Permanent Appropriations</i>				
Abandoned Mine Reclamation Fund	113,681	56,079	55,000	-1,079
<i>In 2002, the United Mine Workers of America returned \$23.3 million of unused funds to this account that were booked as offsetting collections.</i>				
Subtotal, permanent appropriations	113,681	56,079	55,000	-1,079
Total, Office of Surface Mining	419,911	335,481	336,168	+687
Budget authority	[419,970]	[335,481]	[336,168]	[687]
Rescissions/ reductions of new BA	[-59]	[0]	[0]	[0]
U.S. GEOLOGICAL SURVEY				
<i>Current Appropriations</i>				
Surveys, Investigations, and Research	914,002	867,338	895,505	+28,167
Rescissions/ reductions of new BA	-916	0	0	0
Net transfers	+827	0	0	0
Account total	913,913	867,338	895,505	+28,167
Subtotal, current appropriations	913,913	867,338	895,505	+28,167
Budget authority	[914,002]	[867,338]	[895,505]	[+28,167]
Rescissions/ reductions of new BA	[-916]	[0]	[0]	[0]
Net transfers	[+827]	[0]	[0]	[0]

APPENDIX A

COMPARISON OF 2002, 2003, AND 2004 BUDGET AUTHORITY (in thousands of dollars)

<u>Appropriation/ Bureau/Account</u>	<u>2002 Actual</u>	<u>2003 Budget</u>	<u>2004 Request</u>	<u>Change from 2003</u>
USGS (continued)				
<i>Permanent Appropriations</i>				
Operations and Maintenance of Quarters	81	50	48	-2
Contributed Funds	666	738	737	-1
Subtotal, permanent appropriations	747	788	785	-3
Total, U.S. Geological Survey	914,660	868,126	896,290	+28,164
Budget authority	[914,749]	[868,126]	[896,290]	[+28,164]
Rescissions/reductions of new BA	[-916]	[0]	[0]	[0]
Net transfers	[+827]	[0]	[0]	[0]
FISH AND WILDLIFE SERVICE				
<i>Current Appropriations</i>				
Resource Management	850,597	903,604	941,526	+37,922
Rescissions/reductions of new BA	-534	0	0	0
Account total	850,063	903,604	941,526	+37,922
Construction	55,543	35,402	35,393	-9
Net transfers	-11,700	0	0	0
Account total	43,843	35,402	35,393	-9
Unobligated balances transferred for fire emerg	[-5,300]			
Land Acquisition	99,135	70,384	40,737	-29,647
Net transfers	-4,862	0	0	0
Account total	94,273	70,384	40,737	-29,647
Unobligated balances transferred for fire emerg	[-14,138]			
Landowner Incentive Program	40,000	50,000	40,000	-10,000
Private Stewardship Grants Program	10,000	10,000	10,000	0
Multinational Species Conservation Fund	4,000	5,000	7,000	+2,000
North American Wetlands Conservation Fund	43,500	43,560	49,560	+6,000
National Wildlife Refuge Fund	14,414	14,414	14,414	0
Neotropical Migratory Bird Conservation	3,000	0	0	0
Coop. Endangered Species Conservation Fund	96,235	91,000	86,614	-4,386
Budget Amendment	0	-2,100	0	+2,100
Account total	96,235	88,900	86,614	-2,286
State and Tribal Wildlife Grants	85,000	60,000	59,983	-17
Rescissions/reductions of new BA	-25,200	0	0	0
Account total	59,800	60,000	59,983	-17
Subtotal, current appropriations	1,259,128	1,281,264	1,285,227	+3,963

COMPARISON OF 2002, 2003, AND 2004 BUDGET AUTHORITY
(in thousands of dollars)

Appropriation/ Bureau/Account	2002 Actual	2003 Budget	2004 Request	Change from 2003
FWS (continued)				
Budget authority	[1,301,424]	[1,283,364]	[1,285,227]	[+1,863]
Rescissions / reductions of new BA	[-25,734]	[0]	[0]	[0]
Net transfers	[-16,562]	[0]	[0]	[0]
Budget amendment	[0]	[-2,100]	[0]	[+2,100]
<i>Net unobligated balances transferred for fire emerg ...</i>	[-19,438]			
Permanent Appropriations				
Sport Fish Restoration	482,980	451,890	459,354	+7,464
Net transfers	-126,332	-121,938	-121,878	+60
Account total	356,648	329,952	337,476	+7,524
Migratory Bird Conservation Account	42,055	42,250	42,250	0
North American Wetlands Conservation Fund	518	526	500	-26
National Wildlife Refuge Fund	6,150	6,242	6,336	+94
Miscellaneous Permanent Appropriations	2,561	2,760	2,760	0
Recreational Fee Demonstration Program	3,557	3,800	4,000	+200
Federal Aid in Wildlife Restoration	213,481	236,812	238,000	+1,188
Contributed Funds	2,654	4,342	4,100	-242
Coop. Endangered Species Conservation Fund	35,813	34,835	35,650	+815
Subtotal, permanent appropriations	663,437	661,519	671,072	+9,553
Total, Fish and Wildlife Service	1,922,565	1,942,783	1,956,299	+13,516
Budget authority	[2,091,193]	[2,066,821]	[2,078,177]	[+11,356]
Rescissions / reductions of new BA	[-25,734]	[0]	[0]	[0]
Net transfers	[-142,894]	[-121,938]	[-121,878]	[+60]
Budget Amendment	[0]	[-2,100]	[0]	[+2,100]
<i>Net unobligated balances transferred for fire emerg</i>	[-19,438]			

NATIONAL PARK SERVICE**Current Appropriations**

Operation of the National Park System	1,476,977	1,584,565	1,631,882	+47,317
Supplementals	+10,098	0	0	0
Rescissions / reductions of new BA	-877	0	0	0
Account total	1,486,198	1,584,565	1,631,882	+47,317
United State Park Police	65,260	78,431	78,859	+428
Supplementals	+25,295	0	0	0
Rescissions / reductions of new BA	-75	0	0	0
Account total	90,480	78,431	78,859	+428
National Recreation and Preservation	66,159	46,824	47,936	+1,112
Rescissions / reductions of new BA	-100	0	0	0
Account total	66,059	46,824	47,936	+1,112

APPENDIX A

COMPARISON OF 2002, 2003, AND 2004 BUDGET AUTHORITY
(in thousands of dollars)

<u>Appropriation/ Bureau/Account</u>	<u>2002 Actual</u>	<u>2003 Budget</u>	<u>2004 Request</u>	<u>Change from 2003</u>
NPS (continued)				
Construction	366,044	322,384	327,257	+4,873
Supplementals	+21,624	0	0	0
Rescissions/reductions of new BA	-250	0	0	0
Net transfers	+1,000	0	0	0
Budget Amendment	0	-2,000	0	+2,000
Account total	388,418	320,384	327,257	+6,873
Unobligated balances transferred for fire emerg	[-95,000]			
Unobligated balances transferred for Modified Water Delivery Project	[+3,976]			
Department of Defense enacted for Ft. Baker		[+2,500]		
Rescission of contract authority (LWCF)	-30,000	-30,000	-30,000	0
Urban Park and Recreation Fund	30,000	300	305	+5
Rescissions/reductions of new BA	-50	0	0	0
Account total	29,950	300	305	+5
Land Acquisition and State Assistance	274,117	286,057	238,634	-47,423
Rescissions/reductions of new BA	-250	0	0	0
Account total	273,867	286,057	238,634	-47,423
Unobligated balances transferred for fire emerg	[-61,000]			
Unobligated balances transferred for Modified Water Delivery Project	[-3,976]			
Historic Preservation Fund	74,500	67,000	67,000	0
Subtotal, current appropriations	2,379,472	2,353,561	2,361,873	8,312
Budget authority	[2,353,057]	[2,385,561]	[2,391,873]	[+6,312]
Supplementals	[+57,017]	[0]	[0]	[0]
Rescissions/reductions of new BA	[-1,602]	[0]	[0]	[0]
Net transfers, other	[+1,000]	[0]	[0]	[0]
Budget amendment	[0]	[-2,000]	[0]	[+2,000]
Rescission of contract authority	[-30,000]	[-30,000]	[-30,000]	[0]
Net unobligated balances transferred for fire emerg	[-156,000]			
Net unobligated balances transferred for Modified Water Delivery Project	[0]			
Department of Defense enacted for Ft. Baker		[+2,500]		
Permanent Appropriations				
Recreational Fee Permanent Appropriations	148,334	148,651	149,651	+1,000
Other Permanent Appropriations	80,827	82,203	90,289	+8,086
Miscellaneous Trust Funds	15,297	15,316	15,308	-8
LWCF Contract Authority	30,000	30,000	30,000	0
Subtotal, permanent appropriations	274,458	276,170	285,248	+9,078
Total, National Park Service	2,653,930	2,629,731	2,647,121	+17,390

COMPARISON OF 2002, 2003, AND 2004 BUDGET AUTHORITY
(in thousands of dollars)

<u>Appropriation/ Bureau/Account</u>	<u>2002 Actual</u>	<u>2003 Budget</u>	<u>2004 Request</u>	<u>Change from 2003</u>
NPS (continued)				
Budget authority	[2,627,515]	[2,661,731]	[2,677,121]	[+15,390]
Supplementals	[+57,017]	[0]	[0]	[0]
Rescissions/ reductions of new BA	[-1,602]	[0]	[0]	[0]
Net transfers	[+1,000]	[0]	[0]	[0]
Budget amendment	[0]	[-2,000]	[0]	[+2,000]
Rescission of contract authority	[-30,000]	[-30,000]	[-30,000]	[0]
<i>Net unobligated balances transferred for fire emerg</i>	[-156,000]			
<i>Net unobligated balances transferred for Modified Water Delivery Project</i>	[0]			
<i>Department of Defense enacted for Ft. Baker</i>		[+2,500]		
 BUREAU OF INDIAN AFFAIRS				
<i>Current Appropriations</i>				
Operation of Indian Programs	1,799,809	1,837,110	1,889,735	+52,625
Reappropriation of expiring balances	+10,096	0	0	0
Rescissions/ reductions of new BA	-11,424	0	0	0
Budget amendment	0	-2,000	0	+2,000
Account total	1,798,481	1,835,110	1,889,735	+54,625
<i>Unobligated balances transferred for Cobell litigation activities</i>	[+195]			
<i>Transfer to reimburse for San Carlos irrigation project from Corps of Engineers</i>	[+1,690]			
Construction	357,132	345,252	345,154	-98
<i>Unobligated balances transferred for fire emerg</i>	[-37,000]			
Indian Land & Water Claims & Settlements & Miscellaneous Payments to Indians	60,949	57,949	51,375	-6,574
Indian Guaranteed Loan Program Account	4,986	5,493	6,497	+1,004
Indian Land Consolidation (<i>transferred from OST</i>)	10,980	7,980	20,980	+13,000
Subtotal, current appropriations	2,232,528	2,251,784	2,313,741	+61,957
Budget authority	[2,233,856]	[2,253,784]	[2,313,741]	[+59,957]
Reappropriation of expiring balances	[+10,096]	[0]	[0]	[0]
Rescissions/ reductions of new BA	[-11,424]	[0]	[0]	[0]
Budget amendment	[0]	[-2,000]	[0]	[+2,000]
<i>Net unobligated balances transferred for fire emerg</i>	[-37,000]			
<i>Unobligated balances transferred for Cobell litigation activities</i>	[+195]			
<i>Transfer to reimburse from Corps of Engineers</i>	[+1,690]			

APPENDIX A

COMPARISON OF 2002, 2003, AND 2004 BUDGET AUTHORITY (in thousands of dollars)

<u>Appropriation/ Bureau/Account</u>	<u>2002 Actual</u>	<u>2003 Budget</u>	<u>2004 Request</u>	<u>Change from 2003</u>
BIA (continued)				
<i>Permanent Appropriations</i>				
Operation and Maintenance of Quarters	5,268	5,183	5,236	+53
Miscellaneous Permanent Appropriations	78,667	82,546	85,165	+2,619
White Earth Settlement Fund	3,070	3,000	3,000	0
Indian Loan Guaranty and Insurance Fund, Liquidating Account	1,000	0	0	0
Indian Direct Loan Program Account	0	2,000	0	-2,000
Revolving Fund for Loans, Liquidating Account	-4,000	-4,000	-4,000	0
Subtotal, permanent appropriations	84,005	88,729	89,401	+672
Total, Bureau of Indian Affairs	2,316,533	2,340,513	2,403,142	+62,629
Budget authority	[2,317,861]	[2,342,513]	[2,403,142]	[+60,629]
Reappropriation of expiring balances	[+10,096]	[0]	[0]	[0]
Rescissions/reductions of new BA	[-11,424]	[0]	[0]	[0]
Budget amendment	[0]	[-2,000]	[0]	[+2,000]
<i>Net unobligated balances transferred for fire emerg ...</i>	[-37,000]			
<i>Unobligated balances transferred for Cobell litigation activities</i>	[+195]			
<i>Transfer to reimburse from Corps of Engineers</i>	[+1,690]			

DEPARTMENTAL OFFICES

DEPARTMENTAL MANAGEMENT

Current Appropriations

Salaries and Expenses	67,741	78,596	97,140	+18,544
Supplementals	+2,205	0	0	0
Rescissions/reductions of new BA	-96	0	0	0
Net transfers	0	+568	0	-568
Account total	69,850	79,164	97,140	+17,976
<i>Unobligated balances transferred for Cobell litigation activities</i>	[+1,348]			
Payment in Lieu of Taxes	210,000	165,000	200,000	+35,000
Rescissions/reductions of new BA	-1	0	0	0
Account total	209,999	165,000	200,000	+35,000
Federal and Priority Land Acquisition	0	3,000	0	-3,000
Subtotal, current appropriations	279,849	247,164	297,140	+49,976
Total, Departmental Management	279,849	247,164	297,140	+49,976

COMPARISON OF 2002, 2003, AND 2004 BUDGET AUTHORITY
(in thousands of dollars)

<u>Appropriation/ Bureau/Account</u>	<u>2002 Actual</u>	<u>2003 Budget</u>	<u>2004 Request</u>	<u>Change from 2003</u>
DM (continued)				
Budget authority	[277,741]	[246,596]	[297,140]	[+50,544]
Supplementals	[+2,205]	[0]	[0]	[0]
Rescissions/ reductions of new BA	[-97]	[0]	[0]	[0]
Net transfers	[0]	[+568]	[0]	[-568]
<i>Unobligated balances transferred for Cobell litigation activities</i>	[+1,348]			
INSULAR AFFAIRS				
<i>Current Appropriations</i>				
Assistance to Territories	78,950	70,217	71,343	+1,126
Net transfers	-1,902	0	0	0
Account total	77,048	70,217	71,343	+1,126
Compact of Free Association	23,245	20,745	16,125	-4,620
Subtotal, current appropriations	100,293	90,962	87,468	-3,494
Budget authority	[102,195]	[90,962]	[87,468]	[-3,494]
Net transfers	[-1,902]	[0]	[0]	[0]
<i>Permanent Appropriations</i>				
Compact of Free Association	145,486	146,355	148,543	+2,188
<i>Net legislative proposal adjustment</i>			[19,000]	
Payments to the U.S. Territories, Fiscal Assistance	133,923	122,000	122,000	0
Subtotal, permanent appropriations	279,409	268,355	289,543	21,188
Total, Insular Affairs	379,702	359,317	377,011	+17,694
Budget authority	[381,604]	[359,317]	[377,011]	[17,694]
Net transfers	[-1,902]	[0]	[0]	[0]
<i>Net legislative proposal adjustment</i>			[19,000]	
OFFICE OF THE SOLICITOR				
<i>Current Appropriations</i>				
Office of the Solicitor	45,000	47,773	50,374	+2,601
Rescissions/ reductions of new BA	-27	0	0	0
Account total	44,973	47,773	50,374	+2,601
<i>Unobligated balances transferred for Cobell litigation activities</i>	[+1,315]			
Subtotal, current appropriations	44,973	47,773	50,374	+2,601
Total, Office of the Solicitor	44,973	47,773	50,374	+2,601

APPENDIX A

COMPARISON OF 2002, 2003, AND 2004 BUDGET AUTHORITY (in thousands of dollars)

<u>Appropriation/ Bureau/Account</u>	<u>2002 Actual</u>	<u>2003 Budget</u>	<u>2004 Request</u>	<u>Change from 2003</u>
SOL (continued)				
Budget authority	[45,000]	[47,773]	[50,374]	[+2,601]
Rescissions/reductions of new BA	[-27]	[0]	[0]	[0]
<i>Unobligated balances transferred for</i>				
Cobell litigation activities	[+1,315]			
OFFICE OF INSPECTOR GENERAL				
<i>Current Appropriations</i>				
Office of Inspector General	34,302	36,659	39,049	+2,390
Rescissions/reductions of new BA	-19	0	0	0
Net transfers	0	-568	0	+568
Account total	34,283	36,091	39,049	+2,958
Subtotal, current appropriations	34,283	36,091	39,049	+2,958
Total, Office of Inspector General	34,283	36,091	39,049	+2,958
Budget authority	[34,302]	[36,659]	[39,049]	[+2,390]
Rescissions/reductions of new BA	[-19]	[0]	[0]	[0]
Net transfers	[0]	[-568]	[0]	[568]
OFFICE OF THE SPECIAL TRUSTEE FOR AMERICAN INDIANS				
<i>Current Appropriations</i>				
Special Trustee for American Indians	99,224	151,027	274,641	+123,614
Rescissions/reductions of new BA	-53	0	0	0
Account total	99,171	151,027	274,641	+123,614
<i>Unobligated balances transferred for</i>				
Cobell litigation activities	[-2,858]			
Subtotal, current appropriations	99,171	151,027	274,641	+123,614
Budget authority	[99,224]	[151,027]	[274,641]	[+123,614]
Rescissions/reductions of new BA	[-53]	[0]	[0]	[0]
<i>Unobligated balances transferred for</i>				
Cobell litigation activities	[-2,858]			
<i>Permanent Appropriations</i>				
Payment for Trust Accounting Deficiencies	0	6,700	0	-6,700
Tribal Special Funds	252,762	261,912	274,510	+12,598
Tribal Trust Fund	71,828	74,428	78,008	+3,580
Subtotal, permanent appropriations	324,590	343,040	352,518	+9,478
Total, Special Trustee for Am. Indians	423,761	494,067	627,159	+133,092

COMPARISON OF 2002, 2003, AND 2004 BUDGET AUTHORITY
(in thousands of dollars)

<u>Appropriation/ Bureau/Account</u>	<u>2002 Actual</u>	<u>2003 Budget</u>	<u>2004 Request</u>	<u>Change from 2003</u>
OST (continued)				
Budget authority	[423,814]	[494,067]	[627,159]	[+133,092]
Rescissions/ reductions of new BA	[-53]	[0]	[0]	[0]
Unobligated balances transferred for Cobell litigation activities	[-2,858]			
NATURAL RESOURCE DAMAGE ASSESSMENT & RESTORATION				
<i>Current Appropriations</i>				
Natural Resource Damage Assessment Fund	5,497	5,538	5,633	+95
Subtotal, current appropriations	5,497	5,538	5,633	+95
Budget authority	[5,497]	[5,538]	[5,633]	[+95]
<i>Permanent Appropriations</i>				
Natural Resource Damage Assessment and Restoration Fund	22,619	45,126	50,000	+4,874
Net transfers	-7,280	-1,000	-1,000	0
Account total	15,339	44,126	49,000	+4,874
Subtotal, permanent appropriations	15,339	44,126	49,000	4,874
Total, Natural Resource Damage Assessment and Restoration	20,836	49,664	54,633	+4,969
Budget authority	[28,116]	[50,664]	[55,633]	[+4,969]
Net transfers	[-7,280]	[-1,000]	[-1,000]	[0]
Total, Departmental Offices	1,183,404	1,234,076	1,445,366	+211,290
Subtotal, current appropriations	564,066	578,555	754,305	+175,750
Budget authority	[563,959]	[578,555]	[754,305]	[175,750]
Supplementals	[+2,205]	[0]	[0]	[0]
Rescissions/ reductions of new BA	[-196]	[0]	[0]	[0]
Net transfers	[-1,902]	[0]	[0]	[0]
Unobligated balances transferred for Cobell litigation activities	[-195]			
Subtotal, permanent appropriations	619,338	655,521	691,061	35,540
Budget authority	[1,190,577]	[1,235,076]	[1,446,366]	[+211,290]
Supplementals	[+2,205]	[0]	[0]	[0]
Rescissions/ reductions of new BA	[-196]	[0]	[0]	[0]
Net transfers	[-9,182]	[-1,000]	[-1,000]	[0]
Unobligated balances transferred for Cobell litigation activities	[-195]			

APPENDIX A

COMPARISON OF 2002, 2003, AND 2004 BUDGET AUTHORITY
(in thousands of dollars)

<u>Appropriation/ Bureau/Account</u>	<u>2002 Actual</u>	<u>2003 Budget</u>	<u>2004 Request</u>	<u>Change from 2003</u>
NATIONAL INDIAN GAMING COMMISSION				
<i>Current Appropriations</i>				
National Indian Gaming Commission	0	2,000	0	-2,000
Subtotal, current appropriations	0	2,000	0	-2,000
Budget authority	[0]	[2,000]	[0]	[-2,000]
<i>Permanent Appropriations</i>				
National Indian Gaming Commission, Gaming Activity Fees	7,092	7,900	8,400	+500
Subtotal, permanent appropriations	7,092	7,900	8,400	+500
Total, National Indian Gaming Commission	7,092	9,900	8,400	-1,500
Budget authority	[7,092]	[9,900]	[8,400]	[-1,500]
TOTAL, INTERIOR AND RELATED AGENCIES	12,170,260	12,502,677	12,690,273	+187,596
Grand total, current authority	[9,443,280]	[9,480,753]	[9,793,661]	[+312,908]
Reappropriation of expiring balances	[+10,096]	[0]	[0]	[0]
Supplementals	[+59,222]	[0]	[0]	[0]
Contingent Emergency Funds Released	[+54,000]	[0]	[0]	[0]
Rescissions/reductions of new BA	[-41,065]	[0]	[0]	[0]
Net transfers	[-375]	[0]	[0]	[0]
Budget amendments	[0]	[-6,100]	[0]	[+6,100]
Rescission of contract authority	[-30,000]	[-30,000]	[-30,000]	[0]
Net, current authority	[9,495,158]	[9,444,653]	[9,763,661]	[+319,008]
Net unobligated balances transferred for fire emerg	[0]			
Unobligated balances transferred for Cobell litigation activities	[0]			
Transfer to reimburse for San Carlos irrigation project from Corps of Engineers	[+1,690]			
Department of Defense enacted for Ft. Baker		[+2,500]		
Grand total, permanent authority	[2,682,382]	[3,059,024]	[2,927,612]	[-131,412]
Net transfers	[-7,280]	[-1,000]	[-1,000]	[0]
Net, permanent authority	[2,675,102]	[3,058,024]	[2,926,612]	[-131,412]

COMPARISON OF 2002, 2003, AND 2004 BUDGET AUTHORITY
(in thousands of dollars)

<u>Appropriation/ Bureau/Account</u>	<u>2002 Actual</u>	<u>2003 Budget</u>	<u>2004 Request</u>	<u>Change from 2003</u>
ENERGY AND WATER DEVELOPMENT				
BUREAU OF RECLAMATION				
<i>Current Appropriations</i>				
Water and Related Resources	762,531	726,147	771,217	+45,070
Supplementals	+30,259	0	0	0
Supplementals, other	+7,000	0	0	0
Rescissions / reductions of new BA	-285	0	0	0
Net transfers	+202,800	0	0	0
Budget amendment	0	+14,900	0	-14,900
Subtotal, current appropriations	1,002,305	741,047	771,217	+30,170
San Gabriel Basin Restoration Fund	0	0	0	0
Budget amendment	0	-4,900	0	+4,900
Account total	0	-4,900	0	+4,900
Policy and Administration	52,968	54,870	56,525	+1,655
Rescissions / reductions of new BA	-31	0	0	0
Account total	52,937	54,870	56,525	+1,655
Working Capital Fund	0	0	0	0
Rescissions of balances	0	0	-4,525	-4,525
Account total	0	0	-4,525	-4,525
Loan Program	7,495	0	200	+200
California Bay-Delta Restoration	0	15,000	15,000	0
Central Valley Project Restoration Fund	55,039	48,904	39,600	-9,304
Subtotal, current appropriations	1,117,776	854,921	878,017	+23,096
<i>This request is offset in 2004 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>				
Budget authority	[878,033]	[844,921]	[882,542]	[+37,621]
Supplementals	[+37,259]	[0]	[0]	[0]
Rescissions / reductions of new BA	[-316]	[0]	[0]	[0]
Net transfers	[+202,800]	[0]	[0]	[0]
Budget amendment	[0]	[+10,000]	[0]	[-10,000]
Rescissions of balances	[0]	[0]	[-4,525]	[-4,525]

APPENDIX A

COMPARISON OF 2002, 2003, AND 2004 BUDGET AUTHORITY
(in thousands of dollars)

<u>Appropriation/ Bureau/Account</u>	<u>2002 Actual</u>	<u>2003 Budget</u>	<u>2004 Request</u>	<u>Change from 2003</u>
Reclamation <i>(continued)</i>				
<i>Permanent Appropriations</i>				
Colorado River Dam Fund, Boulder Canyon Project .	61,331	80,447	80,166	-281
Miscellaneous Permanent Appropriations	49	280	280	0
Loan Program Subsidy Reestimate	0	427	0	-427
Loan Program Liquidating Account	0	-2,479	-2,511	-32
San Gabriel Basin Restoration Fund	540	0	0	0
Reclamation Trust Funds	24,192	4,200	9,600	+5,400
Subtotal, permanent appropriations	86,112	82,875	87,535	+4,660
Total, Bureau of Reclamation	1,203,888	937,796	965,552	+27,756
Budget authority	[964,145]	[927,796]	[970,077]	[+42,281]
Supplementals	[+37,259]	[0]	[0]	[0]
Rescissions/reductions of new BA	[-316]	[0]	[0]	[0]
Net transfers	[+202,800]	[0]	[0]	[0]
Budget amendment	[0]	[+10,000]	[0]	[-10,000]
Rescissions of balances	[0]	[0]	[-4,525]	[-4,525]
CENTRAL UTAH PROJECT				
<i>Current Appropriations</i>				
Central Utah Project Completion Account	25,479	24,969	28,768	+3,799
Utah Reclamation Mitigation & Conservation Acct ...	10,749	11,259	9,423	-1,836
Subtotal, current appropriations	36,228	36,228	38,191	+1,963
Budget authority	[36,228]	[36,228]	[38,191]	[+1,963]
<i>Permanent Appropriations</i>				
Utah Reclamation Mitigation and Conservation Account	3,500	0	0	0
Subtotal, permanent appropriations	3,500	0	0	0
Total, Central Utah Project	39,728	36,228	38,191	+1,963
Budget Authority	[39,728]	[36,228]	[38,191]	[+1,963]

COMPARISON OF 2002, 2003, AND 2004 BUDGET AUTHORITY
(in thousands of dollars)

<u>Appropriation/ Bureau/Account</u>	<u>2002 Actual</u>	<u>2003 Budget</u>	<u>2004 Request</u>	<u>Change from 2003</u>
TOTAL, ENERGY AND WATER DEVELOPMENT	1,243,616	974,024	1,003,743	29,719
Grand total, current authority	[914,261]	[881,149]	[920,733]	[+39,584]
Supplementals	[+37,259]	[0]	[0]	[0]
Rescissions / reductions of new BA	[-316]	[0]	[0]	[0]
Net transfers	[+202,800]	[0]	[0]	[0]
Budget amendment	[0]	[+10,000]	[0]	[-10,000]
Rescissions of balances	[0]	[0]	[-4,525]	[-4,525]
Net, current authority	[1,154,004]	[891,149]	[916,208]	[+25,059]
Grand total, permanent authority	[89,612]	[82,875]	[87,535]	[+4,660]
TOTAL, DEPARTMENT OF THE INTERIOR	13,413,876	13,476,701	13,694,016	+217,315
Grand total, current authority	[10,357,541]	[10,361,902]	[10,714,394]	[+352,492]
Reappropriation of expiring balances	[+10,096]	[0]	[0]	[0]
Supplementals	[+96,481]	[0]	[0]	[0]
Contingent Emergency Funds released	[+54,000]	[0]	[0]	[0]
Rescissions / reductions of new BA	[-41,381]	[0]	[0]	[0]
Net transfers	[+202,425]	[0]	[0]	[0]
Budget amendment	[0]	[+3,900]	[0]	[-3,900]
Rescission of contract authority	[-30,000]	[-30,000]	[-30,000]	[0]
Rescissions of balances	[0]	[0]	[-4,525]	[-4,525]
Net, current authority	[10,649,162]	[10,335,802]	[10,679,869]	[+344,067]
<i>Net unobligated balances transferred for fire emerg ...</i>	[0]			
<i>Unobligated balances transferred for</i>				
<i>Cobell litigation activities</i>	[0]			
<i>Transfer to reimburse from Corps of Engineers</i>	[+1,690]			
<i>Department of Defense enacted for Ft. Baker</i>		[+2,500]		
Grand total, permanent authority	[2,771,994]	[3,141,899]	[3,015,147]	[-126,752]
Rescissions / reductions of new BA	[-7,280]	[-1,000]	[-1,000]	[0]
Net, permanent authority	[2,764,714]	[3,140,899]	[3,014,147]	[-126,752]

COMPARISON OF 2002, 2003, AND 2004 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 Interior’s programs. The differences are slight relative to the size of the budget, about \$93 million overall. 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. The BLM’s Service Charges, Deposits and Forfeitures and Reclamation’s Central Valley Project include a discretionary offset (receipt) that nets into their discretionary bottomline. The Utah Mitigation account for CUPCA is also adjusted in 2002 for discretionary receipts. This office also includes a permanent appropriation scored as discretionary rather than mandatory in 2002. 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.

The 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 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.

2002 Actuals

- The 2002 appropriations bills were enacted early in 2002. The Interior and Related Agencies Appropriations Act, P.L. 107-63, was signed on November 5, 2001 and the Energy and Water Appropriations Act, P.L. 107-66, was signed November 12, 2001. The Department of Defense Appropriations Act, P.L. 107-117, signed January 10, 2002, provided emergency supplemental funding to the following Interior bureaus in response to the September 11, 2001 terrorist attacks: Reclamation’s Water and Related Resources (\$30.259 million); NPS’s Operation of the National Park System (\$10.098 million), U.S. Park Police (\$25.295 million), and Construction (\$21.624 million); and Departmental Management, Salaries and Expenses (\$2.205 million).
- The Farm Security and Rural Investment Act of 2002 (P.L. 107-171 signed May 13, 2001) transferred \$200.0 million from the Commodity Credit Corporation to Reclamation to provide water to at-risk natural desert terminal lakes. Although CCC is mandatory funding, the transfer is a discretionary act and these funds are scored discretionary.
- The 2002 Supplemental for Further Recovery from Terrorist Attacks (P.L. 107-206 signed on August 2, 2002) included contingent emergency funds to repay the costs of law enforcement details and

EXPLANATORY NOTES *(continued)*

security upgrades for BLM, USGS, FWS, NPS, BIA, and OS. However, because they were not designated by the President as an emergency requirement, they are not available. In the same law Reclamation received \$7.0 million to drill emergency wells and purchase emergency water for New Mexico drought relief. To offset the additional supplemental costs, the bill included a government-wide travel and administrative cost rescission that reduced Interior's total by \$6.381 million. The Department had the discretion as to where to apply the reduction among its accounts. Also, \$10.0 million provided in a 2001 supplemental to purchase emergency power for BIA's San Carlos Irrigation Project was rescinded. The supplemental and rescission amounts are identified separately in Appendix A.

- 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 2002, BLM was unable to reduce the \$32.298 million appropriation for Mining Law administration to zero. This resulted in an appropriation of \$13.358 million. This amount is added to the MLR appropriation, resulting in an actual appropriation of \$788.027 million.
- The figure for BLM's Permanent Payment excludes the \$93.8 million general fund payment because it would overstate the actual payments to western Oregon and California. This is a difference from the MAX system.
- The OSM's Regulation and Technology appropriation includes authority to retain civil penalties. The actual collections totaled \$34,000 versus the estimate of \$27,000 resulting in a final appropriation of \$102.8 million.
- 2002 was a severe wildland fire season. To meet fire suppression needs, Interior bureaus transferred \$240.0 million of resources to the Wildland Fire Management Account – \$16.6 million in budget authority and \$223.4 million in unobligated balances (BLM, FSW, NPS, and BIA). The budget authority is included in the 2002 amounts; the balance transfers are shown as non-adds. These transfers are shown in the appropriate accounts.

2003 Estimates

- At the time this publication was being prepared, no 2003 appropriation had been enacted for Interior bureaus. The 2003 column is the 2003 President's budget request to Congress. To be consistent with the format of the 2004 budget request, the 2003 figures do not include the costs associated with the proposal to transfer that portion of the costs of the Civil Service Retirement System and Federal Employees Health Benefits program that had been funded in centralized OPM accounts to agency accounts. The Administration is still pursuing the proposal but has decided not to include the costs in the appropriations requests.
- Identified separately are two 2003 budget amendments. In September, the President's budget was amended to reduce unobligated balances in three Interior accounts: FWS Cooperative Endangered Species Conservation Fund (-\$2.1 million), NPS Construction (-\$2.0 million) and BIA Operation of Indian Programs (-\$2.0 million). The reductions offset a \$6.1 million increase for the National

EXPLANATORY NOTES *(continued)*

Capital Planning Commission to initiate efforts to restore and enhance Pennsylvania Avenue security. In January, the Administration proposed to amend Reclamation's 2003 request to meet the costs of a legal settlement with the Sumner Peck Ranch related to the drainage obligations of the San Luis Unit. The request for the Water and Related Resources account was increased by a \$14.9 million, and \$4.9 million of unobligated balances in the San Gabriel Basin Restoration account were proposed to be cancelled.

2004 Legislative Proposals

- **Renegotiated Insular Compacts** – The Administration is proposing to modify two existing Insular compacts in 2004 since U.S. financial assistance to the Freely Associated States will end under current legislation. The net effect of the proposed legislation will be to increase 2004 permanent appropriations to the Compact of Free Association account by \$19.0 million; this change is included in the 2004 estimates for that account.
- **BLM Land Sales** – The Administration will propose legislation to 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 from land sales. The 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 the Federal Lands Transaction Facilitation Act. 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 \$10.0 million in 2004.

2004 Estimates

- The amount for BLM's Permanent Operating account is less than MAX since it excludes about \$12 million in Naval Oil Shale Reserves receipts. It is not clear whether all the NOSR receipts are available for expenditure under recently enacted amendments.

2004 REQUEST BY MISSION GOAL
Resource Protection

(in thousands of dollars)

<u>Appropriation/ Bureau/Account</u>	<u>Improve health of watersheds & landscapes</u>	<u>Sustain biological communities</u>	<u>Protect cultural & heritage resources</u>
INTERIOR AND RELATED AGENCIES			
BUREAU OF LAND MANAGEMENT			
Management of Lands and Resources	122,100	56,100	51,800
Wildland Fire Management	24,500	0	0
Oregon and California Grant Lands	5,800	2,500	200
Land Acquisition	3,100	5,500	9,489
Service Charges, Deposits, and Forfeitures	0	0	100
Service Charges, Deposits, and Forfeitures Offset	0	0	-100
Range Improvements	9,300	600	0
OFFICE OF SURFACE MINING RECLAMATION AND ENFORCEMENT			
Regulation and Technology	573	0	0
Abandoned Mine Land Fund	59,936	0	0
U.S. GEOLOGICAL SURVEY			
Surveys, Investigations, and Research	38,559	109,616	0
FISH AND WILDLIFE SERVICE			
Resource Management	150,375	525,450	0
Construction	0	9,631	0
Land Acquisition	0	40,737	0
Landowner Incentive Program	0	40,000	0
Private Stewardship Grants Program	0	10,000	0
Multinational Species Conservation Fund	0	7,000	0
North American Wetlands Conservation Fund	0	49,560	0
Coop. Endangered Species Conservation Fund	0	86,614	0
State and Tribal Wildlife Grants	0	59,983	0
NATIONAL PARK SERVICE			
Operation of the National Park System	214,919	195,663	220,630
United States Park Police	0	0	11,821
National Recreation and Preservation	6,907	5,808	26,340
Construction	31,597	13,019	95,584
Land Acquisition and State Assistance	37,106	33,103	7,997
Historic Preservation Fund	0	0	67,000
BUREAU OF INDIAN AFFAIRS			
Operation of Indian Programs	6,140	21,992	1,640
DEPARTMENTAL MANAGEMENT			
Salaries and Expenses	989	482	326

APPENDIX B

2004 REQUEST BY MISSION GOAL

Resource Protection (continued)

(in thousands of dollars)

Appropriation/ Bureau/Account	Improve health of watersheds & landscapes	Sustain biological communities	Protect cultural & heritage resources
NATURAL RESOURCE DAMAGE ASSESSMENT & RESTORATION			
Natural Resource Damage Assessment Fund	5,633	0	0
TOTAL, INTERIOR AND RELATED AGENCIES	717,534	1,273,358	492,827
ENERGY AND WATER DEVELOPMENT			
BUREAU OF RECLAMATION			
Water and Related Resources	56,468	0	0
Working Capital Fund	-331	0	0
Central Valley Project Restoration Fund	16,000	0	0
CENTRAL UTAH PROJECT			
Central Utah Project Completion Account	239	740	0
Utah Reclamation Mitigation & Conservation Acct	335	8,478	0
TOTAL, ENERGY AND WATER DEVELOPMENT	72,711	9,218	0
TOTAL, DEPARTMENT OF THE INTERIOR	790,245	1,282,576	492,827

2004 REQUEST BY MISSION GOAL

Resource Use

(in thousands of dollars)

Appropriation/ Bureau/Account	Energy	Non-energy use	Forest products	Forage	Deliver water	Deliver hydro-power
INTERIOR AND RELATED AGENCIES						
BUREAU OF LAND MANAGEMENT						
Management of Lands and Resources	148,600	37,900	55,200	12,500	0	0
Oregon and California Grant Lands	2,300	0	1,100	66,788	0	0
Service Charges, Deposits, and Forfeitures	9,500	400	0	200	0	0
Service Charges, Deposits, and Forfeitures Offset	-9,500	-400	0	-200	0	0
MINERALS MANAGEMENT SERVICE						
Royalty and Offshore Minerals Management	107,611	870	0	0	0	0
OFFICE OF SURFACE MINING RECLAMATION AND ENFORCEMENT						
Regulation and Technology	75,775	0	0	0	0	0
Abandoned Mine Land Fund	1,730	0	0	0	0	0

2004 REQUEST BY MISSION GOAL**Resource Use (continued)**

(in thousands of dollars)

<u>Appropriation/ Bureau/Account</u>	<u>Energy</u>	<u>Non- energy use</u>	<u>Forest products</u>	<u>Forage</u>	<u>Deliver water</u>	<u>Deliver hydro- power</u>
U.S. GEOLOGICAL SURVEY						
Surveys, Investigations, and Research	25,962	43,407	0	0	0	0
FISH AND WILDLIFE SERVICE						
Resource Management	10,934	2,275	13,648	13,648	6,824	2,275
BUREAU OF INDIAN AFFAIRS						
Operation of Indian Programs	6,234	4,220	13,825	48,721	10,097	0
Construction	0	0	0	0	13,793	0
DEPARTMENTAL MANAGEMENT						
Salaries and Expenses	1,029	0	0	0	504	0
TOTAL, INTERIOR AND RELATED AGENCIES	380,175	88,672	83,773	141,657	31,218	2,275
 ENERGY AND WATER DEVELOPMENT						
BUREAU OF RECLAMATION						
Water and Related Resources	0	0	0	0	539,204	92,717
Policy and Administration	0	0	0	0	45,781	6,783
Working Capital Fund	0	0	0	0	-3,164	-544
Loan Program	0	0	0	0	200	0
California Bay-Delta Restoration	0	0	0	0	15,000	0
Central Valley Project Restoration Fund	0	0	0	0	23,600	0
CENTRAL UTAH PROJECT						
Central Utah Project Completion Account	0	0	0	0	27,383	0
Utah Reclamation Mitigation & Conservation Acct	0	0	0	0	200	0
TOTAL, ENERGY AND WATER DEVELOPMENT	0	0	0	0	648,204	98,956
TOTAL, DEPARTMENT OF THE INTERIOR	380,175	88,672	83,773	141,657	679,422	101,231

APPENDIX B

2004 REQUEST BY MISSION GOAL

Recreation

(in thousands of dollars)

<u>Appropriation/ Bureau/Account</u>	<u>Improve access</u>	<u>Ensure quality experience</u>	<u>Provide & receive fair value</u>
INTERIOR AND RELATED AGENCIES			
BUREAU OF LAND MANAGEMENT			
Management of Lands and Resources	11,300	62,100	12,200
Construction and Access	0	2,700	0
Oregon and California Grant Lands	200	6,400	300
FISH AND WILDLIFE SERVICE			
Resource Management	70,557	109,210	0
Construction	0	6,846	0
NATIONAL PARK SERVICE			
Operation of the National Park System	245,925	565,284	37,696
United States Park Police	0	11,821	0
National Recreation and Preservation	3,999	4,583	299
Construction	32,072	22,546	6,668
Urban Park and Recreation Fund	153	0	152
Land Acquisition and State Assistance	160,428	0	0
DEPARTMENTAL MANAGEMENT			
Salaries and Expenses	197	146	104
TOTAL, INTERIOR AND RELATED AGENCIES	524,831	791,636	57,419
ENERGY AND WATER DEVELOPMENT			
BUREAU OF RECLAMATION			
Water and Related Resources	4,699	22,435	0
Policy and Administration	345	1,639	0
Working Capital Fund	-28	-132	0
CENTRAL UTAH PROJECT			
Utah Reclamation Mitigation & Conservation Acct	110	100	200
TOTAL, ENERGY AND WATER DEVELOPMENT	5,126	24,042	200
TOTAL, DEPARTMENT OF THE INTERIOR	529,957	815,678	57,619

2004 REQUEST BY MISSION GOAL

Serving Communities

(in thousands of dollars)

Appropriation/ Bureau/Account	<i>Protect lives, resources, and property</i>	<i>Scientific leadership and application</i>	<i>Fulfill Indian trust responsibility</i>	<i>Advance quality communities for Tribes</i>	<i>Increase economic self-sufficiency for insular areas</i>
INTERIOR AND RELATED AGENCIES					
BUREAU OF LAND MANAGEMENT					
Management of Lands and Resources	258,279	0	0	0	0
Wildland Fire Management	674,225	0	0	0	0
Construction and Access	8,276	0	0	0	0
Oregon and California Grant Lands	21,088	0	0	0	0
Land Acquisition	5,593	0	0	0	0
Central Hazardous Materials Fund	9,978	0	0	0	0
Service Charges, Deposits, and Forfeitures	10,300	0	0	0	0
Service Charges, Deposits, and Forfeitures Offset	-10,300	0	0	0	0
Range Improvements	100	0	0	0	0
Miscellaneous Trust Funds	12,405	0	0	0	0
MINERALS MANAGEMENT SERVICE					
Royalty and Offshore Minerals Management	41,390	0	14,345	0	0
Oil Spill Research	7,105	0	0	0	0
OFFICE OF SURFACE MINING RECLAMATION AND ENFORCEMENT					
Regulation and Technology	30,351	0	0	0	0
Abandoned Mine Land Fund	112,803	0	0	0	0
U.S. GEOLOGICAL SURVEY					
Surveys, Investigations, and Research	72,776	605,185	0	0	0
FISH AND WILDLIFE SERVICE					
Resource Management	30,475	0	5,855	0	0
Construction	18,916	0	0	0	0
National Wildlife Refuge Fund	14,414	0	0	0	0
NATIONAL PARK SERVICE					
Operation of the National Park System	151,765	0	0	0	0
United States Park Police	55,217	0	0	0	0
Construction	125,771	0	0	0	0
BUREAU OF INDIAN AFFAIRS					
Operation of Indian Programs	94,611	303	241,637	1,440,314	0
Construction	38,727	0	0	292,634	0
Indian Land & Water Claims & Settlements & Misc ...	0	0	0	51,375	0

APPENDIX B

2004 REQUEST BY MISSION GOAL

Serving Communities (continued)

(in thousands of dollars)

Appropriation/Bureau/Account	<i>Protect lives, resources, and property</i>	<i>Scientific leadership and application</i>	<i>Fulfill Indian trust responsibility</i>	<i>Advance quality communities for Tribes</i>	<i>Increase economic self-sufficiency for insular areas</i>
Indian Guaranteed Loan Program Account	0	0	0	6,497	0
Indian Land Consolidation (transferred from OST)	0	0	20,980	0	0
DEPARTMENTAL MANAGEMENT					
Salaries and Expenses	10,860	70	325	1,348	90
Payment in Lieu of Taxes	200,000	0	0	0	0
INSULAR AFFAIRS					
Assistance to Territories	0	0	0	0	71,343
Compact of Free Association	0	0	0	0	16,125
OFFICE OF THE SPECIAL TRUSTEE FOR AMERICAN INDIANS					
Special Trustee for American Indians	0	0	274,641	0	0
TOTAL, INTERIOR AND RELATED AGENCIES	1,995,125	605,558	557,783	1,792,168	87,558
 ENERGY AND WATER DEVELOPMENT					
BUREAU OF RECLAMATION					
Water and Related Resources	55,694	0	0	0	0
Policy and Administration	1,978	0	0	0	0
Working Capital Fund	-327	0	0	0	0
CENTRAL UTAH PROJECT					
Central Utah Project Completion Account	0	0	0	406	0
TOTAL, ENERGY AND WATER DEVELOPMENT	57,345	0	0	406	0
TOTAL, DEPARTMENT OF THE INTERIOR	2,052,470	605,558	557,783	1,792,574	87,558

2004 REQUEST BY MISSION GOAL
Management Excellence
(in thousands of dollars)

<u>Appropriation/ Bureau/Account</u>	<u>Departmental oversight & other</u>
 INTERIOR AND RELATED AGENCIES	
NATIONAL PARK SERVICE	
Land Acquisition and State Assistance - rescission	-30,000
 DEPARTMENTAL MANAGEMENT	
Salaries and Expenses	80,670
 OFFICE OF THE SOLICITOR	
Salaries and Expenses	50,374
 OFFICE OF THE INSPECTOR GENERAL	
Salaries and Expenses	39,049
 TOTAL, INTERIOR AND RELATED AGENCIES	140,093
 ENERGY AND WATER DEVELOPMENT	
 TOTAL, ENERGY AND WATER DEVELOPMENT	0
 TOTAL, DEPARTMENT OF THE INTERIOR	140,093

MAINTAINING AMERICA'S HERITAGE

(in thousands of dollars)

<u>Bureau/Account</u>	<u>2002 Actual</u>	<u>2003 Budget</u>	<u>2004 Request</u>	<u>2004 compared to 2003</u>
MAINTENANCE				
Bureau of Land Management				
Management of Land and Resources	77,603	77,958	78,344	+386
Oregon and California Grant Lands	10,904	10,958	10,911	-47
Wildland Fire Management	<u>19,774</u>	<u>12,374</u>	<u>12,374</u>	0
Subtotal, BLM	108,281	101,290	101,629	+339
U.S. Geological Survey				
Surveys, Investigations, and Research	36,335	32,209	33,151	+942
Fish and Wildlife Service				
Resource Management	93,876	124,576	129,113	+4,537
National Park Service				
Operation of the National Park System	480,972	531,428	569,695	+38,267
Bureau of Indian Affairs				
Operation of Indian Programs	<u>72,433</u>	<u>77,787</u>	<u>77,893</u>	+106
Subtotal, Maintenance	791,897	867,290	911,481	+44,191
CONSTRUCTION				
Bureau of Land Management	13,076	10,976	10,976	0
Fish and Wildlife Service	43,843	35,402	35,393	-9
National Park Service	388,418	320,384	327,257	+6,873
Bureau of Indian Affairs	<u>357,132</u>	<u>345,242</u>	<u>345,154</u>	-88
Subtotal, Construction	802,469	712,004	718,780	+6,776
TOTAL, DEPARTMENT OF THE INTERIOR	<u>1,594,366</u>	<u>1,579,294</u>	<u>1,630,261</u>	<u>+50,967</u>
TOTALS BY BUREAU				
Bureau of Land Management	121,357	112,266	112,605	+339
U.S. Geological Survey	36,335	32,209	33,151	+942
Fish and Wildlife Service	137,719	159,978	164,506	+4,528
National Park Service	869,390	851,812	896,952	+45,140
Bureau of Indian Affairs	429,565	423,029	423,047	+18
TOTAL, DEPARTMENT OF THE INTERIOR	<u>1,594,366</u>	<u>1,579,294</u>	<u>1,630,261</u>	<u>+50,967</u>

CONSTRUCTION PROGRAM

Interior and Related Agencies

(in thousands of dollars)

<u>Bureau/State/Project</u>	<u>Estimated Cost</u>	<u>Thru 2003</u>	<u>2004 Request</u>
BUREAU OF LAND MANAGEMENT			
Arizona			
Agua Fria and Sonoran Desert Vault Toilets Install six precast concrete vault toilets at high visitor use back country locations within the Agua Fria and Sonoran Desert National Monuments.	147	0	147
Wild Horse and Burro Corrals, Phase I Construct a Wild Horse and Burro facility at Kingman, Arizona with a capacity of 500 animals, with 300 animals held in corral pens and 200 in large five-acre turn-out pens.	1,383	0	452
California			
Dove Spring and Jawbone Canyon Sanitation Install four vault toilets in the Dove Spring and Jawbone Canyon off highway vehicle areas. Campfire rings and destination signing also will be installed.	116	0	116
Dumont Dunes Toilets Install four new vault toilets at the Dumont Dunes Recreation Area.	100	0	100
South Dunes Operation Center Construct a 3,000-square foot operations center for the South Imperial Sand Dunes. This facility will include a ranger/public contact station, emergency medical, operations facility, asphalt concrete parking and driveways, security fencing, and all utilities.	1,320	0	450
Colorado			
Bangs Canyon Recreation Management Area Resource Protection Construct a new toilet, install signs and fences, gravel access roads, and close targeted roads and trails as identified in approved management plans.	109	0	109
Bridgeport Bridge Construct a bridge to be used when walking or horseback riding into the Dominguez Wilderness Study Area.	436	0	436
Collegiate Peaks Overlook Construction Close roads in the center of the recreation area, create a safe parking and trail system, and replace vandalized picnic sites and signs.	172	0	172

Note: The Construction Program list may change as a result of congressional action on the 2003 appropriations bills.

APPENDIX D

CONSTRUCTION PROGRAM

**Interior and Related Agencies
(in thousands of dollars)**

<u>Bureau/State/Project</u>	<u>Estimated Cost</u>	<u>Thru 2003</u>	<u>2004 Request</u>
Colorado <i>(continued)</i>			
Espinosa Gulch Road Pave one-half mile of Road #5820, a steep road which provides access to two fee recreation areas.	157	0	157
Gunnison Gorge National Conservation Area Boat Ramps and Fishing Access Upgrade and construct three boat launch sites and access routes for the Gunnison Gorge National Conservation Area.	414	0	414
Gunnison Gorge National Conservation Area Off-Highway Vehicle Staging Area Relocate the existing off-highway vehicle staging area to a site away from the main visual corridor of the Gunnison Gorge National Conservation Area.	246	0	246
Jacques Access Reconstruction and Stabilization Stabilize, reconstruct, and gravel 1.25 miles of public access road and parking area for 10 to 15 vehicles plus horse trailers.	102	0	102
Idaho			
Cove Recreation Site, Phase II Reconstruct and expand the Cove Recreation Site, Phase II. Work involves realigning, reshaping, signing, and graveling the roadways. Replace cabanas, toilets, boat ramps, docks, camping units, potable water system, dump station, irrigation, landscaping, host site, and reservoir bank.	590	112	478
Egin Lakes Access Campground Expansion, Phase II Construct Phase II of an access road, new drinking system, vault toilet, campsites, and off-highway vehicle loading ramps for a day use and camping facility project.	1,555	550	1,005
Lucile Recreation Site Construct a new access lane from State Highway 95, expand parking lot to capability for up to 100 vehicles and trailers and 10 buses, construct a three-lane boat ramp, restroom and dressing facilities, and landscape.	382	0	382
Mackay Recreation Site, Phase II Renovate the recreation site, Phase II. The road system and campsite layout will be redesigned to accommodate the larger recreational vehicles in use today, replace leaking toilets, upgrade potable water system to standards, and replace existing fee station.	1,551	800	751

CONSTRUCTION PROGRAM				
Interior and Related Agencies				
(in thousands of dollars)				
	<u>Bureau/State/Project</u>	<u>Estimated Cost</u>	<u>Thru 2003</u>	<u>2004 Request</u>
Nevada				
	Sand Basin Road Reconstruction, Phase II Reconstruct six miles of the Sand Basin Road from Gridely Lake to the junction with Knott Creek Road.	624	79	545
New Mexico				
	Valley of Fire Recreation Area Construct two new vault toilets, upgrade the interpretive trail, make repairs and improvements to the existing visitor center, and install lighting at the flagpole.	289	0	289
Oregon				
	Minam and Rome Launch Sites, Living Quarters and Office Replacement Replace employee living quarters and office trailers at the Minam and Rome Launch Sites. The new river ranger stations will be permanent buildings with universal access. The parking areas, water systems, toilet facilities, fencing, and landscaping will be improved.	1,585	0	1,585
	Roseburg Multi-Purpose Facility Construct a 4,000-square foot multi-purpose facility to include men's and women's showers, washrooms, changing areas and locker rooms, electrical, mechanical and janitorial space, and storage for shower room supplies.	1,051	0	1,051
	Spring Recreation Site Replace the current spring water source with a well and storage tank, replace two vault toilets, construct a drain field for liquid waste from the fish cleaning station, and pave the access road and parking lot.	116	0	116
Utah				
	Butterfield Wild Horse Facility Improvements include catwalk and swing gate modifications, a new tilt squeeze chute pad and canopy, two new "v-mesh" paddocks to accommodate additional horses, a new "sick pen", and gravel for floor of pens.	112	0	112
	Cleveland Lloyd Dinosaur Quarry, Phase I Demolish the two quarry buildings and replace them with one large building. Refurbish existing visitor center.	950	0	445
	Grouse Creek Culinary Water System Drill a well and construct a culinary water system for the Grouse Creek Field Station.	170	0	170
	Pelican Lake Boat Ramp Remove the existing boat ramp and construct a larger boat ramp, jetty, and accessible boat dock.	108	0	108

APPENDIX D

CONSTRUCTION PROGRAM			
Interior and Related Agencies			
(in thousands of dollars)			
<u>Bureau/State/Project</u>	<u>Estimated Cost</u>	<u>Thru 2003</u>	<u>2004 Request</u>
Utah <i>(continued)</i>			
Red Mountain/Stienaker/Red Fleet Trail Improve the trail system, construct toilet and parking facilities, picnic tables, and fire rings. Erect new interpretive signing to educate the public about the fragile environment.	162	0	162
Temple Mountain Campground Install three new vault toilets and construct 30 additional campsites.	158	0	158
Wyoming			
Reconstruct Road #1301 Reconstruct the road to establish proper drainage, install culverts, reconstruct ditches, crown road surface, and gravel to reduce erosion and improve driving conditions.	253	0	253
Sand Dunes Road and Recreation Site Repair the three-mile access road, improve drainage ditches and gravel the road surface, enlarge the parking area, provide additional camping sites, build two additional toilets, and drill a well to provide water at the site.	227	0	227
Scab Creek Road and Campground, Phase II Reconstruct the road and campground, drill a water well, install larger capability toilets, build a corral, and construct parking spaces for vehicles, campers, and horse trailers.	639	221	238
TOTAL, BUREAU OF LAND MANAGEMENT			10,976
FISH AND WILDLIFE SERVICE			
Alaska			
Ted Stevens Anchorage International Airport Replace Office of Aircraft Services hangar.	5,536	536	5,000
Arizona			
Kofa National Wildlife Refuge Replace five buildings for seismic safety (office, visitor center, maintenance, and two storage buildings).	1,850	0	350
Colorado			
National Eagle Repository - Law Enforcement Design and construct repository incinerator.	110	0	110
Georgia			
Savannah National Wildlife Refuge Complete construction of the new visitor center.	1,950	1,100	850

CONSTRUCTION PROGRAM				
Interior and Related Agencies				
(in thousands of dollars)				
	Bureau/State/Project	Estimated Cost	Thru 2003	2004 Request
Illinois				
	Crab Orchard National Wildlife Refuge Design dam repairs to meet Federal, Department, and FWS requirements for dam safety.	2,200	0	500
Michigan				
	Jordan River National Fish Hatchery Replace Great Lakes fish stocking vessel, Phase II.	6,500	1,000	5,500
Montana				
	Bozeman Fish Technology Center Construct laboratory/administrative building, Phase V.	7,145	5,258	1,887
Nevada				
	Lahontan National Fish Hatchery Rehabilitate two buildings for seismic safety.	TBD	0	70
Ohio				
	Ottawa National Wildlife Refuge Complete construction of the new visitor center.	1,950	1,100	850
Puerto Rico				
	Cabo Rojo National Wildlife Refuge Replace office/visitor center for seismic safety.	4,199	499	3,700
South Dakota				
	Lacreek National Wildlife Refuge Remediate the Little White River Dam to bring it in compliance with Federal, Department, and FWS requirements.	5,530	600	730
Washington				
	Entiat National Fish Hatchery Rehabilitate four buildings for seismic safety.	TBD	0	120
	Makah National Fish Hatchery Rehabilitate one building for seismic safety.	TBD	0	80
	Winthrop National Fish Hatchery Rehabilitate four buildings for seismic safety.	TBD	0	130
Wisconsin				
	Iron River National Fish Hatchery Replace domes at Schacte Creek with buildings.	3,340	2,740	600
Servicewide				
	Bridge Safety - Bridge Reinspections Reinspect the Service's more than 670 bridges to ensure that bridges remain in a safe operating condition and are capable of carrying loads within design limits.	—	—	575

APPENDIX D

CONSTRUCTION PROGRAM

Interior and Related Agencies
(in thousands of dollars)

<u>Bureau/State/Project</u>	<u>Estimated Cost</u>	<u>Thru 2003</u>	<u>2004 Request</u>
Servicewide (<i>continued</i>)			
Dam Safety - Dam Reinspections Perform annual safety inspections and evaluations of high and significant hazard dams.	—	—	730
Dam Safety - Colorado, Indiana, Nebraska, North Dakota, Texas Conduct initial inspections, classification, and studies for dams on recently acquired national wildlife refuges.	—	—	1,291
Environmental Compliance Management	—	—	1,650
Nationwide Engineering Services	—	—	6,262
Survey Aircraft Replacement Program	10,000	0	1,000
Seismic Safety Program	—	—	200
Waste Prevention and Recycling	—	—	150
Cost Allocation Methodology	—	—	3,058
TOTAL, FISH AND WILDLIFE SERVICE			35,393
 NATIONAL PARK SERVICE			
Alaska			
Western Arctic National Parklands Construct Northwest Alaska Heritage Center and administrative headquarters.	15,408	0	700
Wrangell-St. Elias National Park and Preserve Construct Ahtna Culture Museum.	777	0	777
Wrangell-St. Elias National Park and Preserve Stabilize and rehabilitate historic Kennecott Store for visitor contact and curatorial storage.	933	0	933
Arkansas			
Hot Springs National Park Stabilize bathhouses for adaptive reuse.	17,937	5,918	1,012
Arizona			
Lake Mead National Recreation Area Replace and upgrade Willow Beach wastewater treatment system.	3,514	0	3,514
California			
Pinnacles National Monument Relocate and replace flood-prone west side maintenance and visitor facilities.	4,433	0	4,433
San Francisco Maritime National Historical Park Repair historic Sala Burton Maritime Museum building.	4,022	0	4,022

CONSTRUCTION PROGRAM			
Interior and Related Agencies			
(in thousands of dollars)			
<u>Bureau/State/Project</u>	<u>Estimated Cost</u>	<u>Thru 2003</u>	<u>2004 Request</u>
California <i>(continued)</i>			
Sequoia and Kings Canyon National Park Replace potable water tanks and provide fire suppression at park headquarters.	2,210	0	2,210
Colorado			
Mesa Verde National Park Remove and replace hazardous heating, ventilation, and air conditioning systems in Chapin Mesa.	1,207	0	1,207
District of Columbia			
National Capital Parks-Central Improve security around Washington Monument.	30,355	12,980	17,375
President's Park Improve security to Lafayette Square area.	21,100	6,100	15,000
Rock Creek Park Preserve and protect Meridian Hill Park.	2,891	0	2,891
White House Rehabilitate structural elements and utilities for the Executive Residence.	44,925	16,082	6,623
Florida			
Everglades National Park Modify water delivery system.	190,890	173,457	12,990
Georgia			
Chattahoochee River National Recreation Area Reduce resource damage by providing river recreation access.	3,097	0	3,097
Cumberland Island National Seashore Stabilize Dungeness Ruins.	1,236	0	1,236
Hawaii			
Pu'uhonua o Honaunau National Historical Park Remove and replace administrative buildings from archeological site.	1,069	0	1,069
Pu'ukohola Heiau National Historical Site Reestablish the historic scene.	3,046	0	3,046
Kentucky			
Mammoth Cave National Park Reconstruct water system.	6,014	0	6,014
Mammoth Cave National Park Upgrade electrical system to correct safety deficiencies.	7,235	3,642	3,593

APPENDIX D

CONSTRUCTION PROGRAM

Interior and Related Agencies
(in thousands of dollars)

Bureau/State/Project	Estimated Cost	Thru 2003	2004 Request
Louisiana			
Cane River Creole National Historical Park Stabilize and preserve Magnolia Plantation structures.	1,027	0	1,027
Maine			
Acadia National Park Rehabilitate and replace utilities and campgrounds.	7,017	0	7,017
Maryland			
Chesapeake and Ohio Canal National Historical Park Repair and rehab Great Falls visitor center and facilities.	1,708	0	1,708
Chesapeake and Ohio Canal National Historical Park Stabilize towpath retaining wall and construct footbridge.	1,538	0	1,538
Fort Washington Park Stabilize Fort Washington.	5,383	0	5,383
Hampton National Historical Site Install environmental controls in Hampton Mansion.	1,487	0	1,487
Monocacy National Battlefield Relocate flood-prone visitor center to Best Farm.	3,403	0	3,403
Massachusetts			
Boston Harbor Islands National Recreation Area Construct floating docks to provide safe access to Little Brewster Island.	769	0	769
Boston Harbor Islands National Recreation Area Install safety rails and repair walkways on George's Island.	727	0	727
Boston National Historical Park Rehabilitate Building Five.	2,849	0	2,849
Boston National Historical Park Rehabilitate Building 125.	1,141	0	1,141
Boston National Historical Park Rehabilitate Commandant's House.	744	0	744
Boston National Historical Park Rehabilitate USS Constitution maintenance facility.	2,408	0	2,408
Frederick Law Olmsted National Historical Site Upgrade safety systems and rehabilitate historic structures.	1,934	0	1,934
Lowell National Historical Park Stabilize and rehabilitate historic railroad terminal.	674	0	674

CONSTRUCTION PROGRAM			
Interior and Related Agencies			
(in thousands of dollars)			
<u>Bureau/State/Project</u>	<u>Estimated Cost</u>	<u>Thru 2003</u>	<u>2004 Request</u>
Massachusetts <i>(continued)</i>			
Minute Man National Historical Park Save resources and provide safe access, North Bridge.	1,365	0	1,365
Saugus Iron Works National Historical Site Rehabilitate resources for accessibility and safety.	1,521	0	1,521
Missouri			
Jefferson National Expansion Memorial Construct security fencing.	4,339	0	4,339
North Carolina			
Blue Ridge Parkway Reconstruct historic stone guardwalls.	3,186	0	3,186
New Jersey			
Morristown National Historical Park Rehabilitate deteriorating historic buildings.	1,789	0	1,789
New York			
Gateway National Recreation Area Rehabilitate hangars five and six.	2,416	0	2,416
Oregon			
Crater Lake National Park Rehabilitate historic cafeteria building and relocate rim parking area.	7,310	0	7,310
Crater Lake National Park Restore historic residence for use as a science and learning center.	999	0	999
Pennsylvania			
Independence National Historical Park Construct security fencing.	5,100	0	5,100
Independence National Historical Park Rehabilitate Independence Square site.	6,640	4,923	1,717
South Dakota			
Wind Cave National Park Replace failing wastewater treatment facility.	3,909	0	3,909
Texas			
Big Bend National Park Replace Chisos Basin water supply.	1,946	0	1,946
Utah			
Bryce Canyon National Park Replace and expand Sunset Point restroom and renovate picnic facility.	859	0	859

APPENDIX D

CONSTRUCTION PROGRAM

Interior and Related Agencies
(in thousands of dollars)

<u>Bureau/State/Project</u>	<u>Estimated Cost</u>	<u>Thru 2003</u>	<u>2004 Request</u>
Virginia			
Blue Ridge Parkway Replace Otter Creek Bridge and campground services.	773	0	773
Colonial National Historical Park Protect Yorktown museum collection.	725	0	725
Colonial National Historical Park Replace obsolete visitor center.	11,804	4,221	7,583
George Washington Memorial Parkway Rehabilitate U.S. Marine Corps war memorial (Iwo Jima).	3,383	0	3,383
Manassas National Battlefield Park Rehabilitate historic Brawner Farm for visitor use.	2,228	0	2,228
Petersburg National Battlefield Consolidate, rehabilitate, and replace park maintenance facilities.	781	0	781
Petersburg National Battlefield Restore and repair Appomattox Manor foundation.	881	0	881
Washington			
Olympic National Park Restore Elwha River ecosystem.	144,486	84,595	19,950
West Virginia			
Stephen T. Mather Training Center Replace unsafe lodging facilities at Mather Training Center.	5,140	0	5,140
Wyoming			
Yellowstone National Park Reconstruct West Entrance station.	3,375	0	1,888
Yellowstone National Park Replace administrative winter snowcoaches and improve support infrastructure.	2,892	0	2,892
Servicewide			
Special Programs	—	—	54,660
Construction Planning	—	—	24,480
Construction Program Management/Operations	—	—	27,466
General Management Planning	—	—	13,420
TOTAL, NATIONAL PARK SERVICE			327,257

CONSTRUCTION PROGRAM			
Interior and Related Agencies			
(in thousands of dollars)			
<u>Bureau/State/Project</u>	<u>Estimated Cost</u>	<u>Thru 2003</u>	<u>2004 Request</u>
BUREAU OF INDIAN AFFAIRS			
<i>Education Construction</i>			
Replacement School Construction	—	—	131,354
<p>Replace schools in accordance with an established Priority List. The 2004 budget reflects a policy change to discontinue providing cost estimates for individual schools until the planning and design documents have been developed to the point where adequate information is available to make reasonably accurate cost estimates. Schools to be replaced with 2004 funding include five schools in New Mexico: Isleta Elementary School, Mescalero Apache Elementary School, Pueblo Pintado Community School, Navajo Preparatory School, Phase II, and Wingate High School, Phase II. Two additional schools to be replaced include the Turtle Mountain High School in North Dakota and the Enemy Swim Day School in South Dakota.</p> <p>Two of these schools received funding in a prior year as a facilities improvement and repair project: Navajo Preparatory School (\$10,830) and Wingate High School (\$26,955). Since a decision has been made that it is more cost effective to replace the school, these funds will be applied to replacement costs.</p>			
Multiple State			
Advanced Planning and Design	—	—	10,000
Employee Housing Repair	—	—	3,119
Repair critical life safety related deficiencies in BIA employee housing.			
Facilities Improvement and Repair	—	—	101,537
Repair critical life safety items, consolidate or close under-utilized facilities, and repair education facilities for BIA funded schools as listed below.			
Arizona			
Flagstaff Dormitory	6,978	—	6,978
Minnesota			
Circle of Life Survival School	358	—	358
North Dakota			
Circle of Nations Wahpeton Indian Boarding School	13,707	—	13,707
New Mexico			
Crystal Boarding School	5,527	—	5,527
Lake Valley Navajo School	3,927	—	3,927
San Felipe Pueblo Elementary School	11,460	—	11,460
Southwestern Indian Polytechnic Institute	4,239	—	4,239

APPENDIX D

CONSTRUCTION PROGRAM

Interior and Related Agencies
(in thousands of dollars)

<u>Bureau/State/Project</u>	<u>Estimated Cost</u>	<u>Thru 2003</u>	<u>2004 Request</u>
Facilities Improvement and Repair <i>(continued)</i>			
South Dakota			
Little Eagle Day School	428	—	428
Subtotal, Education Construction			292,634
Public Safety and Justice Construction			
Multiple States			
Facilities Improvement and Repair	—	—	1,404
Address detention facilities improvement and repair needs, with emphasis on critical health and safety items identified in safety reports.			
Fire Protection and Coordination	—	—	3,640
Procure fire trucks and equipment and install fire sprinklers and fire and smoke alarms in dormitories, detention cen- ters, and other buildings.			
Subtotal, Public Safety and Justice Construction			5,044
Resources Management Construction			
New Mexico			
Navajo Indian Irrigation Project	765,000	566,445	13,091
Multiple States			
Engineering and Supervision	—	—	2,106
Irrigation project engineering and supervision			
Survey and Design	—	—	308
Safety of Dams — Corrective Construction			
Arizona			
Wheatfields Dam	2,500	—	2,500
Montana			
Pablo Dam	3,500	—	3,500
Tabor Dam, Phase II	5,000	1,500	3,500
Nevada			
Weber Dam	4,400	—	4,400
New Mexico			
Santa Ana Dam	2,000	—	2,000
Oregon			
Fourth Creek Dam	3,100	3,100	125
Tarheel Dam	3,100	3,100	125

CONSTRUCTION PROGRAM			
Interior and Related Agencies			
(in thousands of dollars)			
<u>Bureau/State/Project</u>	<u>Estimated Cost</u>	<u>Thru 2003</u>	<u>2004 Request</u>
Safety of Dams — Corrective Construction <i>(continued)</i>			
Multi-State			
Emergency Management Systems	—	—	2,250
Inspection of Dams, Program Coordination	—	—	2,568
Dam Maintenance	—	—	1,987
Federal Energy Regulatory Commission Activities	—	—	702
Subtotal, Resources Management Construction			39,162
General Administration			
Multiple States			
Telecommunications Improvement and Repair	—	—	918
Facilities Improvement and Repair	—	—	1,264
Construction Program Management	—	—	6,132
Subtotal, General Administration Construction			8,314
TOTAL, BUREAU OF INDIAN AFFAIRS			345,154

CONSTRUCTION PROGRAM

Energy and Water Development

(in thousands of dollars)

<u>Bureau/State/Project</u>	<u>Estimated Cost</u>	<u>Thru 2003</u>	<u>2004 Request</u>
BUREAU OF RECLAMATION			
Arizona			
Central Arizona Project	4,435,514	3,503,431	33,570
Colorado River Basin Salinity Control, Title I	451,805	412,455	751
Colorado River Front Work & Levee System	175,576	109,728	3,500
Fort McDowell Indian Water Rights Settlement	3,700	500	1,000
Phoenix Metropolitan Water Reclamation, Title XVI	20,000	775	250
Southern Arizona Water Rights Settlement Act	64,983	32,343	4,017
Tres Rios Wetlands Demonstration	9,168	5,738	630
California			
Auburn-Folsom South Unit, CVP	2,784,180	381,350	9,999
Calleguas Water Recycling, Title XVI	20,000	4,278	700
Delta Division, CVP	346,132	256,354	6,787
Long Beach Water Reclamation, Title XVI	17,097	6,083	1,100
Miscellaneous Project Programs, CVP	792,694	466,491	29,761
North San Diego County Water Reclamation, Title XVI	20,000	9,582	1,300
Orange County Water Reclamation, Title XVI	20,000	7,138	1,300
Sacramento River Division, CVP	526,155	411,760	1,712
Salton Sea Research Project	30,000	13,385	1,000
San Diego Area Water Reclamation, Title XVI	172,590	67,946	4,300
San Felipe Division, CVP	380,854	312,760	586
San Gabriel Basin Project, Title XVI	38,090	29,217	1,300
San Joaquin Division, CVP	827,329	129,691	11,243
San Jose Water Reclamation and Reuse, Title XVI	109,959	22,951	1,000
Shasta Division, CVP	302,540	290,522	600
Trinity River Division, CVP	373,945	345,363	5,335
West San Joaquin Division, San Luis Unit, CVP	1,688,472	597,774	34,546
Colorado			
Animas La Plata Project	325,329	132,426	58,000
Idaho			
Columbia/Snake River Salmon Recovery Project	N/A	79,369	19,000
Minidoka Northside Drain Water Project	1,830	1,138	200
North Dakota			
Garrison Diversion Unit, P-SMBP	1,576,420	717,394	13,928
Oregon			
Deschutes Ecosystem Restoration	15,000	3,531	500
South Dakota			
Mid-Dakota Rural Water Project	141,706	105,804	2,000
Mni Wiconi Project	395,521	231,353	6,717

CONSTRUCTION PROGRAM			
Energy and Water Development			
(in thousands of dollars)			
<u>Bureau/State/Project</u>	<u>Estimated Cost</u>	<u>Thru 2003</u>	<u>2004 Request</u>
Washington			
Yakima River Basin Water Enhancement Project	243,039	45,192	12,730
Multi-State Projects			
CO River Basin Salinity Control, Title II Basinwide	175,000	65,933	9,198
Colorado River Storage Project, Section 8	91,917	60,026	4,599
Endangered Species Recovery Implementation	TBD	106,797	13,321
Safety of Dams Corrective Actions/Studies	1,168,676	846,495	50,753
TOTAL, BUREAU OF RECLAMATION			347,233
CENTRAL UTAH PROJECT CONSTRUCTION			
Central Utah Project Construction	450,942	214,206	26,411
TOTAL, CENTRAL UTAH PROJECT COMPLETION ACT			26,411

CONSERVATION SPENDING CATEGORY

(in thousands of dollars)

<u>Bureau/Account</u>	<u>2003 Budget*</u>	<u>2004 Request</u>	<u>2004 compared to 2003</u>
LAND AND WATER CONSERVATION FUND PROGRAMS			
Cooperative Conservation Initiative			
Bureau of Land Management			
Management of Lands and Resources			
Challenge Cost Share	10,000	20,973	+10,973
Fish and Wildlife Service			
Resource Management			
Challenge Cost Share	18,000	11,876	-6,124
Partners for Fish and Wildlife**	[10,000]	38,378	+38,378
Coastal Program	0	9,639	+9,639
Migratory Bird Joint Venture	0	10,355	+10,355
National Park Service			
LWCF State Assistance Grants***	[50,000]	0	[-50,000]
Operation of the National Park System			
Challenge Cost Share	22,000	20,980	-1,020
Public Lands Volunteers	<u>0</u>	<u>1,000</u>	<u>+1,000</u>
Subtotal, Cooperative Conservation Initiative	50,000	113,201	+63,201
Other LWCF Grant Programs			
National Park Service			
State Assistance Grants	200,000	160,011	-39,989
Fish and Wildlife Service			
State and Tribal Wildlife Grants	60,000	59,983	-17
Landowner Incentive Grants	50,000	40,000	-10,000
Stewardship Grants	10,000	10,000	0
Cooperative Endangered Species Grants	88,900	86,614	-2,286
North Am. Wetlands Cons. Fund Grants	<u>43,560</u>	<u>49,560</u>	<u>+6,000</u>
Subtotal, Other LWCF Grant Programs	452,460	406,168	-46,292
LWCF Federal Land Acquisition			
Bureau of Land Management	44,686	23,686	-21,000
Fish and Wildlife Service	70,384	40,737	-29,647
National Park Service	86,057	78,623	-7,434
Dept. Management High Priority Lands - Shivwits Indian Water Rights Settlement	<u>3,000</u>	<u>0</u>	<u>-3,000</u>
Subtotal, Federal Land Acquisition	204,127	143,046	-61,081
Subtotal, LWCF Programs	706,587	662,415	-44,172
OTHER STATE CONSERVATION PROGRAMS			
U.S. Geological Survey			
State Planning Partnerships	13,578	19,976	+6,398

APPENDIX E

CONSERVATION SPENDING CATEGORY

(in thousands of dollars)

<u>Bureau/Account</u>	<u>2003 Budget</u>	<u>2004 Request</u>	<u>2004 compared to 2003</u>
URBAN AND HISTORIC PRESERVATION PROGRAMS			
Bureau of Land Management			
Youth Conservation Corps	1,000	1,000	0
Fish and Wildlife Service			
Youth Conservation Corps	2,000	2,000	0
National Park Service			
Historic Preservation Fund	67,000	67,000	0
Urban Parks and Recreation Recovery Grants ..	300	305	+5
Youth Conservation Corps	<u>2,000</u>	<u>2,000</u>	<u>0</u>
Subtotal, Urban and Historic Preservation	72,300	72,305	+5
PAYMENTS IN LIEU OF TAXES	15,000	50,000	+35,000
FEDERAL INFRASTRUCTURE IMPROVEMENT PROGRAMS			
Bureau of Land Management			
Management of Lands and Resources	29,028	29,414	+386
Fish and Wildlife Service			
Resource Management	58,006	62,352	+4,346
National Park Service			
Federal Infrastructure Improvement -			
Construction	<u>82,202</u>	<u>125,619</u>	<u>+43,417</u>
Subtotal, Federal Infrastructure Improvement	169,236	217,385	+48,149
TOTAL, DEPARTMENT OF THE INTERIOR	<u>976,701</u>	<u>1,022,081</u>	<u>+45,380</u>

* For 2003, only the increases in the three challenge cost share programs were included in the conservation spending category. The entire amounts were \$18.9 million, \$21.9 million, and \$29.0 million for BLM, FWS, and NPS, respectively.

** Though not in CSC, \$10.0 million was requested in 2003.

*** The NPS State Assistance Grants program request contained \$50.0 million in 2003 for the NPS Cooperative Conservation Initiative in the CSC category.

LAND ACQUISITION PROGRAM

Land and Water Conservation Fund

(in thousands of dollars)			
State/Project	Acres	2004 Request	
BUREAU OF LAND MANAGEMENT			
Acquisition Management and Land Exchange Processing		3,500	
Land Exchange Equalization Payments		500	
Emergencies and Hardships		1,500	
Arizona			
Sears Point Areas of Critical Environmental Concern/ Juan Bautista De Anza National Historic Trail	2,520	500	
California			
California Wilderness	1,500	1,000	
Otay Mountain/Kuchamaa Habitat Conservation Plan	352	1,000	
Santa Rosa and San Jacinto Mountains National Monument	556	<u>1,000</u>	
Subtotal		3,000	
Colorado			
Canyons of the Ancients National Monument	440	600	
Unaweep Tabeguache Scenic and Historic Byway	312	500	
Upper Arkansas River Basin	410	<u>500</u>	
Subtotal		1,600	
Idaho			
Henry's Lake Area of Critical Environmental Concern	750	1,000	
Lower Salmon River Area of Critical Environmental Concern	300	1,000	
Snake River Rim Recreation Area/ Oregon National Historic Trail	204	1,000	
Upper Snake/South Fork Snake River	530	<u>2,000</u>	
Subtotal		5,000	
Montana			
Chain-of-Lakes Recreation Management Area	1,505	2,500	
New Mexico			
El Malpais National Conservation Area	500	500	
Kasha-Katuwe Tent Rocks National Monument	860	<u>1,500</u>	
Subtotal		2,000	
Oregon			
Sandy River/Oregon National Historic Trail	208	1,000	
Utah			
Kanarra Mountain	385	500	
Wyoming			
Scab Creek Special Recreation Management Area	320	1,400	
Multi-State Projects			
Grande Ronde National Wild and Scenic River (OR/WA)	1,000	686	
Subtotal, Bureau of Land Management		<u>23,686</u>	

APPENDIX F

LAND ACQUISITION PROGRAM
Land and Water Conservation Fund
(in thousands of dollars)

<u>State/Project</u>	<u>Acres</u>	<u>2004 Request</u>
FISH AND WILDLIFE SERVICE		
Acquisition Management		8,495
Cost Allocation Methodology		2,058
Emergencies and Hardships		2,000
Inholdings		2,500
Exchanges		1,000
Alaska		
Alaska Peninsula/Becharof National Wildlife Refuge	3,382	750
Arkansas		
Cache River National Wildlife Refuge	550	1,000
Pond Creek National Wildlife Refuge	264	250
Subtotal		1,250
California		
Sacramento National Wildlife Refuge	40	300
San Diego National Wildlife Refuge	80	1,000
San Joaquin National Wildlife Refuge	198	1,500
Subtotal		2,800
Colorado		
Baca National Wildlife Refuge	20,000	5,000
Florida		
Key West National Wildlife Refuge	7	1,464
Lower Suwannee National Wildlife Refuge	650	750
National Key Deer National Wildlife Refuge	250	500
St. Marks National Wildlife Refuge	1,056	1,000
Subtotal		3,714
Maryland		
Blackwater National Wildlife Refuge	557	1,100
Missouri		
Big Muddy National Fish and Wildlife Refuge	333	500
Montana		
Charles M. Russell National Wildlife Refuge	2,000	500
Texas		
Lower Rio Grande Valley National Wildlife Refuge	1,000	1,000
Washington		
Quinalt Easements	420	5,000
Willapa National Wildlife Refuge	200	600
Subtotal		5,600

LAND ACQUISITION PROGRAM

Land and Water Conservation Fund
(in thousands of dollars)

<u>State/Project</u>	<u>Acres</u>	<u>2004 Request</u>
Multi-State Projects		
Great River National Wildlife Refuge (IL/MO).....	924	1,000
Middle Mississippi River National Wildlife Refuge (MO/IL)	400	500
Northern Tallgrass Prairie National Wildlife Refuge (MN/IA)	350	470
Upper Mississippi River National Wildlife Refuge (MN/WI/IL/IA)	380	<u>500</u>
Subtotal		2,470
Subtotal, Fish and Wildlife Service		40,737
 NATIONAL PARK SERVICE		
Land Acquisition Management		11,654
Emergencies and Hardships		4,000
Inholdings and Exchanges		4,000
 Colorado		
Great Sand Dunes National Monument and Preserve	TBD	2,000
 Florida		
Big Cypress National Preserve	na	40,000
 Hawaii		
Hawaii Volcanoes National Park	26,294	5,000
 Pennsylvania		
Valley Forge National Historical Park.....	62	4,000
 Tennessee		
Obed Wild and Scenic River	700	1,569
 Texas		
Big Thicket National Preserve	3,144	4,400
 Multi-State Projects		
Civil War Battlefield Preservation Grants	TBD	2,000
Subtotal, National Park Service		78,623
 TOTAL, DEPARTMENT OF THE INTERIOR.....		 143,046

EVERGLADES RESTORATION

(in thousands of dollars)

	<u>2003</u> <u>Budget</u>	<u>2004</u> <u>Request</u>	<u>2004</u> <u>compared to</u> <u>2003</u>
U.S. GEOLOGICAL SURVEY			
Surveys, Investigations, and Research	12,129	12,636	+507
FISH AND WILDLIFE SERVICE			
Resource Management			
Comprehensive Everglades Restoration Plan			
Implementation	3,351	3,351	0
Ecological Services	2,554	2,554	0
Refuges and Wildlife	3,706	4,306	+600
Law Enforcement	636	636	0
Fisheries	100	100	0
Land Acquisition			
Ding Darling National Wildlife Refuge	3,000	0	-3,000
National Key Deer Refuge	1,500	500	-1,000
KeyWest National Wildlife Refuge	0	1,464	+1,464
Pelican Island National Wildlife Refuge	<u>1,750</u>	<u>0</u>	<u>-1,750</u>
Total, Fish and Wildlife Service	16,597	12,911	-3,686
Comprehensive Everglades Restoration Plan			
Transfer from Corps of Engineers	[2,900]	[2,900]	[0]
NATIONAL PARK SERVICE			
Operation of the National Park System			
Park Management	24,030	24,193	+163
Comprehensive Everglades Restoration Plan			
Implementation	5,549	5,555	+6
Task Force	1,329	1,332	+3
Construction			
Modified Water Deliveries Project	13,295	12,990	-305
Land Acquisition			
Big Cypress Minerals Rights Acquisition	0	40,000	+40,000
Everglades Acquisition Management	2,800	1,800	-1,000
Assistance to the State of Florida	<u>20,000</u>	<u>0</u>	<u>-20,000</u>
Total, National Park Service	67,003	85,870	+18,867
BUREAU OF INDIAN AFFAIRS			
Operation of Indian Programs - Seminole and			
Miccosukee Tribes Water Studies	<u>396</u>	<u>396</u>	<u>0</u>
TOTAL, DEPARTMENT OF THE INTERIOR.....	96,125	111,813	+15,688
Total, Comprehensive Everglades Restoration Plan			
Implementation (included above <u>with</u> the Corps of Engineers transfer)	[11,800]	[11,806]	[+6]

INVASIVE SPECIES

(in thousands of dollars)

<u>Bureau/Performance Information</u>	<u>2004 Increase</u>
PREVENTION	
Asian Carp / Chicago Sanitary Canal	
Fish and Wildlife Service	250
Manage and control several species of invasive Asian fish. Other participating agencies include the Army Corps of Engineers and National Oceanic and Atmospheric Administration.	
 Ballast Water	
U.S. Geological Survey	1,000
Determine effectiveness of ballast water management technologies, including design of coastal aquatic studies. Other participating agencies include the National Oceanic and Atmospheric Administration.	
 Evaluate Potential Invasive Species	
Fish and Wildlife Service	200
Conduct two risk assessments to evaluate potential invasive species.	
 EARLY DETECTION AND RAPID RESPONSE	
National Biological Information Infrastructure	
U.S. Geological Survey	2,250
Pilot networks of the NBII; develop models and methods and web-based identification guide; collect data; provide technical support for standard development and data integration for different taxonomic groups. Conduct NBII invasive species information node assessments. Other participating agencies include the U.S. Department of Agriculture, Agriculture Research Service, Natural Resources Conservation Service, and the Smithsonian.	
 Sudden Oak Death	
National Park Service*	[100]
Collect and analyze 900 samples of sudden oak death, which will expand if lesions are found on trees. Other participating agencies include the U.S. Forest Service.	
 Marine Invasive Species Program	
Office of Insular Affairs	100
Begin development of Marine Invasive Species Early Detection Warning System. Other participating agencies include the National Oceanic and Atmospheric Administration.	
 CONTROL AND MANAGEMENT	
Tamarisk and Giant Salvinia in the Southwest	
Tamarisk and Giant Salvinia are located in the States of Arizona, California, New Mexico, Texas, Colorado, and Nevada. Other participating agencies include the U.S. Forest Service.	
Bureau of Land Management	500
Control 50 acres of Giant Salvinia and 2,750 acres of Tamarisk.	

APPENDIX H

INVASIVE SPECIES	
(in thousands of dollars)	
<u>Bureau/Performance Information</u>	<u>2004 Increase</u>
Control and Management - Tamarisk and Giant Salvinia <i>(continued)</i>	
Bureau of Reclamation Control 22,000 acres of tamarisk, 25 miles of irrigation drainage giant salvinia, and one river mile of Hydrillia.	600
U.S. Geological Survey Conduct two research projects.	300
Fish and Wildlife Service Treat 50,000 acres of nutria in Louisiana and the Chesapeake Bay.	640
National Park Service* Treat 1,000 acres of tamarisk.	[\$200]
Bureau of Indian Affairs Treat 4,000 acres.	100
Subtotal	2,140
Nutria	
U.S. Geological Survey Initiate two additional research projects to improve nutria control in Louisiana and the Chesapeake Bay	500
Fish and Wildlife Service Treat 80,000 acres.	1,000
Subtotal	1,500
National Wildlife Refuge System Invasive Species	
Fish and Wildlife Service Monitor 100,000 acres for new infestations of invasive species; establish three strike teams, develop six rapid response plans.	1,000
Partnerships for Control and Management of Aquatic Invasive Species	
Fish and Wildlife Service Develop two new State management plans.	550
TOTAL, DEPARTMENT OF THE INTERIOR	8,990

* The National Park Service funding is to be derived from base Conservation Spending Category funding.

GRANTS AND PAYMENTS

(in thousands of dollars)

<u>Bureau/Grant or Payment</u>	<u>2002 Actual</u>	<u>2003 Budget</u>	<u>2004 Request</u>	<u>2004 compared to 2003</u>
BUREAU OF LAND MANAGEMENT				
Payments to States and Counties from Shared Receipts including NPRA Payments ..	8,645	82,468	30,670	-51,798
General Fund Payments to Counties and Native Corporations	98,811	103,133	101,745	-1,388
MINERALS MANAGEMENT SERVICE				
Shared Receipts from Mineral Leasing	688,277	890,982	888,771	-2,211
Cooperative and Delegated Audits of Oil and Gas Operations	7,770	8,495	8,495	0
8(g) Payments to States	30,443	55,192	52,464	-2,728
OFFICE OF SURFACE MINING				
State Regulatory Grants	56,575	57,575	57,575	0
State Abandoned Mine Reclamation Grants	159,585	142,085	142,085	0
Small Operator Assistance Program	1,497	1,497	1,497	0
BUREAU OF RECLAMATION				
Water Reclamation/Reuse Program	36,040	11,550	12,680	+1,130
Boulder Canyon Project Payments/ AZ, NV	600	600	600	0
FISH AND WILDLIFE SERVICE				
Federal Aid to Sport Fish Restoration	290,468	264,238	271,358	+7,120
Clean Vessel Act Grants	10,000	10,000	10,000	0
Boating Infrastructure Grants	8,000	8,000	8,000	0
National Outreach Program	8,000	10,000	10,000	0
Multi-state Conservation Grant Program	6,000	6,000	6,000	0
Coastal Wetlands Conservation	13,040	12,201	12,403	+202
Federal Aid to Wildlife Restoration	178,986	204,600	205,788	+1,188
Hunter Education and Safety Grant Program ...	7,500	8,000	8,000	0
National Wildlife Refuge Fund	17,525	17,178	17,270	+92
State and Tribal Wildlife Grants	82,256	58,200	58,200	0
Coop. Endangered Species Conservation Fund	93,235	86,300	84,029	-2,271
Fish and Wildlife Foundation	7,705	7,670	7,670	0
Landowner Incentive Grants	38,800	48,500	38,800	-9,700
Private Stewardship Grants	9,700	9,700	9,700	0
North American Wetlands Conservation Fund	70,022	67,545	73,481	+5,936
Multinational Species Conservation Fund	3,880	4,850	6,790	+1,940
Neotropical Migratory Bird Conservation*	2,910	[1,000]	[2,000]	[+1,000]
NATIONAL PARK SERVICE				
Historic Preservation Grants-State Portion	39,000	34,000	34,000	0
Historic Preservation Grants-Indian Tribes	3,000	3,000	3,000	0
Save America's Treasures	30,000	30,000	30,000	0
National Trust Historic Sites	2,500	0	0	0
Native American Graves Protection Act Grants	2,467	2,467	2,467	0
Heritage Partnership Program	13,092	7,616	7,620	+4
Chesapeake Bay Gateway Grants	1,200	798	798	0
National Underground Railroad Network to Freedom Act Grant	500	0	0	0
Urban Park and Recreation Recovery Grants ...	28,900	0	0	0
LWCF State Conservation Grants	140,000	194,600	156,000	-38,600

APPENDIX I

GRANTS AND PAYMENTS
(in thousands of dollars)

<u>Bureau/Grant or Payment</u>	<u>2002 Actual</u>	<u>2003 Budget</u>	<u>2004 Request</u>	<u>2004 compared to 2003</u>
DEPARTMENTAL MANAGEMENT				
Payments In Lieu of Taxes	210,000	165,000	200,000	+35,000
INSULAR AREAS				
American Samoa	22,800	23,100	23,100	0
Covenant Grants	27,858	27,720	27,720	0
Technical Assistance	14,869	7,461	7,561	+100
Maintenance Assistance	3,005	2,300	2,300	0
Brown Tree Snake	3,159	2,350	2,350	0
Insular Management Controls	819	1,491	1,491	0
Coral Reef Initiative	969	500	500	0
Compact of Free Association	163,415	159,746	168,791	+9,045
Compact of Free Association (<i>legislative proposal adjust</i>) ..	0	0	[19,000]	[+19,000]
Return Federal Taxes / Guam & Virgin Islands .	133,924	122,000	122,000	0
TOTAL, DEPARTMENT OF THE INTERIOR	2,777,747	2,960,708	2,913,769	-46,939

* Requested within the Multinational Species Conservation Fund request.

RECREATIONAL FEE PROGRAM

(in thousands of dollars)

<u>Bureau</u>	<u>2002 Actual</u>	<u>2003 Budget</u>	<u>2004 Estimate</u>
BUREAU OF LAND MANAGEMENT			
Total Fees Collected	8,653	9,500	9,500
Unobligated Balance/Recoveries	5,633	5,208	5,508
<i>Projects Approved for Use of Fees</i>			
<i>Number of Approved Projects</i>	400	400	400
<i>Dollar Amount of Approved Projects</i>	10,000	10,000	10,000
<i>Obligations by Type of Project</i>			
Visitor Services	3,000	2,900	3,000
Resource Protection	600	800	1,000
Health and Safety Maintenance	2,614	3,000	3,700
Collection Costs	1,800	1,600	1,400
Other	<u>1,064</u>	<u>900</u>	<u>1,300</u>
Total Obligations	9,078	9,200	10,400
End of Year Unobligated Balance	5,208	5,508	4,608
Total BLM Expenditures (Outlays)	8,111	8,900	9,500
FISH AND WILDLIFE SERVICE			
Total Fees Collected	3,557	3,800	4,000
Unobligated Balance/Recoveries	3,645	3,795	4,112
<i>Projects Approved for Use of Fees</i>			
<i>Number of Approved Projects</i>	250	300	350
<i>Dollar Amount of Approved Projects</i>	3,407	3,483	3,575
<i>Obligations by Type of Project</i>			
Visitor Services	2,498	2,554	2,622
Resource Protection	136	139	143
Health and Safety Maintenance	339	346	355
Collection Costs	312	319	327
Other	<u>122</u>	<u>125</u>	<u>128</u>
Total Obligations	3,407	3,483	3,575
End of Year Unobligated Balance	3,795	4,112	4,537
Total FWS Expenditures (Outlays)	3,354	3,751	3,960

APPENDIX J

RECREATIONAL FEE PROGRAM
(in thousands of dollars)

<u>Bureau</u>	<u>2002 Actual</u>	<u>2003 Budget</u>	<u>2004 Estimate</u>
NATIONAL PARK SERVICE			
Total Fees Collected	125,687	124,700	124,700
Unobligated Balance/Recoveries	243,672	267,486	272,186
<i>Projects Approved for Use of Fees</i>			
<i>Number of Approved Projects</i>	857	2,200	900
<i>Dollar Amount of Approved Projects</i>	117,085	232,000	123,000
<i>Obligations by Type of Project</i>			
Visitor Services.....	9,459	na	na
Resource Protection.....	5,395	na	na
Health and Safety Maintenance	38,525	na	na
Collection Costs	32,893	na	na
Other	<u>15,601</u>	<u>na</u>	<u>na</u>
Total Obligations	101,873	120,000	120,000
End of Year Unobligated Balance	267,486	272,186	276,886
Total NPS Expenditures (Outlays)	106,745	126,000	126,000

MINERAL REVENUE PAYMENTS TO STATES*

(in thousands of dollars)

<u>State</u>	<u>2002 Actual Payments</u>	<u>2003 Estimated Payments</u>	<u>2004 Estimated Payments</u>
Alabama	251	324	323
Alaska**	8,036	44,951	14,375
Arizona	129	166	165
Arkansas	894	1,152	1,149
California	12,339	15,896	15,856
Colorado	43,808	56,437	56,294
Idaho	1,905	2,454	2,447
Illinois	73	94	94
Kansas	1,034	1,332	1,328
Kentucky	31	40	40
Louisiana	726	936	934
Michigan	249	321	321
Minnesota	17	22	21
Mississippi	380	490	489
Missouri	601	774	772
Montana	22,325	28,761	28,688
Nebraska	9	11	11
Nevada	3,482	4,486	4,475
New Mexico	191,626	246,869	246,241
North Dakota	4,414	5,686	5,672
Ohio	259	334	333
Oklahoma	1,379	1,776	1,772
Oregon	15	19	19
Pennsylvania	17	22	22
South Dakota	403	519	518
Texas	1,688	2,175	2,169
Utah	31,656	40,782	40,679
Virginia	21	26	26
Washington	693	892	890
West Virginia	195	251	251
Wyoming	359,622	463,294	462,115
TOTAL	688,278	921,294	888,488

* 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	2002 Actual	2003 Estimate	2004 Estimate	2004 compared to 2003
OFFSETTING RECEIPTS				
Onshore Mineral Leasing				
Rents and Bonuses				
Oil and Gas	158,967	171,854	124,372	-47,482
Coal	51,066	172,500	188,100	+15,600
Geothermal	394	1,100	1,050	-50
Oil Shale	15	15	15	0
All Other	448	21	21	0
Royalties				
Oil and Gas	791,376	1,136,106	1,118,489	-17,617
Coal	342,560	340,342	331,675	-8,667
Geothermal	15,923	15,576	15,675	+99
Oil Shale	45	0	0	0
All Other	37,307	26,758	27,115	+357
Subtotal, Onshore Mineral Leasing	1,398,101	1,864,272	1,806,512	-57,760
Noncompetitive Filing Fees	759	800	850	+50
Grazing Fees	15,011	14,094	14,107	+13
Timber Fees	20,950	23,785	33,778	+9,993
Recreation Entrance/User Fees	156,173	156,014	157,214	+1,200
Concession Park Improvement Accts/Other Fees	59,914	59,357	64,667	+5,310
Rent of Land and Structures	27,677	28,577	30,628	+2,051
Sale of Land, Buildings, and Other Property	273,438	440,644	281,860	-158,784
Offsetting Earnings on Investments	135,932	115,442	155,601	+40,159
All Other Offsetting Receipts	<u>602,449</u>	<u>676,753</u>	<u>684,427</u>	<u>+7,674</u>
Subtotal, Offsetting Receipts	2,690,404	3,379,738	3,229,644	-150,094
UNDISTRIBUTED PROPRIETARY RECEIPTS				
Outer Continental Shelf Mineral Leasing				
Rents and Bonuses	196,656	569,000	615,000	+46,000
Royalties	<u>4,827,291</u>	<u>3,730,547</u>	<u>3,373,752</u>	<u>-356,795</u>
Subtotal, OCS Receipts	5,023,947	4,299,547	3,988,752	-310,795
Interest on Escrow Payout	<u>526</u>	<u>0</u>	<u>0</u>	<u>0</u>
Subtotal, Undistributed Proprietary Receipts	5,024,473	4,299,547	3,988,752	-310,795
NON-OFFSETTING GOVERNMENTAL RECEIPTS				
Mined Land Reclamation Fee	286,789	295,667	301,590	+5,923
All Other Non-offsetting Receipts	<u>335,659</u>	<u>292,487</u>	<u>294,476</u>	<u>+1,989</u>
Subtotal, Non-offsetting Governmental Receipts	622,448	588,154	596,066	+7,912
UNDISTRIBUTED INTERFUND RECEIPTS				
Non-offsetting Earnings on Investments	<u>658</u>	<u>682</u>	<u>714</u>	<u>+32</u>
TOTAL, DEPARTMENT OF THE INTERIOR	8,337,983	8,268,121	7,815,176	-452,945
Total excluding Reclamation and CUP Receipts	8,090,086	7,966,043	7,523,776	-442,267

STAFFING

(Full-Time Equivalent Staff Years)

Bureau/Office	2002 Usage	2003 Estimated Usage	2004 Estimated Usage	2004 Compared to 2003
Bureau of Land Management	10,916	10,739	10,789	+50
Minerals Management Service	1,732	1,747	1,747	0
Office of Surface Mining Reclamation and Enforcement	617	630	630	0
Bureau of Reclamation	5,634	5,628	5,628	0
U.S. Geological Survey	9,611	9,397	9,417	+20
Fish and Wildlife Service	8,908	8,928	8,963	+35
National Park Service	20,505	20,369	20,369	0
Bureau of Indian Affairs	9,667	9,667	9,688	+21
Departmental Offices				
Departmental Management	673	616	611	-5
National Business Center*	859	983	1,037	+54
Office of the Solicitor	389	408	419	+11
Office of Inspector General	251	257	268	+11
Office of Special Trustee	415	535	630	+95
Office of Insular Affairs	30	36	40	+4
Central Utah Project	5	5	5	0
Natural Resource Damage Assessment and Restoration	4	4	4	0
National Indian Gaming Commission	<u>67</u>	<u>75</u>	<u>90</u>	<u>+15</u>
TOTAL, DEPARTMENT OF THE INTERIOR	70,283	70,024	70,335	+311
Utah Mitigation Commission	<u>13</u>	<u>13</u>	<u>13</u>	<u>0</u>
COMBINED TOTAL	70,296	70,037	70,348	+311

* Includes reimbursable FTE for e:payroll initiative to consolidate payroll systems government-wide (+15 in 2003, +47 in 2004).

