

A History of
the U.S. Department of the Interior
During the Clinton Administration
1993-2001



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INTRODUCTION

BRUCE BABBITT'S DEPARTMENT OF THE INTERIOR

Historical Context

For most of the 20th century, polar visions competed at the Department of the Interior: the older vision, of America's vast resources as commodities to be exploited, competed with the newer vision, of an America with a deep ethical obligation to preserve and care for its natural heritage. During the Clinton Administration, Bruce Babbitt sought to reconcile this dichotomy, to nurture an American passage into a holistic way of looking at, caring for and using the American landscape, and to rally support for a new era of partnerships across old boundaries that would make the merger of competing visions possible.

"Everything's related," he insisted. He dismissed seeming contradictions, including the central one at work in Interior's history—economy versus environment—as anachronistic and self-defeating, a lack of imagination as well as a failure to embrace good science.

Babbitt's experience as geologist, politician and conservation advocate, and his on-the-job training as Interior's executive led him to a vision of America's future that defied yet incorporated Interior's history: "We can't segment nature into a few preserves and then proceed to decimate the rest of the landscape. At the threshold of the 21st century we've come to understand that the natural world cannot survive that way. We're on the verge of a new movement, an integrated view of the American landscape."

Bruce Babbitt's Department of the Interior identified and accelerated a third wave in conservation history, the American Restoration. This new American era, Babbitt proposed, is economic *and* ecological, temporal *and* spiritual, mainstream *and* unconventional. In several momentous Interior-led projects, the concept of restoring an ecosystem to its natural balance has had the power, the magic, to encompass these apparent opposites.

As environmental laws passed in the 1970s succeeded in rescuing species and cleaning air and water, Americans came to believe in the possibility of restoring the balance between life's material and existential needs. New attitudes, based on better understanding of the interdependence of the quality of American life and health of the environment, have created new partnerships, and fresh ways for the Department of the Interior to add value to those partnerships, enabling it to move beyond conservation and preservation to the far more complex challenges of restoration.

DOI Before 1993

In 1789, Congress created three Executive Departments—State, Treasury and War—and provided for an Attorney General and Postmaster General. Domestic matters were apportioned among these departments.

The idea of setting up a separate department to handle domestic matters was put forward many times but it wasn't until March 3, 1849, that Congress rounded up the Department of Treasury's General Land Office, the State Department's Patent Office, the War Department's Indian Affairs Office, and the pension divisions of the War and Navy Departments, and deposited them into one new department, the Department of the Interior.

Informally it was known as the "Department of Everything Else" because of its extraordinary array of concerns including the decennial census, exploration of western wilderness, oversight of the District of Columbia jail, regulation of territorial governments, management of hospitals, universities and public parks, patents and pensions.

Over time, the rationalization of Interior's responsibilities and the streamlining and clarification of its missions ended *ad hoc* functions and spun off peripheral duties, often giving birth to new Cabinet agencies such as the departments of Agriculture, Labor, Commerce, Veterans Affairs, Education and Energy. This process won Interior its other sobriquet, "The Mother of Departments."

Interior's continuing responsibilities have focused on managing the public domain in the West and carrying out the nation's trust relationship with American Indians. That focus has steadily sharpened during the past century and a half, from encouraging the settlement and development of the West to conserving federally managed natural resources and restoring endangered wildlife and damaged ecosystems across the country. American Indian policy also has evolved—from early, disastrous attempts to control Native Americans and force their integration into the nation's Euro-American mainstream to current policies of self-determination and self-government.

Social and political movements that helped to shape today's Department of the Interior include the national park initiative of the late 19th century, the conservation crusade of the early 20th century, and the environmental movement of the past four decades.

The history of Interior is a reflection of the passage of American perception and policy from Manifest Destiny to sustainable development and stewardship. Bruce Babbitt's history is also about reflection, perception and passage, and learning to shape public policy to enhance the unique relationship of Americans to the land and water they call their own.

Bruce Babbitt Before 1993

Uniquely equipped for leadership of the Department of the Interior at the bridge between the 20th and 21st centuries, Bruce Babbitt did not seek the job. He had been offered and accepted the position of U.S. Trade Representative in the Clinton Administration, but environmentalists successfully lobbied President Clinton to make him the 47th Secretary of the Interior instead.

Babbitt's roots are in the West, in generations of Arizona merchants and ranchers. A childhood fascination with fossils and rocks led him to study geology at Notre Dame and the emerging field of plate tectonics at England's University of Newcastle. Work in Bolivian Indian Villages during a graduate school internship encouraged him to abandon the "pure abstraction" of geology for VISTA volunteer work in Caracas slums and work camps in the Andes.

After obtaining a law degree from Harvard he worked in the civil rights movement before returning to Arizona to practice natural resource law. In 1974 Babbitt was elected state Attorney General, where his pursuit of organized crime for land fraud earned him death threats. While he was thinking over a run for Congress, the incumbent Governor of Arizona left office to become Ambassador to Argentina. Four months later his successor died, catapulting Attorney General Babbitt into the Arizona governorship.

In Babbitt's nine years as Governor, he carried out reforms in education, environmental policy and health care. He brought environmentalists and industry together in order to solve Arizona's water supply problems, then persuaded the GOP-controlled state legislature to pass sweeping water reform legislation. He disarmed people by listening to them, and earned their support by crafting consensus solutions.

Babbitt campaigned for clean air. He gave Arizona a foreign policy by lobbying Mexico to cut sulfur dioxide emissions from smelters across the border. He successfully pressured the Navajo Power Plant to install scrubbers to prevent air pollution over the Grand Canyon.

Babbitt ran for President in 1988 in a crowded field, dropping out after the New Hampshire primary. He traded politics for law at a Washington, D.C. firm, then led the League of Conservation Voters. There he learned the needs and tactics of environmental groups, which has allowed him to keep their criticism of him as Interior Secretary in perspective. While acutely aware of advocacy groups and their positions, Babbitt spent more of his time forging better relationships and consensus for change among local constituencies and state, federal and Congressional leaders.

MOVING FROM CONSERVATION TO RESTORATION: AN ACTIVIST'S AGENDA

Babbitt credits on-the-job training for teaching him the ropes, setting his goals and deepening his understanding of what was imperative as well as possible as Secretary of the Interior. But he brought his own arsenal of knowledge, belief and skills from many disciplines. No talent would prove more helpful to the department than his knack for reading the public mood and using opportunity, opposition and controversy to frame issues, alter perceptions and press for creative solutions.

He began by listening to career and political staff, learning more about the issues that concerned them, observing public attitudes about those issues, and allowing his own thinking to evolve. He spent more time out in the country on public land than he spent in Washington, D.C. He held more meetings with field staff, local and state leaders and constituent groups in the West than in his own conference room. He spent more time fishing and hiking with constituents and reporters than on Capitol Hill.

On his Natural Heritage Tour to cities across the country, and on many other less formal trips, he observed first hand grassroots restoration efforts made possible by the Clean Water and Clean Air Acts of the 1970s, and the bond that had been created between good laws, good science and good citizenship. He began to articulate what the American people had achieved through those public policies in their own communities and what they felt and believed about the future. He

called what was happening the “American Restoration.” He described it as the third movement in the country’s progression away from exploitation, first to conservation, then preservation, and today to restoration.

To capture and capitalize on this American will for restoration, he accepted invitations and chose meetings, interviews, and public appearances strategically, grabbing public attention through the media, transmitting optimism and urgency, highlighting successes, articulating goals, advocating action. Whenever the politics in Washington, D.C. ran counter to the public mood, he would appear in the opposition’s back yard to explain the argument for local cameras and reporters.

Babbitt’s independent streak was perhaps most surprising when he reached out to America’s religious community, honoring the connection between the natural and spiritual worlds, sharing his own belief that resource stewardship is a devotion and a recognition of man’s obligation to protect God’s creation.

For eight years, in plaid shirt, khakis, and sneakers, he would fish, hike, climb, ruminate, and fulminate across hundreds of American landscapes, sifting this experience for the images and words that resonate with the American public, sharing his awe and attachment for what he saw as God’s creation and America’s birthright, urging a more spiritual, more creative and more muscular stewardship ethic, and applauding the grassroots intergenerational partnerships with government that are restoring as well as protecting America’s resource treasury.

ALIGNING THE MISSION TO THE ORGANIZATION

The Clinton Administration presented its Cabinet with an imperative: make government smaller and more efficient. For Interior, that meant reducing overhead and headquarters employees while increasing field program staffing. From 1993 to 1999, Interior staffing was reduced by 9,911 full-time equivalent staff years (FTEs). Closing the Bureau of Mines in 1995 accounted for 20 percent of the reduction, or 2,100 FTEs. Buy-outs of employees near retirement from 1994 through 1998 reduced the workforce by 7,670. This dislocation and rebalancing of the workload would be painful but productive.

Among the problems that greeted the Administration at Interior in January, 1993, were underfunded national park and national refuge systems; overgrazed public lands; large scale ecosystems in collapse; an underused and under-appreciated Endangered Species Act; a largely ignored internal biological science capability; unsettled and unsettling water claims, compacts, and conflicts; a bereft land acquisition fund; an untrustworthy Indian trust management system; a deteriorated Indian school infrastructure; and a grossly outdated hard rock mining law.

The arrival of the Clinton Administration signaled a sharp change in direction to correct these deficiencies and set Interior on a different course. The FY 1994 budget laid out major goals: boost operations at national parks, refuges and seashores; accelerate species recovery; raise revenues; improve riparian areas; invest in science; repair reservation dams; settle Indian water rights claims; improve Indian schools; streamline management, and reduce costs.

The Administration’s FY 1994 budget proposed substantial investments in parks and refuge infrastructure and restoration of American range lands. It supported the principle that use of the

public's natural resources should be supported by fees moving toward market rates, and proposed to establish a National Biological Survey, a bureau to assist the land management agencies in upgrading their biological science capabilities. Overall, reaction in the Democrat-controlled Congress was favorable, though the President received only half his requested increase for Interior that year.

The National Heritage Tours

The FY 1995 Administration budget, which proposed to continue restoration progress, received a hostile reception by the new Republican-controlled Congress. In April of 1995, Babbitt "left Washington" to tour sixty-seven cities in 100 days to ask the public if they agreed with the new Congress about dismantling the framework of restoration progress. In a speech at the National Press Club at the end of 1995, Babbitt related why he embarked on his National Heritage Tours:

I left because the House leadership told the Wall Street Journal that DDT "was not harmful" and "should not be banned." I left because a new Congressman opposed our reintroduction of wolves into Yellowstone National Park and asked me "Why don't you just open it up for hunting?" I left because the House attached 17 riders—legislative Post-its—to the EPA budget that would, among other things, restrict regulation of lead in the air, weaken standards that keep radon and arsenic out of tap water, and exempt industrial plants from water-pollution controls. I left because the Alaska delegation had introduced a bill to drill (for oil in) the Arctic National Wildlife Refuge.

I stayed on the road because I read in the Denver Post that the Chairman of the House Subcommittee on Public Lands estimated that his committee might "have to close more than 100 of the National Park Service's 360 units." I stayed because another Congressman sponsored legislation to abolish the newly created Mojave National Preserve in California. I stayed out there because the Senate passed a moratorium on listing endangered species. I stayed out there because the House passed a "Clean Water" bill that repeals storm water treatment, repeals nonpoint pollution controls, and defines 80 percent of all wetlands as nonexistent.

I left because all these changes were about to happen, with no discussion, no debate, and working Americans were not informed of the sweeping changes that would alter their communities and diminish the future of their children.

On his tours, Babbitt visited the cities, rivers, waterfronts, historic battlefields and beaches that had been transformed by the conservation laws of the 1970s, and the people who had used the laws to restore them. Canoeing, fishing, boating, hiking—he staged media events with local people to highlight their restoration progress and raise the alarm that Congress was poised to destroy it.

The budget passed by Congress was studded with anti-environmental riders and the resulting stalemate with the Administration became a showdown by late September of 1995, when the President vetoed the budget, shut the federal government down, and entered into a series of protracted and newsworthy negotiations with the majority leaders in Congress. The negotiations eliminated egregious riders and provided Interior modest budget increases. One of the triggers

for settlement was the public pressure brought to bear on Congress from the shut down of national parks and other public facilities. Babbitt explains:

. . . when Americans learned that their hard won gains might be taken away, at that very moment, by politicians in Washington, they awoke like a sleeping giant. They awoke, and got on the phone, and wrote letters to the editor, to their Congressmen, and soon the pressure began to build. Soon there were stories in the press about a public backlash against the Republican agenda. Suddenly reporters were writing about the rise of a cadre of “green” and “moderate” Republicans. And by last month there were stories about how Americans have handed the Republican agenda an embarrassing string of setbacks.

Though appropriations battles would continue through the end of the second term in less dramatic if equally contentious circumstances, the consistent policy of proposing healthier budgets for the land management bureaus resulted in steady increases over the years. By FY 2000, the operational budget of Fish and Wildlife Service had increased 35 percent; National Parks Service had increased 25 percent; and the Bureau of Land Management had increased 19 percent.

Beyond Budgets

Babbitt employed a combination of increased operational funds, increased efficiency of their use, and policy and program innovations to correct deficiencies and achieve new goals. Working with the Administration, Interior redefined its missions and identified new objectives and performance measures through a comprehensive strategic plan.

With the Secretary setting the example and encouraging it at every turn, Interior increased collaboration with other federal agencies as well as state and local agencies and landowners, encouraged and leveraged partnerships with the non-profit and private sectors, proposed revenue increases and improved procurement practices.

Babbitt’s other special contributions to Interior’s operations were his engagement of key Congressional committee members, strategic use of the bully pulpit, openness to recommendations from subject experts on his staff, compassion for the workforce, creativity in problem-solving and a mutually respectful relationship with White House leadership.

HISTORIC RESTORATION LEADERSHIP

Thinking Like a Watershed

Babbitt credits Interior participation in the President’s Northwest Forest Plan with educating him about the importance and urgency of integrated, holistic ecosystem management. The President convened the Forest Conference in April of 1993 to address the long-standing, unresolved crisis of northern spotted owl protection and timber policy in the forests in the Pacific Northwest. The Administration’s response was to appoint an interagency Forest Ecosystem Management Assessment Team (FEMAT) of interdisciplinary scientists to analyze and catalog more than

1700 species and components of the forest. FEMAT laid out for the first time a general ecological basis for the coordinated management of 24 million acres of public land.

Babbitt said he was surprised to discover that the forest plan was equally a fish plan and a watershed restoration, and that rivers are our most neglected and degraded ecosystems, with roughly one third of all fish, two thirds of all crayfish, and three quarters of the bivalve freshwater mussels in America rare or threatened with extinction

To replenish trout, coho, chinook and sockeye salmon, the Northwest Forest Plan had to look past the water's edge to restore large connective forested buffers along banks of streams and tributaries in 14 million acres.

In 1993, Interior assumed co-leadership of another unprecedented ecosystem restoration project in the South Florida Everglades. Through the Everglades restoration, Babbitt said, we learned some important watershed restoration rules that can apply across the country:

The most basic lesson is about the nature of water. It is always in motion, from sky to land, across and through land, out to sea, back to sky in an endless cycle. And that means that you can't efficiently restore just one piece of a river; to fix any one part, you have to consider the whole watershed.

Next, the only way you can fix a watershed is by creating partnerships—between governments, between landowners large and small, among all the stakeholders on that watershed. Finally, watershed restoration must be a visible process that captures and holds public attention. Every community values its native heritage and believes in its future. And they are ready to support bold restoration plans.

HISTORIC RESTORATION PARTNERSHIPS

SOUTH FLORIDA

Everglades, 1992: 90 percent of wading birds had departed, sixty-eight species were listed as endangered or threatened, Biscayne Bay and Florida Bay fisheries were suffering, the top five feet of organic topsoil in the Everglades Agricultural Area had eroded, the inland and coastal water quality was degraded, invasive exotic plants had invaded 1.5 million acres, pollutants had damaged the estuaries, wetlands and tree island habitats had disappeared.

By the end of 2000, the Everglades were on their way to restoration. The historic South Florida Ecosystem Restoration is one of the most important environmental partnership initiatives of this or any other Administration. Secretary Babbitt has called support for this kind of project “the quiet revolution to restore our aquatic ecosystems.” In a speech to The Nature Conservancy, he explained the restoration's origin:

The Clinton administration began in South Florida because it was the most visible and urgent of many impending watershed disasters. Everglades National Park was subsisting on life support in urgent need of attention. That life support system, consisting of a few

small projects designed to pump more water through the desiccated hydrologic arteries of the park, was barely keeping the patient alive. With each passing year the natural monitors of the patient's health—great flocks of wading birds, egrets, anhingas, storks, and herons—had begun to flatline.

The Everglades were quite simply the victim of a long campaign to “drain the swamps”—swamps that once poured their overflow waters south into the Everglades and Florida Bay. Draining the swamps was the engineering equivalent to the medieval practice of treating patients by bleeding them. And in the process of severing and bleeding these hydrologic arteries, they were draining the very life out of the Everglades.

Our strategy, to restore the Everglades ecosystem by reconnecting those hydrologic arteries, began by bringing all the Federal agencies together behind a common restoration plan. Our able co-leader was the Corps of Engineers, ironically a pioneer in the early efforts to de-water these same landscapes of South Florida. We soon learned, however, that for effective watershed restoration, we need state and local partners. In 1994 the Florida legislature at the urging of Governor Chiles passed the Everglades Forever Act which created a billion dollar fund to clean up the contaminated agricultural run-off which was causing much of the problem. The Florida commitment, backed by an outpouring of public support, prompted Congress to legislate support for the largest watershed restoration plan every undertaken.

The Administration formed the federal agencies into a South Florida Ecosystem Restoration Task Force in 1993, co-led by Interior and U.S. Army Corps of Engineers. In 1996 the Task Force was expanded by statute to include state, local and tribal governments. The goals of the Task Force are get the water right (restore a more natural flow while providing adequate water supplies, water quality and flood control); restore, preserve and protect natural habitats and species; and, foster compatibility of the built and natural systems.

Real momentum in the initiative came in 1996 with a Farm Bill appropriation for \$200 million to acquire key lands for restoration and an Interior land exchange with the Collier Corporation: land in downtown Phoenix went to Collier in exchange for 100,000 acres for Big Cypress National Preserve, Florida Panther Wildlife Refuge and Ten Thousand Islands National Wildlife Refuge. Interior also acquired 40,000 acres within the restoration zone and funding for a facility to eradicate the invasive exotic, melaleuca.

Since 1996, Interior and the Clinton Administration have acquired an additional 567,000 acres for restoration, issued the largest and most comprehensive multi-species conservation plan in history for the recovery of sixty-eight threatened and endangered species, and persuaded Congress and the state of Florida to fund the Comprehensive Everglades Restoration Plan, sixty-eight projects to modify the water delivery system and improve the quantity, quality, timing and distribution of water to the natural systems.

CALIFORNIA BAY DELTA

In 1993 the Administration was also working out the complexities of establishing another historic restoration partnership, one that would eventually re-write the future of a huge swath of California known as the Bay Delta.

When asked what a newcomer should know about California, Wallace Stegner answered: “Water. It’s about water.” In California today, it’s also about restoring a beleaguered watershed to stave off extinction for threatened wildlife and balancing economic needs and environmental health into the next century.

The delta is the heart of the state’s water system and the major focus of California’s water controversy. Giant pumps send its water to two out of every three residents in the state and irrigate seven million acres of the nation’s most productive farmland. The delta also provides habitat for more than 450 species of wildlife and plants and once teemed with salmon, smelt, splittail, and other fish. Blocked spawning runs, altered stream habitats, increased water diversions, and degraded water quality have brought several fish species to the brink of extinction. During droughts, saltwater incursion into delta channels further damages agriculture and wildlife.

The struggle over delta water among agriculture, urban and environmental interests intensified in the late 1980s and early 1990s. Drought and Endangered Species Act restrictions to protect salmon and smelt disrupted the delivery of water to the Silicon Valley, San Joaquin Valley farms, and Southern California cities. The EPA also increased its pressure on state water agencies to adopt stricter water quality standards or face new federal rules.

Farmers and urban users demanded more water diversions and greater surface storage—new dams and reservoirs—to guarantee a reliable water supply and environmentalists countered that dams had already overburdened the state’s ecosystems, reducing river flows and damaging fisheries. After the drought of 1987-92 and the listing of endangered fish, however, the warring interests saw that no one would win if water policy continued to be shaped by lawsuits and politics. A comprehensive, collaborative, balanced solution was needed.

In December 1994, Interior brokered the historic Bay-Delta Accord with other state and federal interests, establishing the basis for a near-term truce and long-term solutions. The pact pledged that the federal government would stop wresting water from farmers and cities for the sake of endangered species by finding ways to protect the delta while assuring reliable water supplies. Under the accord, the Central Valley Project and State Water Project coordinate operations to meet new water quality standards adopted in 1995.

The accord established the CALFED Bay-Delta Program—a consortium of fourteen state and federal agencies with management and regulatory responsibilities in the Bay Delta—to develop a long-term comprehensive plan. Through a committee appointed by Secretary Babbitt and then-Governor Pete Wilson, representatives of the major agricultural, environmental, fisheries, and urban communities participate in the process. While the state and the federal governments have been carrying out this intensive five-year study, CALFED has also approved 195 projects worth

\$228 million to restore both upstream and delta ecosystems. The projects include installing fish screens, removing small dams, restoring streamside habitat, and improving water quality.

Secretary Babbitt, Governor Gray Davis and Senator Dianne Feinstein released CALFED's Action Plan in June, *California's Water Future: A Framework for Action*, calling for a \$1 billion investment in ecological restoration. The proposal offers new water conservation and recycling incentives, proposes spending nearly \$1 billion for water quality improvements and promotes water marketing initiatives so that users with excess water, such as irrigation districts, can sell water to municipal water agencies. "As the largest comprehensive ecosystem restoration effort ever undertaken in the world, the CALFED action plan will generate significant economic and ecosystem benefits for the State of California," Babbitt said, "it is the culmination of several years of federal-state and stakeholder cooperation and is a significant milestone for one of the Administration's top priorities."

The Action Plan broke new ground. By not proposing new dams or reservoirs, it signaled the end of an era. An Environmental Water Account will help to recover declining species of fish. State and federal governments will purchase about 380,000 acre-feet of water a year from willing sellers to increase fisheries in the Central Valley rivers, delta, and bay.

The Action Plan will improve long- and short-term water supply reliability through a number of projects, including integration of storage, conveyance, operational flexibility, water use efficiency, conservation, water quality, land retirement, and water transfers. The plan will require an investment of \$8.5 billion in the first seven years. Funding will come from state and federal appropriations, California Propositions 204 and 13 (authorizing state revenue bonds for the project) local contributions, and a state water user fee.

Secretary Babbitt and the Clinton Administration made solving the California water riddle a priority, and when the action plan is implemented, the Bay Delta restoration will rival the other two historic restorations in the Pacific Northwest and South Florida. Secretary Babbitt gives the credit for Interior's role in moving the Bay Delta agenda forward to the Bureau of Reclamation and the U.S. Fish and Wildlife Service, to his point man for western water issues in the first term and key negotiator in the Bay Delta Accord, Deputy Secretary John Garamendi, and his point man in the second term and key negotiator in the CALFED Action Plan, Deputy Secretary David Hayes.

Many other restoration partnerships involving Interior have been established during the Clinton Administration. Secretary Babbitt often cited four other examples:

In Chesapeake Bay, to stop fish kills from a bacteria called pfiesteria, the state and federal partners are offering incentives to landowners to return the borders of their farms to buffers of native trees and vegetation that sop up fertilizers and animal waste before they can drain into river estuaries.

In the Sierra, Rockies and Appalachians, to replenish native aquatic species in a quarter of a million miles of streams, federal funds and land management experts are matched with local private and nonprofit projects to restore mine-damaged mountains that bleed into them.

In Western rangelands, to bring back rare native trout and to protect the endangered willow flycatcher, BLM has joined cooperative range partnerships to modify livestock grazing rotations, build riparian fences, and replant willows and aspen.

In California's Central Valley, to restore fish and wildlife habitat to the Trinity River Basin, the Hoopa Valley and Yurok tribes have joined with Interior agencies to return a significant amount of water to the river and perform projects to repair and restore the river channel to benefit fisheries.

INNOVATIONS IN SPECIES RECOVERY

Secretary Babbitt directed a series of innovations under the Endangered Species Act which strengthened scientific peer review in the endangered and threatened species listing process and in the development of recovery plans, widened involvement of state and local governments, and increased regulatory certainty for landowners and resource users in conservation programs.

When Babbitt entered office in 1993, the ESA had recently expired, but he didn't push for reauthorization, though his thinking ran counter to many constituencies. Babbitt explains:

I advised Congress that the time was not ripe for reauthorization. The reason was that our predecessors had never really tried to make the Act work, choosing instead to abandon the affected parties to litigate their differences and then citing the litigation as evidence that the Act was unworkable.

I testified that the ESA was a good visionary piece of legislation, and within its brief statutory confines there was much flexibility and unexplored potential for innovation. Give us a chance to show how the Act can work. Give us some time to get out onto the land and bring the citizens, including private landowners, together to seek solutions and resolve conflicts.

The first wave of innovation came with the northern spotted owl plan ordered by Judge Dwyer in the Pacific Northwest in 1993. Although not legally required, the Administration chose to cast a wide scientific net to craft the plan, assessing the needs of more than a thousand terrestrial species, as well as salmon stocks.

That began the process that is now widely known as "multi-species habitat planning." In the President's Northwest Forest Plan, nine million acres of old growth and streams were reserved from timber production in national forests and other federal lands. Watershed analysis and new forestry concepts were pioneered, including patch dynamics and stand structure. The plan was prepared, submitted and approved by the court in eighteen months. Soon after, Interior entered into a series of habitat conservation plans (HCPs) on state and private land: a one-million-acre multi-species HCP with the state of Washington; a comprehensive all-species agreement with Murray Pacific Corporation; and an agreement with Simpson Timber on Washington's Olympic Peninsula that incorporates both ESA and Clean Water Act regulatory requirements.

Next the Secretary and the Fish and Wildlife Service turned to the long leaf pine forests of the South, extending from East Texas to the Carolina Tidewater, where the red-cockaded

woodpecker is the endangered species trigger. Babbitt relates: “In 1994, as another train wreck appeared imminent, the President of Georgia Pacific came to my office and suggested that we could work together to find something better than more litigation.” Out of that initial encounter came a series of new ESA approaches, beginning with ‘no take’ agreements to provide common sense guidelines for Act compliance and ‘candidate conservation agreements with assurances,’ a pre-listing agreement that gives landowners incentives to protect habitat before a species is listed.”

A golf course under construction in Pinehurst, North Carolina, provided the next opportunity for innovation. Developers noticed that new course layouts were attracting woodpeckers where there had been none before. Biologists soon identified the attraction. By clearing the oak understory beneath the pine forests beside the fairways, they were restoring natural conditions once maintained by natural wildlife, and making the forest friendlier for foraging.

That presented the developers with a dilemma: why continue to modify the forest and attract woodpeckers only to get caught in the regulatory net of the ESA? To resolve the dilemma and to encourage this form of habitat improvement, Interior created a policy called “Safe Harbor.” If a landowner manages habitat to support listed species, Safe Harbor will protect the landowner from additional legal liability.

Yet another bird—the California gnatcatcher—precipitated the next wave of innovation. The gnatcatcher, a resident of the Mediterranean coastal sage scrub habitat that extends along the coastal plain between Los Angeles and San Diego, was listed as endangered, triggering a “developmental moratorium” and a sometimes heated dialogue between developers, Interior, the state of California, county and municipal governments and environmental groups. The resulting innovations included delegation of authority to California pursuant to its Endangered Species Act; planning partnerships with county and municipal governments; federal land acquisitions and the use of mitigation banks, density transfers, development fees and state and local bond issues to finance preserves designated in habitat conservation plans.

The southern California process also gave rise to “No Surprises,” the basic principle that once a comprehensive scientifically grounded habitat conservation plan is in place, participating landowners should have a high degree of assurance that they will not be required to make more concessions in the near future.

The Administration has made the states partners in all key aspects of the ESA. In addition to sharing authority with California, Secretary Babbitt and former Colorado governor Roy Romer signed a statewide accord which aligns state and federal wildlife conservation efforts to avoid listing of declining species.

Secretary Babbitt has also put in place new procedures to ensure that ESA decisions are objective and based on the best available scientific information. Since July of 1994, all ESA listing proposals and dozens of draft recovery plans have been subjected to peer review by at least three independent scientists.

When Babbitt entered office, his predecessors had completed just fourteen small HCPs in eleven years. As of November 2000, the Clinton Administration had completed 300 HCPs covering

nearly 20 million acres of forests, coastal plains, the Sonoran and Mojave deserts, and other imperiled landscapes.

Given these improvements in the Act's implementation, in 1997 Babbitt suggested to Congress that it was time to reauthorize the Act. The late Senator John Chafee, Chairman of the committee of jurisdiction, responded by asking Senators Kempthorne and Baucus to help him draft legislation. Babbitt joined in the process, negotiating for months to produce a bipartisan reauthorization bill. The bill passed out of committee by a vote of 13 to 3. Babbitt relates what happened from then up through the end of the Clinton Administration:

After the committee vote, silence. The Majority leader refused to calendar the bill for floor debate. Behind the scenes, on the right, the diehards were still demanding amendments that would eviscerate the Act. And of the other side, the left was lying in wait, suspicious of our administrative reforms, holding to the notion that the best ESA would be one that prevented any development at all.

Then in 1999, after a promising colloquy with Senator Stevens and Senator Domenici in the Senate Appropriations Committee hearing, we tried a more surgical approach, working with Senator Chafee to improve the critical habitat provisions of the Act. This bill, S-1100, like its predecessor, went nowhere. Which brings us to the present.

We will have a new President and a new Congress in January. We will have the most evenly divided government in American history. And it is my feeling that this gridlock is exactly what the voters wanted. . . . The predictable outcome for our concerns is that radical change of the ESA, whether from the right or the left, is thankfully out of the question. And, correspondingly, there will be a fine opportunity to build a true bipartisan reauthorization movement from the center outward.

In November 2000, before the National Endangered Species Act Reform Coalition, Babbitt outlined what the reauthorization should do: give legislative form to the Administrative reforms; give states and tribes a stronger role; provide landowner incentives; forget the "takings" issue; fix the critical habitat designation provision; and, unite all ESA functions under the Fish and Wildlife Service.

BROKER IN THE WATER WARS

A tradition of government subsidy for roads, harbors, canals and railroads was well established by 1866, when Congress passed legislation investing directly in irrigation projects—also known as reclamation—for the arid West. To populate and accelerate development in the West, President Theodore Roosevelt lobbied for and signed a Reclamation Act in 1902. The Reclamation Act required compliance with numerous, widely varying and complex state and territorial legal codes that to this day define reclamation. It also set in motion the most aggressive subsidized dam-building era in the history of the world.

The Bureau of Reclamation is deeply involved in Colorado River issues because the agency's reservoirs store and regulate most of the river's flow. The most complex and difficult of many interstate water allocation agreements is the Colorado River Compact. Under a 1922 agreement,

ratified into law by Congress in 1928 over the objections of Arizona, seven states divvy up the water from the Colorado River on an annual basis.

The compact was further complicated in 1944 when 1.5 million acre-feet was promised in a treaty with Mexico. Tensions among the parties to the compact have heightened over time as water demand increased and species were threatened and endangered by low flows. It became increasingly clear that there isn't consistently enough water in the river for all parties in the compact to receive their proscribed shares.

For most of the century, the seven Colorado River states have contended for the river's waters in a zero sum process, in which one state gained only at the expense of the others. The preferred method of settling differences was litigation, intermixed with Congressional battles, often linked to funding the construction of large-scale dams and delivery systems.

During the Clinton Administration, Western water policy underwent what Babbitt calls an "avulsive" change—the process of a stream abandoning its channel and making a clean break into one or more new channels. There were several catalysts for making a clean break, but none more potent than the Endangered Species Act and the pressures it brought to look again at how water is stored, managed, allocated and used.

Babbitt has done his own about-face on Western water policy since 1976, when Attorney General Babbitt predicted that if the Supreme Court ruled for the protection of the pupfish and against groundwater pumpers, "Arizona as we know it today will not survive." The decision, he warned, would wreak economic havoc on his state, and make cities like Tucson "ghost towns." It would make state water rights "worthless." Babbitt said in 1999, twenty-three years after those predictions, "Well, the pupfish won, and Arizona has hardly withered away."

During the Clinton Administration, Secretary Babbitt declared the era of the large reclamation project over. He directed Reclamation's change in mission from development to restoration. "Our challenge is not to build more dams, but to operate them in a more river friendly way. Our task is not to irrigate more lands, but to promote more efficient use of water on lands now in production. Our task is not to develop new supplies but to make use of those that already exist. We do have allocation and distribution problems, but they can be resolved through use of water markets, conservation and other innovations. Our task in the coming century is to restore rivers, wetlands and fisheries."

Babbitt told the warring parties in numerous watersheds that they could live in balance with the natural environment and that there "is sufficient water for today and for the future, and no other development projects are needed, provided that we use it efficiently, and engage markets (marketing and transfer), modern science and conservation to live and develop within sensible limits."

To conserve water, he advocated new pricing policies, like those employed by the southern California Metropolitan water district which have acted to restrain water consumption even during a period when the region's population has increased by twenty percent. He advocated water marketing, or water transfers from agricultural to urban users, citing as an example the

Department's successful negotiation of a transfer agreement sending water from California's Imperial (Valley) Irrigation District to the city of San Diego through the Metropolitan (Los Angeles) Water District aqueduct.

The Department worked with Arizona and Nevada to augment Colorado River water available to Las Vegas through an innovative agreement: Las Vegas pays to store river water in Arizona groundwater basins, and in return obtains credits allowing that city to take equivalent amounts of water directly from Lake Mead.

Babbitt advocated underground storage, citing surface storage inefficiencies at Lake Mead, which loses a million acre-feet per year to evaporation, and Lake Powell, which loses enough water through evaporation annually to supply a city the size of Los Angeles. "When rivers have surplus flood flows, the water can be drawn off and stored beneath the ground without the destructive consequences of building dams."

Where more surface storage is demonstrably necessary and groundwater basins unavailable, Babbitt advocated off stream storage, as is proposed in the Department-brokered Animas La Plata project in southwestern Colorado.

In the reclamation age now past, decisions affecting rivers were made one project at a time, by a priesthood of technocrats—the Bureau of Reclamation, the Corps of Engineers, state water engineers, and a few key committee chairmen in Congress. In the next century water policy must be made in the context of the entire watershed.

Instead of litigation, Babbitt advocated collaborative watershed-level consensus-building that incorporates many agency mandates. The best results, he asserted, can only emerge from the collaborative watershed process of engagement, disputation and consensus building. "It works and that is the best reason for continuing on this path."

During the Clinton Administration, multi-party, multi-agency, stakeholder-intensive policy collaborations for water reform were advanced in Nevada, Oregon, Montana, California, Arizona, and in the Platte River Basin which includes Wyoming, Colorado and Nebraska.

In a December 1999 speech to the Colorado River Water Users Association, Babbitt summed up the water policy progress during the Clinton Administration:

Over the past decade we have together invented many new forms of cooperative water management—markets, transfers, banking, re-use, efficiency, new technologies and pricing structures, to name a few. River protection and restoration, once considered an unaffordable luxury in the water starved Southwest, is now a widely accepted aspect of good water management. The Endangered Species Act, once dismissed as an impediment to growth, is now understood to be an important aid to the conservation of fish and wildlife and to sustainable economic development.

Working together we have brought Native Americans, all too often left languishing on the sidelines of water negotiations, into the mainstream of water policy.

Working together we have made a good start toward the coming century of cooperation and consensus—the water transfers, the Arizona innovations in water banking, progress toward the remaining Indian settlements, California’s progress toward living within its entitlement, environmental restoration in the Salton Sea, the implementation of habitat protection programs in both the upper and lower basins, the outlines of an Animas-La Plata settlement, to mention the obvious ones.

DAMS ARE NOT FOREVER

It took seven years to build the Glen Canyon dam on the Colorado River in the 1950s and ’60s. It took ten years to agree to restore the beaches and habitat in the Grand and Glen Canyons that the dam and its water management regime had destroyed. The process that led to that controversial restoration took years of study, a multi-volume environmental impact statement and countless meetings and consultations among federal and state agencies, tribes, cities, trout fishermen and river runners. The culmination of that effort was an orchestrated flood of 46,000 cubic feet per second, which Babbitt began with the turn of a valve on March 6, 1996. In 2000 the restored beaches provide habitat for endangered birds and fish.

Babbitt’s controlled Glen Canyon flood proved spike flows worked to save species without harm to other users. He had a different solution for some other dams and watersheds. In 1997, he would wield a sledgehammer to signal not only the end of the dam-building era, but a new era of dam-removal.

The Sledgehammer Tour

Sixty years ago, President Franklin Roosevelt and his Interior Secretary, Harold Ickes, toured the country to dedicate dams, including four of the largest dams in the history of civilization. 75,000 dams have been erected in the U.S., a number equivalent to building one dam a day, every day, since the signing of the Declaration of Independence.

In 1997-98 Babbitt led the selective destruction of environmentally harmful dams and signaled what he believes is the beginning of a new era of dam-busting in America. Gleefully, Babbitt climbed aboard a bulldozer or wielded a sledgehammer or signed a document to take down a dam wherever an opportunity presented itself. He participated in events to take down or celebrate the destruction of fourteen dams. He also toured the dams in the Olympic Peninsula which are planned for destruction.

There are three reasons to take down dams, Babbitt said: some dams outlive their function; some dams’ benefits can be derived in other ways, and sometimes the price of these benefits is just too high.

Babbitt believes that every stop on his tour attracted enormous local, regional and national attention because dam-busting is a tangible symbol of the public’s growing stewardship impulse toward restoration. The public understands that “we have paid a steadily accumulating price for dams in the form of fish spawning runs destroyed, downstream rivers altered by changes in temperature, unnatural nutrient load and seasonal flows, wedges of sediment piling up behind structures, and delta wetlands degraded by lack of fresh water and saltwater intrusion.”

Larger dams, Babbitt admits, pose more complex issues because they have more, and bigger economic stakeholders—entire industries, the price of electricity for millions of people, water storage for cities all depend on some large dams. But where dams remain, the challenge remains to find progressive ways to operate them to reverse the ecological damage.

Babbitt issued a challenge to young people on the Sledgehammer Tour: “My parents’ generation gloried in the construction of dams across America’s rivers. My generation saw how those rivers were changed, deformed, killed by dams. Your generation must help decide if, how and where those dams stand or fall.” He also quoted Ecclesiastes:

One generation passeth away, and another generation cometh: but the earth abideth always...all the rivers runneth to the sea, yet the sea is not full; to the place where the rivers flow, there they flow again. . . .

REWRITING WILDLAND FIRE POLICY

A “red-carded” firefighter and veteran of many wildland fires until he retired from the field in 1998, Secretary Babbitt brought an intimate understanding and passion to the need to rewrite policy and change public perception about wildland fire. As in other major policy and programmatic issues with significant impact in the West, Babbitt has included tribal, state and local leaders, as well as the public, in reshaping and supporting a new approach to wildland fire management.

Over 6.5 million acres of land burned in the 2000 fire season, the worst wildland fire year since 1910. In September 2000 six Western governors and Secretaries Babbitt and Glickman announced a joint strategy to lobby Congress for \$1.6 billion in fire relief. The proposal included the estimated \$800 million backlog of fire-recovery projects, including erosion control, reseeding and rebuilding. The balance is to be spent on fire prevention, local firefighting outfits, fire prevention education and creation of a cabinet-level fire-coordination team. The Denver Post called the joint proposal a “unique bipartisan moment in a very contentious election year.”

After a tragic fire season in 1994, when thirty-four wildland firefighters lost their lives, Secretary Babbitt directed the Interior agencies, and Secretary Glickman directed the Forest Service, to jointly conduct a review of federal wildland firefighting policy. The new policy launched an historic shift toward safety and away from fire suppression.

In numerous speeches and editorials, Secretary Babbitt spoke of the scope of the problem and described the new approach.

Wildland fires are burning hotter, bigger and faster, growing more lethal, destructive and expensive to fight. A century of snuffing out all small and regular fires has clogged our landscape with dense, dying and exotic fuels. Once ignited, flames now result in an intense, unpredictable inferno, killing life down to the roots, leading to mudslides and floods and loss of game and wildlife habitat.

We know from science, and fire scars, how long ago natural fire cleared out alien species, digested and recycled nutrients, and kept landscapes healthy, stable and resilient. Using the new policy, the Clinton Administration is making those exceptions the national rule, saving money and lives.

The new federal wildland fire policy emphasizes firefighter and public safety, using fire in land use planning and management, use of the best science available, economic viability, coordination and cooperation with federal, state and tribal governments and federal agency standardization of policies and procedures.

In 2000 the Departments of Interior and Agriculture entered their fourth year of a program of intensive prescribed fire use and mechanical removal to combat generations of vegetative fuel buildup. Nearly a million acres a year are being treated in this program to promote health of the land and reduce the likelihood of severe and costly “escaped fires” like the Los Alamos fire in the summer of 2000. A fire science program has been developed to inventory and prioritize fuels treatment through mapping and to evaluate the effectiveness of treatments.

PROTECTING UNIQUE NATIONAL LANDSCAPES

Protecting the Escalante area of southern Utah has been discussed since Harold Ickes was Secretary of the Interior. Ickes considered recommending the Kaiparowits Plateau and adjacent wild spaces to President Franklin Roosevelt for monument designation under the Antiquities Act to protect the area from potential mining development. The threat of development, in the form of a large proposed coal mine, did not materialize until 1996.

In preparing his national monument recommendation for the President, Secretary Babbitt grappled with the issue that had stopped Ickes from recommending it—traditional use for desert livestock grazing. Assigning management responsibility to the National Park Service, the traditional administrator of national monuments, would ensure that grazing would stop. Babbitt believed that the area could be managed to allow hunting and appropriate grazing. The Secretary subsequently recommended to President Clinton that the area be placed under the management of the Bureau of Land Management (BLM), the largest of the federal land management agencies, and one with a multiple use mission. The BLM could manage the area to protect the objects of scientific and historic interest that the monument proclamation laid out, yet assure the local communities that a well-managed grazing program could continue on monument lands.

On September 18, 1996, President Clinton proclaimed the 1.7-million-acre Grand Staircase-Escalante National Monument, to include the Grand Staircase, Kaiparowits Plateau, and Escalante Canyons areas, and to be managed by the BLM.

The 1996 designation was controversial. The Administration was accused by Western lawmakers and property rights groups of acting by stealth and in secrecy, without consultation with the Congressional delegation or the local communities. Although the proposal was discussed with the delegation and Governor’s office prior to the designation, the hostile reaction in the West led Secretary Babbitt to design a new process for future monument recommendations.

In November 1998, President Clinton asked Secretary Babbitt for recommendations on additional areas that warranted protection under the Antiquities Act. Anticipating the President's request, Babbitt had returned earlier that year to northern Arizona, to a place of special significance in his own history. Babbitt's grandfather had been involved with President Teddy Roosevelt in the original Grand Canyon designation. Roosevelt first set aside a portion of what is now the Grand Canyon National Park under the Antiquities Act in 1908.

January 2000 Monument Designations

In 1919, Congress converted the Grand Canyon National Monument to a national park. Adjacent lands were made national monuments by Presidential Proclamation in 1932 and 1969. Congress enlarged the Park in 1975 to include these lands, but the legislation left several drainages north of the Grand Canyon unprotected and directed the Secretary of the Interior to study and report back on the issue.

Babbitt conducted his own study, camping three days on the Shivwits Plateau with some of his staff, including the Grand Canyon National Park Superintendent and BLM district manager. Over a campfire, they created a plan to engage local communities and the Congressional delegation in a dialogue about protecting these lands.

In the months that followed, Babbitt conducted meetings throughout northern Arizona on the future management of the Shivwits Plateau. Knowing that Babbitt would push Presidential action if Congress did not act to protect the area, Congressman Bob Stump introduced legislation to designate the area a National Conservation Area, the legislative equivalent of a BLM national monument. But instead of including the necessary protections, the Stump bill opened the area to more development than existing practices allowed.

Disappointed with the Stump legislation, Secretary Babbitt recommended in December 1999 that the President create the one-million-acre Grand Canyon-Parashant National Monument made up of the Shivwits Plateau and the remainder of the north rim watershed. He also recommended that the area be jointly managed by BLM and NPS through its Lake Mead National Recreation Area; that the Proclamation prohibit mineral entry and cross-country vehicular travel, and that hunting and grazing in the monument continue under the same rules and regulations that govern BLM lands.

The Grand Canyon-Parashant became the public and Congressional participation model for all subsequent monument designations. Secretary Babbitt would actively engage the public on the management of the area and offer Congress an opportunity to provide the necessary protection prior to moving forward with a national monument recommendation to the President.

Secretary Babbitt initiated a public involvement process in July 1999 on protection of the Agua Fria region, meeting with leading archeologists, Arizona State officials, and staff from the Arizona delegation. Along with the Grand Canyon-Parashant National Monument, President Clinton created the Agua Fria National Monument, the California Coastal National Monument, and expanded the Pinnacles National Monument on January 11, 2000.

May 2000 Monument Recommendations

Secretary Babbitt continued traveling throughout the year to Western communities to discuss greater protection for nearby fragile or threatened landscapes. In May 2000, Secretary Babbitt sent another group of monument recommendations to the President, and on June 9, 2000, President Clinton created Cascade-Siskiyou National Monument, Hanford Reach National Monument, Ironwood Forest National Monument, and Canyons of the Ancients National Monument.

Cascade-Siskiyou National Monument includes Soda Mountain and approximately 52,000 acres of public land managed by BLM in south central Oregon. Hanford Reach National Monument encompasses approximately 195,000 acres of public land within the borders of the Department of Energy (DOE) Hanford Reservation. Ironwood Forest National Monument was designated at the request of the (Arizona) County Board of Supervisors and other supporters. The Secretary gladly recommended that the President create this 129,000-acre monument near Tucson, a landscape swathed in the rich, drought-adapted vegetation of the Sonoran Desert.

Canyons of the Ancients National Monument recommendation was preceded by a series of meetings with local residents conducted by the Secretary or the BLM Resource Advisory Council in the spring and summer of 1999. Public discussions on the national significance of this area date back to a 1894 Salt Lake Times story detailing interest in protecting the region. In 1979, a bill was introduced in Congress to designate the area a National Conservation Area. Senator Ben Nighthorse Campbell introduced new National Conservation Area legislation in February 2000, but he suspended action on his bill the following month.

Congress Acts to Protect Areas

Secretary Babbitt and the Clinton Administration actively engaged Congressional delegations in a dialogue for protecting important landscapes. Assuming that protection would be given to these areas through Presidential action if Congress did not act to do so, Congress created three new national conservation areas, one national monument, and one cooperative protection area in 2000.

Legislation sponsored by Congressman Scott McInnis and Senator Ben Nighthorse Campbell created the 122,000-acre Colorado Canyons National Conservation Area and within it a 75,000-acre Wilderness Area in western Colorado and eastern Utah outside of Grand Junction, Colorado.

Congressman Jim Kolbe and Senator John McCain sponsored legislation that created the 42,000-acre Las Cienegas National Conservation Area southeast of Tucson with an additional 142,000-acre acquisition district.

Legislation sponsored by Congresswoman Mary Bono and Senator Diane Feinstein created Santa Rosa and San Jacinto Mountains National Monument, an area of over 150,000 acres near Palm Springs, California. This was the first Congressionally created national monument giving management responsibility to the BLM.

Congressmen Greg Walden and Earl Blumenauer and Senators Gordon Smith and Ron Wyden in the Senate sponsored legislation creating the 425,000-acre Steens Mountain “Cooperative Management and Protection Area” and a 155,000-acre wilderness area in southeastern Oregon with a nearly one-million-acre mineral withdrawal area.

The Steens Mountain Cooperative Management and Protection Act provides important new environmental protections to the Steens Mountain area of southwestern Oregon. The legislation is a result of a cooperative process between Oregon Governor Kitzhaber, the Clinton Administration, and the entire Oregon Congressional delegation. Dedicated to the principle that the Steens must be protected, they met frequently on their own and cooperatively with Secretary Babbitt to craft a consensus to keep Steens Mountain in its current, relatively undeveloped state.

In the most fragile areas, the bill sets apart 87,000 acres of public lands as “cow-free.” Both the wilderness area and the “cow-free” area will increase in size (by approximately 13,000 acres and 9,000 acres respectively) upon completion of the land acquisitions authorized by the legislation.

August 2000 Monument Recommendations

In the summer of 2000, Secretary Babbitt traveled to Idaho and northern Arizona, focusing protection discussions on two areas, Craters of the Moon and Vermilion Cliffs. Acting on Babbitt’s August 2000 recommendations, President Clinton created the Vermilion Cliffs National Monument and substantially expanded the Craters of the Moon National Monument on November 9, 2000.

Vermilion Cliffs National Monument is 239,000 remote and unspoiled acres, containing the majestic Paria Plateau, the brilliant Vermilion Cliffs, and the Paria River Canyon, spanning elevations from 3,100 to 7,100 feet above sea level. The area contains high densities of Ancestral Puebloan sites, including remnants of large and small villages.

Twenty species of raptors have been documented in the monument, as well as a variety of reptiles and amphibians. California condors have been reintroduced into the area, and Desert bighorn sheep, pronghorn antelope, mountain lion, and other mammals roam the canyons and plateaus. The Paria River supports sensitive native fish, including the flannelmouth sucker and the speckled dace.

The Craters of the Moon National Monument has been a work in progress for more than seventy years. The boundary of the monument has been adjusted by Presidential Proclamation on four occasions, in 1928, 1930, 1941, and 1962. In 1989-90, Congressman Richard Stallings introduced legislation to create Craters of the Moon National Park, a failed proposal that included almost twice as many acres as Babbitt’s monument expansion proposal.

Beginning in April 2000, Secretary Babbitt visited the area three times and led a process to solicit public input and advice about the future management and protection of the Craters of the Moon region, meeting with leading geologists, local ranchers, local elected officials, and staff from the Idaho Congressional delegation.

President Coolidge first described the volcanic features of Craters of the Moon as of “unusual scientific value and general interest” an assertion illustrated by the procession of scientists studying the lava field and its distinctive flora and fauna, by the NASA astronauts who explored the monument in preparation for their mission to the moon, and by a quarter-million annual visitors.

Like Grand Canyon-Parashant, the Craters of the Moon expansion will be managed jointly by the National Park Service and the Bureau of Land Management.

National Landscape Conservation System (NLCS)

At the Secretary’s recommendation, the BLM established a National Landscape Conservation System in 2000 to focus more attention and resources on the new national monuments, national conservation areas, Headwaters Forest Preserve and other areas designated during the Clinton Administration. BLM also placed wilderness, conservation areas, wild and scenic rivers, and national scenic and historic trails designated pre-1993 into the new management structure.

The units of the NLCS continue to be operated at the field level by BLM field managers. The NLCS office, based in BLM headquarters, provides policy guidance and management support. Conservation is the established management priority in NLCS units, and visitor contact and information facilities are to be located in adjacent communities.

GRAZING REFORM

The conventional wisdom is that the Secretary and Administration “caved in” and lost the battle over grazing on public lands in 1994, sacrificing reform on grazing and mining to ensure enough votes for the Administration’s economic package. The truth is the Secretary and Interior quietly went about winning the war.

“We set out at the beginning of this Administration,” Babbitt said in May 2000, “to put in place a reform package that would modernize grazing regulations which hadn’t been significantly changed since enactment of the Taylor Grazing Act in 1934, and help restore the health of Western rangelands.”

Each year from 1989-92, the House had proposed and approved a grazing fee increase, and each year the Senate had voted to block it. In February of 1993—less than a month after his inauguration—President Clinton unveiled a budget that proposed raising \$1 billion over five years from royalties made on Western land use. The grazing fee on federal lands, then \$1.86 per month per cow, was to be tripled.

In August 1993 the Secretary announced the Healthy Rangelands initiative and an Advance Notice of Proposed Rulemaking that included changes in standards for livestock grazing in rangeland ecosystems and increases in the grazing fee formula. During the course of the debate in Congress, significant support for the reforms became evident, and legislative reforms passed by a 3-1 majority in the House and by a comfortable majority in the Senate. But ranchers were howling in the press that they would be ruined and livestock interest groups lobbied intensely.

Late in the session, an amendment by Senator Domenici to place a one-year moratorium on changes passed 59-40 and halted further legislative progress.

In March 1994, Interior released the proposed regulations, which administratively doubled grazing fees on public lands phased in over three years beginning in 1995, offered discounts and incentives for grazing stewardship and established Resource Advisory Councils—balanced in composition to include ranchers, local officials and conservationists—to set regional grazing standards. The Secretary and BLM proceeded to hold an unprecedented series of meetings to build consensus on the new regulations, including forty-eight public hearings held simultaneously throughout the Western states in June 1994.

All sides were critical of the administrative grazing proposal. Environmentalists wanted a national grazing standard, not regional standards arrived at by consensus with ranchers and local officials. Ranchers very vocally opposed any new fees. Colorado Governor Romer called for changes in the make-up of RACs, eliminating environmentalists from the boards. Utah Governor Leavitt proposed that governors make the RAC appointments. Environmentalists boycotted meetings in New Mexico.

After the 1994 Congressional elections put Republicans in a majority in both the Senate and House, it seemed clear that fee increases would jeopardize acceptance of the President's budget, and Babbitt announced that the fee portion of the proposal would be postponed to give Congress time to act on fee increases. The other reforms proceeded.

Despite the initial criticism, the composition of the locally-based RACs remained: five citizens representing traditional uses like grazing, energy development and timber production; five members representing conservation and non-commercial recreation interests; and five members who were local or tribal elected officials, academicians, and state and local personnel. The RACs gave the public unprecedented representation in public land management decision making.

The RAC charters specify that a majority from each interest sector must vote affirmatively to refer any recommendation to the BLM. BLM works with the RACs to develop a broad consensus on standards of rangeland health and the standards are, in turn, incorporated into BLM land use plans.

By the end of 2000, as a result of BLM action in collaboration with the Regional Advisory Councils, 100,000 acres of riparian habitat have been replenished for trout and wildlife, 20 million acres of uplands are restored to functioning condition, and erosion has been reduced. From the original eleven established in 1995, the number of RACs has grown to twenty-four.

Suits filed by ranchers, three of which reached the Supreme Court in May 2000, upheld the Secretary of the Interior's right to set limits and deny livestock grazing permits to protect other values on public land.

HARDROCK MINING REFORM

The Bush Administration proposed reforms in the Mining Law of 1872 before leaving office, and the Clinton Administration made several attempts to get Congress to bring hardrock mining law into the 20th century before the 21st century arrived.

The 1872 Mining Law, signed by President Ulysses S. Grant and not modified since, allows patents for hardrock minerals—gold, silver, copper, zinc—on public land to be mined for a fee of \$2.50 - \$5.00 an acre. The ancient formula often means mine operations can reap millions, even billions, from public land minerals by paying less than \$200 in fees, and paying nothing to reclaim the land if they abandon the mine.

The Clinton Administration proposed imposing a royalty on hardrock mining equivalent to the public land oil royalty (12.5 percent on gross proceeds) in its first budget submission to Congress in February, 1993. The Administration withdrew its proposal that Fall when Western Democratic Senators opposed it, and it was clear that it would not survive the Congressional budget process.

In 1994 and 1995, Secretary Babbitt used Administrative prerogatives, including stalling and stonewalling, to keep nearly 600 mining patents from being awarded, granting claims only under court order, one or a few at a time, and doing it in press conferences where he railed against corporate welfare and the fleecing of taxpayers because Congress refused to enact meaningful hardrock mining reform.

Sensitive to charges of allowing taxpayers to be ripped-off, Congress imposed a moratorium on new hardrock mining claims each year beginning in 1995, but they were mute on the several hundred claims filed before the moratorium was imposed.

In 1995, and again in 1998, legislation backed by the mining industry in reaction to administrative reforms was introduced to abate criticism and free the patent logjam, but the Administration vowed to veto them and Babbitt derided the bills for their loopholes and paltry royalty formulas. Testifying before Congress on the industry-backed reforms in 1998, Babbitt signed patents for three claims worth \$80 million in mineral reserves in Alaska for which the mining company was paying \$155.

The Administration backed legislation sponsored by Senator Bumpers in 1998 that would have imposed a five percent royalty on gross proceeds and require reclamation. The measure failed.

In the meantime, BLM continued work on revised “3809” surface mining regulations (subpart 3809 of the bureau’s mineral rules) begun in 1991, held up for several years while Congress appeared to be working on 1872 Mining Law reform, and then taken up again after Babbitt ordered completion of the rulemaking process in early 1997. BLM developed the revised regulations to fulfill its duty under federal law to prevent “unnecessary or undue degradation” of BLM lands from hardrock mining.

Final 3809 Surface Mining Regulations were announced and published on November 11, 2000.

The tough new regulations require hardrock mining operators to submit a plan of operation for all mining and allow BLM to reject a plan of operation if that operation would result in “substantial irreparable harm” to scientific, cultural or environmental resources that cannot be effectively mitigated; require mining operators to meet outcome-based performance standards in all aspects of operations, including exploration, mining, processing and reclamation; require operators to provide a financial guarantee for all operations; require an additional financial guarantee that covers the estimated cost of reclamation; and provide for public notice and comment on proposed plans of operations and bond releases. The new regulations incorporate, for the first time, specific provisions on cyanide leaching operations and acid mine drainage and strengthen BLM’s administrative enforcement and penalties for violation of the regulations.

INDIAN TRUST REFORM

Evolving over two centuries, the complex and sometimes contentious trust agreement between the United States and the American Indian tribes and Alaska Natives is not incorporated in any single document, but defined by numerous laws passed by Congress, by federal administrative practices and by Indian trust law based on federal court decisions. Title to land is held in trust for tribes and for some individual American Indians by the federal government. Tribal funds derived from lease agreements and sales of natural resources such as minerals, water and trees are also held in trust by the federal government.

The Secretary of the Interior has fiduciary responsibility for approximately \$3 billion held in trust for 315 Indian tribes and over 262,000 individuals. About \$800 million passes through the tribal trust system annually.

Through budget and policy advocacy and program reform, Secretary Babbitt has addressed critical issues in Indian country and Indian trust management. Babbitt has pressed for increased school construction and public safety and law enforcement funds, increases for tribal priority allocations, the settlement of Indian land, water and fishing rights claims, Bureau of Indian Affairs (BIA) management reforms and trust funds system improvements.

During the Clinton Administration, tribal self-determination and self-governance in accord with tribes’ sovereign authority has been upheld and strengthened to an unprecedented degree. Through a series of Executive Memoranda and Executive Orders, the President has acknowledged the rights of tribes to exercise inherent sovereign powers over their members and lands, directed government-to-government consultation on the impact of federal government plans, projects, programs and activities on tribes, directed the development of a strategic plan for coordinating existing economic development initiatives, directed the support of tribal colleges, universities and the improvement of low-performing schools, directed agencies to work with tribal leaders to analyze and improve tribal public safety, law enforcement and criminal justice systems and directed the protection of religious objects, sites and practices.

Administration budget proposals have attempted to further strengthen self-determination and self-government. More money appropriated to Interior for Indian programs goes directly to tribes than at any other time in history. Like a county government, BIA supplies such critical programs as education, housing, law enforcement, natural resource management and road

maintenance, administered by the tribes themselves, by BIA, or in partnership. Nine out of every ten dollars of BIA-appropriated funds is spent on tribal reservations.

The Clinton Administration has actively supported tribal self-determination by providing tribal governments with more opportunities under Public Law 102-477 to directly administer programs of the BIA and other federal departments and agencies, allowing tribes to integrate their employment, training and related services into one program and one annual reporting requirement. Since 1994, 200 federally-recognized tribes have benefited under 477 programs.

The Bureau of Indian Affairs, and consequently Indian tribal programs, have been historically under-funded. Of the 557 federally-recognized tribes in the U.S., about fifteen are truly prosperous. Those tribes have been assisted economically by the establishment of gaming near high-density populations. Thirty percent of American Indians have incomes below the national poverty line.

Administration budget proposals for Indian country initiatives have met with little success in Congress. There have been moves in the Republican-controlled Congress since 1994 to take away one-third of the funds allotted to tribes with gaming operations and to enforce taxation by the states on tribally owned land and businesses. Congress has for some time appropriated just enough money annually to maintain the status quo on reservations.

Water Rights Settlements

One area where the Secretary and his staff have successfully acquired funds and directed a coordinated improvement effort in Indian affairs is in the settlement of numerous Indian land, water, and fishing rights claims. Lack of certainty regarding these rights has hindered tribal economic development and self-determination for decades.

Many tribes have reserved water rights under the law, but obtaining reserved water from states and compacts has been problematic for generations. Negotiated agreements between tribes, states, local parties, and the federal government are the most effective and cost-efficient way to resolve reserved water rights claims while providing for sound water resource management. The benefits of negotiated agreements outweigh the uncertainties and expense of litigation.

Accordingly, Secretary Babbitt created an Indian Water Rights Office in his immediate office to lead the Department's overall efforts to resolve controversial Indian water rights issues in the western United States. The Secretary also engaged in an ongoing dialogue with tribal leaders on water rights issues. The Department's response to Indian water rights claims has complemented and strengthened the efforts of tribes and western governors to gain Congressional support for Indian water rights settlements.

Although still a work in progress, this effort has produced notable successes, including settlement of claims for the Confederated Tribes of the Warm Springs reservation in Oregon, the Jicarilla Apache in New Mexico, the Chippewa Cree Tribe of the Rocky Boy's reservation in Montana, the San Carlos Apache Tribe in Arizona, and the Shivwits Band of the Paiute Indian Tribe in Utah.

The Secretary helped achieve the Arizona Global Water Settlement resolving litigation between the U.S. and the Central Arizona Water Conservation District over repayment and operation of the Central Arizona Project. A stipulation contained in the settlement is the first step to a comprehensive resolution of several Indian water rights claims in Arizona, including the settlement for the Gila River Indian Community, one of the largest Indian water rights claims in the western United States.

The Administration also expects enactment of the Colorado Ute Water Rights Settlement Act Amendments, which will authorize the Administration's proposal for final implementation of the original settlement of 1988. The Act will also resolve the status of the Animas-La Plata water project.

Land Claims Settlements

Based on the successful water rights model, the Secretary has also directed federal negotiation teams to resolve protracted Indian land claims and disputes. These claims typically involve allegations of improper taking of Indian land dating back to the late 1700s and early 1800s, in violation of federal law, or due to under compensation. The claimed areas today are often the homes of third party private individuals or administered by state, federal or local governments. The tribes and pueblos whose claims have been settled or advanced through the Administration's effort include the Catawba, Crow, Hoopa, Miccosukee, Santa Domingo, Timbasha Shoshone, and Sandia.

Fishing Rights

Interior has also been aggressive in addressing and protecting Indian fishing rights reserved by treaties between the tribes and the United States that are critical to sustaining tribal cultures and economies. The Department's effort to protect Indian fishing rights have included negotiating new consent decrees which govern the allocation of Indian fishing rights and proposing and analyzing extensive environmental restoration efforts designed to result in extensive anadromous fishery benefits.

TRUST FUNDS MANAGEMENT

Historically, the accounting practices for tribal and individual American Indian monies held in trust by the BIA have been notoriously inadequate. A study conducted by Arthur Andersen, LLP, examined \$17.7 billion in non-investment transactions that the BIA handled from July 1972 to September 1992. Of the total, \$15.3 billion were reconciled. Supporting documents could not be located for 14 percent of the transactions. \$1.87 million of reconciled transactions, or 1 percent, were in error. Slightly less than half of the errors were to the detriment of tribes.

Secretary Babbitt inherited this failed system, and has done more than any other Secretary of Interior to reform it. Legislation in 1994 and the U.S. District Court's Opinions and Orders in the class action lawsuit Cobell vs. Babbitt compelled a new trust funds management regime, and in 1996 the Secretary established the Office of Special Trustee for American Indians under Secretarial supervision, to provide oversight and reform, and to coordinate policies, procedures,

systems and practices used by the Departmental agencies in managing Indian trust assets. The Special Trustee issued a *Strategic Plan for Trust Improvement* in 1997, revised and updated in 2000. The Office of American Indian Trust was also created within the Office of the Assistant Secretary for Indian Affairs to carry out specific activities and reviews to ensure Secretarial obligations under the trust responsibility are carried out.

At the end of the Clinton Administration, every tribal and individual Indian account and all investments are operating on the same commercial-grade trust used in major banks. BIA has made progress on the implementation of a trust asset management system which will manage income-producing assets such as mineral and grazing leases on 170,000 tracts of land. Congress passed legislation on one of the Administration's highest trust reform priorities. The Indian Land Consolidation Act Amendments of 2000 will begin relieving the administrative and financial burdens of fractionated ownership of Indian lands, addressing one of the root problems of trust management.

These are but a few highlights of the most important accomplishments of the Department of the Interior under Bruce Babbitt during the Clinton Administration. Under Babbitt's leadership, each Interior bureau and office undertook many additional policy and programmatic initiatives that have contributed to the Clinton Administration legacy.

VOLUME I: INTERIOR LEGACY—POLICY AND PROGRAM INITIATIVES

CHAPTER ONE: FISH, WILDLIFE AND PARKS

U.S. FISH & WILDLIFE SERVICE

Over the past eight years, the Clinton Administration has led a major effort to conserve the nation's wildlife for the enjoyment of future generations. Its accomplishments on National Wildlife Refuges, in habitat conservation programs, and in ecosystem-based resource management all contributed to the greatest effort by any nation in the history of the world to conserve ecologically healthy and diverse habitats for fish and wildlife. Throughout America, ranchers, farmers, and other private landowners are joining hunters and anglers in the U. S. Fish and Wildlife Service's efforts to protect the habitat our fish and wildlife need to survive.

Making the Endangered Species Act Work Better

There are 1,204 threatened or endangered plants and animals listed in the United States. None of them achieved that status overnight; for most, it was a long, gradual downhill slide, usually nudged along by people and an ever-increasing competition for space that continues to eliminate, shrink or fracture habitat. But since 1973, the year President Nixon signed the Endangered Species Act into law, the legislation has managed to allow both people and plants and animals to engineer a better balance.

Although a Massachusetts Institute of Technology study showed the most threatened and endangered species have been added to the list in states with the most successful economies, the Clinton Administration inherited a pervasive mythology that protecting endangered species was economically counterproductive. Property rights activists have remained the sharpest critics of the law. The Clinton Administration dedicated itself to demonstrating that the Endangered Species Act does not pit animals and plants against people and jobs.

Resolving the Spotted Owl Controversy

The Clinton Administration determined to resolve the conflicts involving administration of the Endangered Species Act (ESA). In one of his first major actions, the President convened a cabinet-level working group to resolve concerns over forest management then associated with the listing of the northern spotted owl as a threatened species in the Pacific northwest.

On April 2, 1993, President Clinton convened the Forest Conference in Portland, Oregon to address the human and environmental needs served by the federal forests of the Pacific Northwest and northern California. The President, Vice-President, Secretary of the Interior and much of the Cabinet spent an entire day listening to all points of view and collecting information. The President then directed his Cabinet to craft a balanced, comprehensive and long-term policy for the management of over 24 million acres of public land. An interagency, interdisciplinary

team of expert scientists, economists, sociologists and others was assembled - the Forest Ecosystem Management Assessment Team led by Dr. Jack Ward Thomas. After three months of intensive work, which included the review of all fully developed proposals for management of federal forests within the range of the northern spotted owl, the team produced a detailed report assessing ten options. President Clinton announced his proposed "Forest Plan for a Sustainable Economy and a Sustainable Environment" on July 1 of that year, consisting of strategies for forest management, economic development, and agency coordination.

The forest management and implementation portion of the strategy was analyzed in a Draft Supplemental Environmental Impact Statement issued in July that received over 100,000 public comments during a three-month public comment period. A Final Supplemental Environmental Impact Statement was made available to the public in February 1994. The Record of Decision implementing Alternative # 9 of the Final Supplemental Environmental Impact Statement represented the first time that two of the largest federal land management agencies, the Bureau of Land Management and the Forest Service, developed a common management approach to the lands they administer throughout an entire ecological region. The conservation measures included in the strategy were based upon the best available science and attempted to anticipate and forestall future environmental problems, while avoiding economic dislocation and legal gridlock.

This pro-active stance toward resolving conflicts associated with the ESA set the agenda for the following eight years of policy decisions on implementation of the Act. The Administration used the flexibility contained in the current law to make the Act work better.

Ten-Point Plan

In June 1994, Secretary of the Interior Bruce Babbitt and D. James Baker, Under Secretary of Commerce for Oceans and Atmosphere, announced a series of administrative policy reforms and legislative ideas designed to improve the ESA's effectiveness while making it easier for Americans to work with and understand. Collectively called the "Ten-Point Plan," these policy and program initiatives were aimed at improving the ESA's effectiveness, while easing regulatory burdens on landowners and businesses and encouraging development of partnerships to conserve species. Specifically, improvements were intended to:

- Base ESA decisions on sound and objective science;
- Minimize social and economic impacts; provide quick, responsive answers and certainty to landowners;
- Treat landowners fairly and with consideration;
- Create incentives for landowners to conserve species;
- Effectively use limited public and private resources by taking an ecosystem approach to conserving species;
- Emphasize the conservation of candidate species; promptly recover and de-list threatened and endangered species;
- Promote efficiency and consistency; and
- Provide state, tribal and local governments with opportunities to play a greater role in carrying out the ESA.

HCPs, Safe Harbors, CCAs & Landowner Incentives

One of the major efforts associated with implementation of the ten-point plan was an increased emphasis on Habitat Conservation Plans, or HCPs. The Act provides for permits to take listed species when such taking is incidental to an otherwise lawful activity and the impacts on the species have been minimized and mitigated to the maximum extent practicable. When President Clinton took office in 1993, only fourteen of these permits had been issued. By the end of July 2000, more than 300 were in effect, covering more than 200 listed species such as bald eagles, golden-cheeked warblers, giant garter snakes, and many more.

In many parts of the country, having listed species on one's land was considered a major liability. To address that concern, the Administration sought ways to encourage private landowners to participate in conservation of listed species. Chief among those efforts was the development of the "No Surprises" rule. This policy provides assurances to landowners who enter into voluntary Habitat Conservation Plans that as long as they are implementing their conservation plans properly, the government will not require any additional compensation (either lands, water, or money) of them for species covered under their HCP.

As the HCP program grew, the Fish and Wildlife Service and the National Marine Fisheries Service published a joint HCP handbook in 1996. Just four years later, the Services amended this handbook with a significant update called the "five-point policy". The policy provided additional direction to HCP practitioners by emphasizing the need for biological goals and objectives, incorporation of adaptive management to address uncertainty, encouraging public participation in HCP development, clarifying how permit durations should be determined, and emphasizing the need for compliance and effectiveness monitoring.

To encourage voluntary conservation efforts by property owners, the U.S. Fish and Wildlife Service and the National Marine Fisheries Service published joint final policies for "Safe Harbor" and "Candidate Conservation Agreements with Assurances" under the Endangered Species Act. The majority of endangered and threatened species occur on privately owned lands. Working with these landowners is critical to the recovery of many of America's most vulnerable species. The "Safe Harbor" policy provides incentives for private and other non-federal property owners to restore, enhance, or maintain habitats for listed species. Under the policy, the agencies provide participating landowners with technical assistance and assurances that additional land, water, and/or natural resource use restrictions will not be imposed as a result of voluntary conservation actions that benefit or attract listed species. At the end of a "Safe Harbor" agreement, the landowner would be allowed to return the property to its original "baseline" condition.

The agencies also released their final policy on "Candidate Conservation Agreements with Assurances" (CCAA) for species that are not yet listed as endangered or threatened, but are considered to be in decline and could be listed in the future. CCAAs identify actions that the landowner commits to take to conserve declining species. They may include habitat protection; management; or restoration actions such as fencing, stream rehabilitation, controlled burns, or species reintroduction. Landowners who participate in this program will receive assurances from the agencies that no additional conservation measures above and beyond those contained in the

CCAA will be required and that no additional land, water, or resource-use restrictions will be imposed upon them should the species become listed in the future. These policies are part of a package of reforms initiated by this Administration to make the Endangered Species Act more effective in achieving conservation while enhancing its flexibility for private landowners.

Endangered Species Successes

Fulfilling its commitment to another element of the “Ten-Point Plan” the Clinton Administration made significant strides in recovering populations of threatened and endangered species. Eight species of U.S. plants and animals under Fish and Wildlife Service jurisdiction were removed from the Endangered Species list. These species are the Tumamoc Globeberry, Spineless hedgehog cactus, McKittrick Pennyroyal, Arctic and American peregrine falcons, Cuneate bidens, Lloyd’s hedgehog cactus and Dismal Swamp southeastern shrew.

The final de-listing of the American peregrine falcon received wide-ranging news coverage. A medium-sized raptor, the falcon nests on tall cliffs or urban skyscrapers and hunts other birds for food, reaching speeds of 200 miles an hour as it dives after its prey. The bird’s remarkable speed and agility, however, could do nothing to prevent its sharp decline after World War II when widespread use of the pesticide DDT and other organochlorine pesticides hurt the bird’s ability to reproduce. When the Service listed the peregrine falcon as endangered, populations in the eastern United States had completely disappeared and populations in the west had declined by as much as 80 to 90 percent below historical levels. By 1975, the population reached an all-time low of 324 nesting pairs in North America. The banning of DDT made the recovery of the peregrine falcon possible. The protections provided by the Endangered Species Act and the extraordinary partnership efforts of the Service and the Canadian government, state wildlife agencies, universities, private ornithological groups, and falcon enthusiasts-accelerated the pace of recovery through captive breeding programs, reintroduction efforts and the protection of nest sites during the breeding season. Currently, there are at least 1,650 peregrine breeding pairs in the United States and Canada.

Eight additional species have been proposed for de-listing. Two species proposed for de-listing, the bald eagle and Aleutian Canada goose, represent significant recovery accomplishments. As a symbol of strength and courage, the bald eagle represents the best of what America has to offer. On the eve of Independence Day weekend, July 2, 1999, President Clinton marked the culmination of a three-decade effort to protect and recover this majestic bird by announcing a proposal to remove it from the list of threatened and endangered species. The bald eagle once ranged throughout every state in the Union except Hawaii. When America adopted the bird as its national symbol in 1782, as many as 100,000 nesting bald eagles lived in the continental United States, excluding Alaska. By 1963, only 417 nesting pairs were found in the lower forty-eight. Today, due to recovery efforts by the Service in partnership with other federal agencies, tribes, state and local governments, conservation organizations, universities, corporations and thousands of individual Americans, this number has risen to an estimated 5,748 nesting pairs. As a result, biologists believe it may no longer require the special protection of the Endangered Species Act.

The U.S. Fish and Wildlife Service was poised to remove the Aleutian Canada goose, one of the first animals protected under the Endangered Species Act, from the list of threatened and

endangered species in the fall of 2000. Populations of the goose, a small subspecies of Canada goose found only on a few of Alaska's remote, windswept islands and in areas of California and the Pacific Northwest, numbered only in the hundreds in the mid-1970s. Today, biologists estimate there are 32,000 birds, and the threat of extinction has been eliminated.

In addition, seven species improved in status to the point that they could be reclassified from endangered to threatened and six species have been proposed for reclassification to threatened. The most notable proposed reclassification is that for the gray wolf.

Gray wolves have gone from a few individuals in northeastern Minnesota when first listed to currently more than 250 in the northern Rocky Mountains. Progress toward wolf recovery has followed quickly on the heels of the Service's historic reintroduction of wolves into Yellowstone National Park and central Idaho in 1995 and 1996. Those efforts re-established wolf populations in areas where the animals had been completely eliminated in the 1920s. Secretary Babbitt, who participated in the Yellowstone reintroductions, also assisted in efforts to reestablish Mexican wolves in Arizona in 1998 and 1999. These reintroduced wolves were the first of their species to roam freely in the southwestern United States in more than three decades. Other major efforts to reintroduce species to their historic ranges by establishing experimental populations during the Clinton Administration included the black-footed ferret, with four separate reintroductions, the California condor in Arizona, and the whooping crane in Florida.

Critical Habitat Policy

Identification of the habitat needs of listed species and the conservation of such habitat is the key to recovering endangered and threatened species. While the Endangered Species Act provides a variety of tools to conserve species and their habitats, beginning in the mid-1990s much public attention was focused on the designation of critical habitat under the Act. Concern centered on the effectiveness of these designations in conserving imperiled species and on minimizing the impacts of these designations on landowners. Under the law, critical habitat designations affect projects funded, authorized or carried out by federal agencies, but do not affect activities conducted on private land or by private citizens if there is no federal involvement. The Service attempted to provide the greatest protection to the greatest number of species by focusing limited resources on the listing of more than 200 species that were in need of protection but that remained unlisted. To a large extent this backlog was due to a one-year moratorium on the listing of new species that was imposed by Congress in April of 1995. However, beginning in 1998, the Service's approach began to be rejected by the courts, and the Service was ordered to designate critical habitat for several species.

On June 14, 1999, it published a notice of intent to develop policy or guidance and to revise regulations, if necessary, to clarify the role of habitat in endangered species conservation. In that notice, the Service sought comments on the benefits of the designation of critical habitat, suggestions on effectively streamlining the process of designating critical habitat and recommendations on possible legislative actions that might improve the effectiveness and efficiency of the critical habitat process. The Service received over 500 comments and incorporated them into a draft critical habitat addendum to its Endangered Species Listing Handbook. Work on improving critical habitat continues as of this writing.

President's EO on Endangered Species/Native American policy

Another important example of the Administration's commitment to making the Endangered Species Act more responsive was the joint secretarial order signed by Secretaries Babbitt and Daley (Commerce) to clarify the responsibilities of both Departments when actions taken under authority of the Act involve tribal land, tribal trust resources, or tribal rights. The order acknowledges the trust and treaty responsibilities and obligations of the United States to Native Americans and its government-to-government relationship with tribes. The order not only gives tribes a seat at the table in the planning and consultation process, but an ability to lend their expertise and traditional knowledge to conserve and improve recovery for species with habitat on Indian lands. The joint order called for both Departments to:

Work together to restore ecosystems and enhance tribal management plans that affect listed species, to conserve and recover declining species and to create an environment of trust and respect for the missions of both the Departments and the tribes for the ultimate benefit of sensitive species;

Consult with and use the expertise of affected Native American tribal governments, including the use of traditional knowledge, when determining which species should be listed, conducting surveys on species populations, and implementing conservation measures;

Provide notification to, use the expertise of, and solicit information from affected tribal governments when considering impacts to tribal trust resources and tribal lands;

Encourage and facilitate tribal participation in activities that may affect tribal interests; and provide deference to tribal conservation plans for Indian lands that address the conservation needs of listed species.

Strengthening the National Wildlife Refuge System

The Administration demonstrated similar leadership in caring for the National Wildlife Refuge (NWR) System, one of the world's most diverse collections of lands and waters dedicated to wildlife conservation. Assistance for this leadership effort came from a powerful alliance of non-government sources.

The Cooperative Alliance for Refuge Enhancement (CARE)

Responding to continuing funding shortfalls for managing the National Wildlife Refuge System, a diverse group of conservation and recreation organizations came together in 1997 to educate Congress and the American people about various challenges facing the System. The Cooperative Alliance for Refuge Enhancement developed a plan for modest but steady budget increases for Refuge System operations and maintenance and supported legislation strengthening the Refuge System. Organizations including the Wildlife Management Institute, Defenders of Wildlife, the National Rifle Association, Ducks Unlimited, National Wildlife Federation and others aggressively pursued a plan to help the Refuge System fulfill its conservation mission by its 100th anniversary in 2003. Congress responded to the challenge by passing the National Wildlife Refuge System Improvement Act as well as significant budget increases in 1997, 1998 and 1999.

President's EO on Priority Public Uses

On March 25, 1996, President Clinton signed "Management and General Public Use of the National Wildlife Refuge System," a landmark Executive Order that set a new direction and ensured new opportunities for wildlife-dependent recreation in the National Wildlife Refuge System.

Executive Order 12996 accomplished several important firsts for the System:

For the first time, it defined a conservation mission for the Refuge System "to preserve a national network of lands and waters for the conservation and management of the fish, wildlife, and plants of the United States for the benefit of present and future generations." This mission sets the Refuge System apart from all other federal lands.

The EO defined six compatible wildlife-dependent recreational activities (hunting, fishing, wildlife observation, photography, environmental education and interpretation) as priority uses of the System, and directed the Secretary to provide expanded opportunities for these activities.

The EO defined four guiding principles for management of the System: habitat conservation, public use, partnerships, and public involvement. Of these, the conservation of habitat was the foundation upon which all sustained use is dependent.

National Wildlife Refuge System Improvement Act

A little more than a year later, President Clinton signed the National Wildlife Refuge System Improvement Act into law on October 9, 1997. This law, modeled on the President's Executive Order, built upon the National Wildlife Refuge System Administration Act of 1966 in a manner that provided an "Organic Act" for the Refuge System. It was passed to ensure that the Refuge System is managed as a national system of related lands, waters, and interests for the protection and conservation of our nation's wildlife resources.

The passage of this Act, with strong bipartisan support and the backing of a diverse group of non-governmental organizations and state fish and wildlife agencies, gave guidance to the Secretary of the Interior for the overall management of the Refuge System. In addition to codifying the requirements of the Executive Order, the act also clarified the process for determining compatible uses of refuges and established planning processes to ensure improved public participation in the growth and management of the National Wildlife Refuge System. A critical new element mandates that the Service develop comprehensive conservation plans for each refuge over a fifteen-year period.

Following passage of the Refuge Improvement Act in 1997, Congress approved an historic \$42 million budget increase for the refuge system in FY 1998. The following year, President Clinton signed the Transportation Equity Act for the 21st Century into law, providing \$20 million in new funding for wildlife refuge roads each year from 1999 to 2003.

Congress continued its increasing support for the refuge program in October of 1998, when it approved an additional \$17.8 million budget increase for the refuge system for FY 1999. That same month, President Clinton signed the National Wildlife Refuge System Volunteer and Community Partnership Enhancement Act. The Act opened new avenues for partnership projects and enabled the Service to expand a volunteer network that already accounts for 20 percent of all work performed on refuges each year and is worth \$14 million annually to the American people.

Fulfilling the Promise

With these new priorities clearly in place, the Service began preparations for its first ever conference of National Wildlife Refuge Managers. The managers, along with many partners from Service, federal, state and non-governmental organizations met in Keystone, Colorado in October 1998 to produce *Fulfilling the Promise*, the system's road map for its second century. This report elaborated upon and provided meaningful direction for many of the issues discussed at the Keystone Conference. *Fulfilling the Promise* called for national wildlife refuges to provide a "variety of opportunities to enjoy and appreciate America's fish, wildlife, and plants," and recommended several steps to improve and expand services for hunters, anglers, and other refuge visitors. This document received final approval in March of 1999, and implementation activities began immediately.

Proposed Refuge System Centennial Legislation

Congress demonstrated additional support for the refuge system in May 2000, when it passed the National Wildlife Refuge System Centennial Act (H.R. 4442). Forwarded to the Congress by the Administration in April 2000, the National Wildlife Refuge System Commemoration Act was introduced in the House of Representatives by New Jersey Representative Jim Saxton, chairman of the Fisheries Conservation, Wildlife and Oceans Subcommittee of the House Resources Committee. Intended to strengthen and highlight the 93 million-acre refuge system for its 100th birthday, the bill would establish a high ranking commission, including the Secretary of the Interior, the director of the U.S. Fish and Wildlife Service, and up to ten other members, to build public awareness and secure new resources to manage the system. It is modeled after a similar distinguished group that oversaw the National Park System's successful Centennial celebrations in 1972. The House version of the bill was approved on July 11. At this writing, the Senate version of the bill is pending a floor vote.

Summary of Major Refuge Additions

In Fiscal Years 1993 through 1999, the Service acquired interests in approximately 2,164,950 acres of land including the establishment of thirty-four new refuges, twenty-four new waterfowl production areas, and one new wildlife management area. In FY 2000, five new refuges have been established and possibly one more will be established by the end of September. The Service is committed to the preservation of biodiversity and the management of resources on an ecosystem basis. Interior's land acquisition program continues to be used as an important tool for identifying and acquiring the priority habitats within each ecosystem so that Interior can reach its fish, wildlife and plant protection goals. The following is a summary of acquisition totals and examples by each year:

<u>Fiscal Year</u>	<u>Acreage</u>	<u># of New Refuges</u>	<u>Key Examples</u>
1993	610,237	5	Kealia Pond NWR, HI, R1
1994	220,563	8	Trinity River NWR, TX, R2
1995	257,611	4	Big Branch Marsh NWR, LA, R4
1996	286,724	3	San Diego NWR, CA, R1
1997	295,576	4	Ten Thousand Islands, FL, R4
1998	182,239	4	Blackfoot Valley NWR, MT, R6
1999	312,000	6	Aroostook NWR, ME, R5
2000	Acres Unavailable Until end of FY	5, possibly 6 by end of FY	Big Oaks NWR, IL, R3
TOTALS:	2,164,950 (New Total to be determined at end of FY)	39, possibly 40 by end of FY 2000	

Protecting What We Have-Okefenokee NWR, Izembek NWR

In addition to expanding the National Wildlife Refuge (NWR) System, the Administration demonstrated its commitment to protecting the resources of established refuges. In 1994, the DuPont Corporation announced plans to develop a heavy minerals mine on 38,000 acres directly adjacent to the east boundary of Okefenokee National Wildlife Refuge, potentially altering the hydrology and water quality of the Okefenokee Swamp and St Mary's River. Impacts would likely destroy thousands of acres of wetlands and critical habitat, and change permanently the hydrological relationships between the swamp, the underlying aquifer, and superficial ground water.

Secretary Babbitt traveled to the refuge to announce that "this kind of dredging and strip mining is not an appropriate neighbor for a national wildlife refuge" and maintained the Administration's opposition to this development throughout the ensuing negotiations. In February 1999, after an extensive series of negotiations, DuPont and the Department formally ratified an agreement for a "no mining" alternative. Success of the "no mining" proposal will depend on the availability of funding from private foundations, universities, government agencies or other sources to carry out the proposal. None of the elements of the "no mining" agreement has been implemented to date, nor is the agreement binding on DuPont.

In 1998, the Aleutians East Borough and the communities of King Cove and Cold Bay, Alaska, proposed to link themselves with a thirty-mile road that would have crossed Izembek National Wildlife Refuge, including seven miles of a designated wilderness area. Responding to Congressional efforts to build this road, Secretary Babbitt declared that "if they can get away with this, your favorite park may be next," and led the Administration's efforts to prevent passage of this measure. Through a series of negotiations with the communities, the State identified alternative means for improving transportation. Language was inserted in the FY 1999 appropriations earmarking funds for the construction of a new airstrip and marine facilities serving the communities.

The Service also received its largest conservation gift ever in Alaska, when The Conservation Fund donated 8,496 acres of land for addition to the Izembek refuge. This donation was made possible by a gift from the Richard and Rhoda Goldman Fund. The donated lands, located at Morzhovoi Bay, round out the western boundary of the Izembek Refuge. The lagoons, bays and marshes of Izembek, recognized as wetlands of international importance, play a critical role in maintaining healthy populations of several species of waterfowl. The entire population of Pacific flyway brant, as well as emperor geese and a significant portion of the world's population of Steller's eider, rely on the abundance of nutrient-rich foods at Izembek.

Taking Migratory Bird Conservation to the Next Level

Migratory birds are a trust responsibility of the Service. It is responsible for the conservation and management of 836 species of migratory birds, 778 that are non-game species and fifty-eight that are legally hunted as game, all of them protected by the Migratory Bird Treaty Act.

For much of the past decade, the Service has been paying much closer attention to the individual factors that kill birds. These include collisions with communication towers, electric power lines,

wind turbine generators, and glass windows; fatal encounters with cats, aircraft, and cars; electrocutions; poisoning from pesticides, contaminants, and oil spills; the effects of global climate change; and, the greatest threat of all, loss or degradation of habitats. In 2000, International Migratory Bird Day received special attention from President Clinton when the White House issued a Presidential Message on May 13th, urging all Americans to learn what role each of us can play in creating safe habitats for birds and to teach children to appreciate the beauty and wonder that birds can bring to their lives.

Status of Migratory Bird Populations; Status of Wetlands

Duck habitat and populations declined considerably during the 1980s and early 1990s. As a result, the Service issued hunting regulations designed to reduce harvest rates of ducks compared to the relatively liberal regulations of the early 1980s. Unfavorable habitat conditions and other factors, however, prevented recovery of duck populations until 1993 when habitat conditions began to improve in important nesting areas of North America. The improved conditions stimulated the growth of duck populations and in 1995 regulations were liberalized. Populations have remained high in 1996 through 2000. In 2000, the total duck breeding population in the traditional survey area was 41.8 million birds, 27 percent above the long-term (1955-99) average.

Breeding habitat conditions in the prairie-pothole area of the upper Midwest vary by region and time of season. However, in 2000, the number of May ponds in important duck nesting areas was 37 percent greater than the long-term average. The normal or above-normal precipitation that occurred in the last seven years over most of the prairie-pothole region, the principal breeding grounds for most of the major duck species, resulted in large duck populations. Since 1985, several million acres of waterfowl nesting habitat have been created or enhanced on conservation easements in the Dakotas and Montana. Both the increased availability of water and the augmentation and enhancement of nesting cover in the region have facilitated population increases.

Thanks to this combination of deliberate habitat protection and fortuitous improvements in weather, late in 1995 Service Director Mollie Beattie could announce that American duck populations had increased 40 percent from the near-record lows of the 1980s. Consequently, when amendments that would threaten the conservation programs of the Farm Bill were introduced, Beattie spoke out strongly against them. Citing the Conservation Reserve Program, Swampbuster, and the Wetlands Reserve Program as among the most effective wildlife conservation programs ever, she urged continuation of these incentive-based, non-regulatory efforts that have conserved millions of acres of wetlands.

The Administration successfully opposed an amendment to the Farm Bill that would have exempted as many as 12 million acres of agricultural wetlands from Swampbuster protection. Administration efforts also blocked a proposal to exempt wetlands smaller than one acre in size from the conservation reserve program. If enacted, this proposal would have left roughly 80 percent of all the potholes in the prairie-pothole region, America's "duck factory," completely unprotected.

Growth & Value of North American Waterfowl Management Plan

The North American Waterfowl Management Plan, begun in 1986 to increase cooperative efforts to protect waterfowl habitat, continued its growth under the Clinton Administration. The Plan was updated in 1994, and its commitment was expanded. Mexico became a signatory to the plan, joining our longstanding partner, Canada. Habitat protection under the Plan increased from 11.1 million acres to 14.7 million acres. When the plan was updated again in 1998, its scope expanded again. The revised plan refined its biological foundations, encouraging a landscape-level approach to conservation and expanding its planning and implementation actions to consider the role of all habitats in bird conservation. The Plan Committee approved implementation of the San Francisco Bay Joint Venture, thus creating the 11th habitat joint venture in the United States. The Plan Committee also endorsed formation of a Sea Duck Joint Venture in the U.S. and Canada to reverse the declining trend of the fifteen species of this group of ducks. Joint venture boundaries under the Plan also expanded to include additional areas of concern not only for waterfowl but also shorebirds, songbirds, and colonial waterbirds. From FY 1993 through FY 2000, Plan activities protected 882,745 acres of land, restored another 450,667 acres, and enhanced 1,607,718 acres of bird habitat. Working with partners, the Plan also secured \$848,378,767 to underwrite these efforts.

The North American Wetlands Conservation Act proved crucial to the success of the plan. During the Clinton Administration, funding from the Act supported 632 grants affecting 5,384,945 acres of land. Non-federal partners more than doubled funding available under the grants program.

Adaptive Harvest Management

To better manage migratory waterfowl, the Service instituted Adaptive Harvest Management in 1995 to help wildlife managers better understand the effects of hunting while providing maximum harvest opportunities consistent with waterfowl populations. An essential feature of the process is a set of alternatives, including framework dates, season lengths, and bag limits, which balance hunting opportunities with efforts to achieve waterfowl populations identified in the North American Waterfowl Management Plan.

To further improve the regulatory process, the Service and the states developed the Harvest Information Program, known informally as HIP, to develop more reliable estimates of the number of all migratory birds harvested throughout the country. HIP is based on a voluntary survey of selected migratory bird hunters in the United States. In simplest terms, the state wildlife agencies collect the name, address, and some additional information from each migratory bird hunter in their state, and send that information to the Service. The Service then randomly selects a sample of those hunters and asks them to detail the kind and number of migratory birds they harvest during the hunting season. Those hunters' reports are then used to develop reliable estimates of the total harvest of all migratory birds throughout the country. These estimates will give biologists the information they need to make sound decisions concerning hunting seasons, bag limits, and population management. All states except Hawaii have participated in this program since the 1998 hunting season.

Urban Conservation Treaty for Migratory Birds

In recognition and support of the crucial role that urban communities play in migratory bird conservation, the Service launched the Urban Conservation Treaty for Migratory Birds program in 1999. This program brings U.S. cities and the Service together to conserve migratory birds through education and habitat improvement. Treaty cities build an action plan that includes work in four focus areas: habitat creation, protection and restoration; education and outreach; reduction of hazards; and management of invasive, exotic or nuisance species. The Service provides challenge funding and technical assistance. The Treaty City develops and implements bird conservation projects and programs, provides matching dollars and in-kind support, and develops additional partnerships. Programming has begun in New Orleans and Chicago. In the fall of 2000, the Service expects to announce a list of cities that will become part of the program over the next two years.

Management of Overabundant Populations

Not all increases in bird populations were welcome. Populations of light geese, for example, were expanding faster than their spring habitat's ability to support them. In the winter of 1998, the Service instituted population control measures, including more liberal hunting regulations, for mid-continent light geese. Designed to halt widening destruction of fragile arctic migratory bird breeding habitat caused by exploding populations of lesser snow and Ross' geese, the measures were implemented on Feb. 16, 1998, but were withdrawn in May of that year after a legal challenge.

In 1999, President Clinton signed legislation reinstating the control measures. As directed by the legislation, the Service notified twenty-four Midwestern and Southern states that they are allowed to take conservation measures in the winter and spring of 2000 aimed at reducing the population of mid-continent light geese. The Service has since begun work on an Environmental Impact Statement that will determine its long-term management strategy for overabundant lesser snow and Ross' geese populations, as well as the rapidly increasing greater snow goose population.

Increasing numbers of double-crested cormorants have raised concerns about impacts on recreational fishing, habitat and other migratory birds. In 1999, the Service began developing a comprehensive national plan for cormorant management. The plan will evaluate the species' status, known and perceived impacts on other resources, and potential management strategies. The plan will consider the administrative, logistical, and socioeconomic impacts of various management strategies.

In 1999, the Service also gave states greater flexibility to cope with expanding populations of resident, or non-migratory, Canada geese in urban and suburban communities. Most Canada goose populations are migratory, wintering in the southern United States and migrating north to summer breeding grounds in the Canadian arctic. Increasing urban and suburban development in the U.S. has resulted in the creation of ideal goose habitat conditions: open, park-like areas of short grass adjacent to small bodies of water.

As a result, growing numbers of locally breeding geese now live year round on golf courses, parks, airports and other public and private property. Resident Canada goose populations enjoy consistently high reproduction and survival rates. In recent years, biologists have documented tremendous increases in populations of Canada geese that nest predominantly within the United States. The Service announced a new rule that will give state wildlife agencies the opportunity to design their own management programs and to control specific populations without having to seek a separate permit from the Service for each action. The new special Canada goose permits will allow states to act as soon as it becomes apparent that resident Canada geese are a problem.

In a longer-term effort, the Service also began to develop a nationwide management strategy for resident Canada geese. The study will explore ways to control and manage increasing populations of resident Canada geese that pose a threat to human health or safety, or that cause damage to personal and public property.

North American Bird Conservation Initiative

Increases in some bird populations, however, were mirrored by decreases in other species of birds. To help address this situation, the Service played a lead role in establishing the North American Bird Conservation Initiative, launched in late 1999. The magnitude and scale of this bird conservation effort is unparalleled. The U.S. steering committee for this continent-wide effort held its first meeting in the fall of 1999, which the Service co-chaired along with the President of the International Association of Fish and Wildlife Agencies. Many of the bird-conservation work plans the Service and its partners put together, from Partners in Flight to the North American Waterfowl Management Plan, are being dove-tailed into this initiative, making possible on-the-ground projects that will provide habitat for all bird species, from the Yucatan to the Arctic.

Protecting What We Have

A Utah-based electric utility company was sentenced in U.S. District Court in Denver at the end of a landmark 1999 case involving the protection of migratory birds in the United States. The U.S. Fish and Wildlife Service, the Colorado Division of Wildlife, and the Utah Division of Wildlife Resources jointly investigated Moon Lake Electric Association, Inc. The utility was fined \$100,000 for illegally killing protected raptors, was placed on probation for three years and ordered to retrofit its utility lines. The fines were restitution for the electrocution of eagles and other raptors that landed on its powerlines and poles in northwest Colorado and eastern Utah. The company unsuccessfully argued to the court that the prohibitions against killing protected birds in the two laws referred only to illegal hunting and did not apply to “unintentional” avian deaths caused by contact with powerlines or other company equipment. The District Court concluded that both the Migratory Bird Treaty Act and Eagle Protection Act provide a basis for prosecuting utility companies and other businesses whose activities harm protected birds.

The Service also launched a major effort in conjunction with the telecommunications industry to protect birds from a growing number of tower collisions. In a first-of-its-kind workshop in August of 1999, the Service brought together experts from across the country to discuss the problem and begin deciding a course of action. This cooperative approach builds on earlier

success in working with the electric utility and wind generation industries to help solve bird collision and electrocution problems.

In addition, the Service led the initiative at the U.N.'s Food and Agriculture Organization (FAO) in getting unanimous approval of an International Plan of Action to Reduce the Incidental Catch of Seabirds in Longline Fisheries. The Service is presently working to extend the territorial jurisdiction of the Migratory Bird Treaty Act to the high seas, which should considerably improve enforcement and management of fisheries and seabirds. The Service successfully negotiated agreements between the U.S. and Japan on shared issues of migratory bird conservation between our two countries.

Habitat & Aquatic Conservation

Invasive species

In February 1999, Secretaries Babbitt and Glickman (Agriculture), and Under Secretary of Commerce James Baker announced President Clinton's Executive Order 13112. This order established a coordinated federal effort to curtail the growing environmental and economic threat posed by invasive plants and animals non-native to the United States. Many scientists believe the spread of invasive exotic species is one of the most serious, yet least known, threats to biodiversity. Invasive animal and plant species have caused billions of dollars worth of damage to crops and rangeland and have caused other problems, such as the clogging of municipal water intakes by zebra mussels.

The U.S. Fish and Wildlife Service played a key role in implementing the President's Executive Order 13112. The Order directs agencies to develop and implement a national invasive species prevention strategy, and to create control plans for the most troublesome of the thousands of non-native plants and animals that already are established in the United States.

That effort dovetails with the work of the Aquatic Nuisance Species Task Force, an intergovernmental organization of seven federal agencies dedicated to preventing and controlling aquatic nuisance species, and co-chaired by the Service. The Task Force, established by the Non-indigenous Aquatic Nuisance Prevention and Control Act of 1990, addresses all new non-indigenous aquatic species activities that are conducted, funded or authorized by the federal government, except those involving intentional introductions. The Task Force program consists of three elements: prevention, detection, and monitoring and control. It is also involved in research, education and technical assistance, and related activities. The Task Force has engaged in efforts to control the zebra mussel, ruffe, brown tree snake and green crab. It has also undertaken biological and ecological studies, ballast water management projects, and other initiatives. For example, the Service is developing prevention and control programs to hinder the introduction of high-risk species and reduce the risk of spreading aquatic nuisance species from one part of the country to another. One such project, the 100th Meridian Initiative, seeks to prevent the spread of zebra mussels to the western U.S.

Invasive species in the United States are inflicting damage now estimated at \$138 billion a year and contribute to the population declines of nearly half of all endangered species. Experts estimate that invasive plants already exist on more than 100 million acres of land and continue to

increase at a rate of 8 to 20 percent a year, consuming an area twice the size of Delaware every 365 days.

President's Executive Order on Recreational Fisheries

Executive Order 12962 on Recreational Fisheries, signed by President Clinton in June 1995, directed federal agencies to work with others to increase recreational fishing opportunities. To help the agencies accomplish that task, it established a National Recreational Fisheries Coordination Council with representatives from the Departments of Interior, Commerce, Agriculture, Energy, Transportation and Defense, along with a member from the Environmental Protection Agency. In addition, the Executive Order expanded the role of the Sport Fishing and Boating Partnership Council to monitor and review federal activities related to recreational fishery resources.

The Service spearheaded two major multi-agency fisheries initiatives, responding to President Clinton's 1995 Executive Order on recreational fishing. The first was the joint Service and National Marine Fisheries Service policy to improve administration of the Endangered Species Act as it relates to recreational fisheries. The new policy ensures consistent and effective administration of the Endangered Species Act while giving full consideration to fish species and habitats important to anglers. The Service also took the lead in developing the Recreational Fishery Resources Conservation Plan outlining strategies that Agriculture, Commerce, Defense, Energy, Interior, and Transportation and the Environmental Protection Agency pursued throughout the Administration to improve recreational fisheries within the context of their programs and responsibilities. The Conservation Plan identified federal contributions to improve water quality, habitats, fishery population management, access, education and outreach, and partnership. The Conservation Plan recognizes that federal agencies have individual and, in some cases, shared responsibilities for the conservation of all aquatic resources within their jurisdictions, including those listed as threatened and endangered.

If a new national public outreach campaign which began gearing up in the summer of 2000 is successful, more Americans will be heading to the water to boat, fish, and develop a commitment to conserving our nation's aquatic resources. The five-year, \$36 million campaign will be administered by the Recreational Boating and Fishing Foundation under a cooperative agreement with the Department of the Interior's U.S. Fish and Wildlife Service. The Sportfishing and Boating Safety Act of 1998 directed the Interior Secretary to develop, in cooperation with the federally chartered Sport Fishing and Boating Partnership Council, a national outreach plan to encourage greater public interest and participation in boating and fishing. The plan also aims to provide more information about recreational boating and angling opportunities, reduce barriers to participation in these activities, and promote conservation and the responsible use of aquatic resources.

Improving Fish Passage/Dam Removals

During his tenure, Secretary Babbitt repeatedly drew attention to the damage to fisheries and aquatic habitats caused by old and unneeded dams. Approximately 75,000 dams that are six feet or higher, and some 2.5 million smaller obstructions now block or impede fish passage in the nation's waterways. Dramatic declines in migratory fish populations are due in great part to the

damming of rivers, which once provided an open passage to the freshwater habitat where these species reproduce. Larvae, juvenile and adult fish are often unable to reach spawning or rearing grounds.

In June 1999, Secretary Babbitt participated in breaching Maine's Edwards Dam, opening seventeen miles of the Kennebec River to nine migratory fish species. For the first time in 160 years, the Atlantic salmon, American shad, blueback herring, striped bass, and rainbow smelt of the Kennebec, as well as other fish, now have free access to their historic habitat. The Service played a major role in the historic 1997 decision by the Federal Energy Regulatory Commission to require removal of the Edwards Dam. The landmark two-to-one decision was the first time the federal government has ordered the destruction of a hydroelectric dam.

Representatives of the U.S. Fish and Wildlife Service were among those from seventeen federal, state, regional and local agencies and three private conservation organizations attending October 1999 ceremonies marking the beginning of the \$1.5 million Little Falls Dam Fishway Project. The project features a notch passage, which will open ten more miles of spawning and nursery habitat for the imperiled American shad.

On December 1, 1999, on the Little River just outside of Goldsboro, North Carolina, the Rains Dam was reduced to rubble when Secretary Babbitt gave the signal to ignite charges carefully set by munitions experts from the U.S. Marines. The dam removal project, a federal/state/private partnership, opened forty-nine miles of suitable spawning and rearing habitat for anadromous alewife, American shad, hickory shad, Atlantic sturgeon, shortnose sturgeon, and striped bass.

These dramatic events were only the foreground to a much broader effort to restore fish passageways to America's streams and rivers. In 2000, the Service budgeted \$900,000 to pump into fish passage projects in seven watersheds in twelve states, removing four dams and other impediments and restoring access to more than 1,000 miles of habitat for fish and other aquatic species. More than seventeen commercial and recreational species such as salmonids, American shad, river herring and sturgeon, as well as four species already on the Endangered Species list will benefit, and the projects also hold the promise of helping to avoid listing other species. In 1999, the program completed restoration projects in fourteen states, including those designed to help the watershed work of more than fifty partners. Some 23,000 acres of riparian, streambank and wetland habitats were restored and 1,000 miles of river were improved or reopened to spawning and rearing habitat. At least fifty species of fish and wildlife benefited, including ten listed fish and freshwater mussels.

National Fish Hatcheries

Given existing budget constraints, the National Fish Hatchery System has been hard pressed to meet its responsibilities to conserve native species, mitigate the adverse impacts federal water projects have on local fisheries, and support Tribal fisheries. As a result, during the 1990s, the National Fish Hatchery System of sixty-six hatcheries, seven technology centers, and nine fish health centers has functioned with operational deficits of \$46 million and amassed a maintenance backlog of \$274 million.

Yet the National Fish Hatchery System has become increasingly more important to conservation in the face of an increasing biological crisis in America's waters. Scientists estimate that in North America, the nation will lose freshwater species at a rate of 3.7 percent per decade throughout the new century, a rate that is five times the extinction rate for land species. The National Fish Hatchery System has an important role to play in restoring America's aquatic ecosystems to good health.

To ready the Hatchery System for this role, the Service, together with its partners, has undertaken a number of internal and external reviews, including a review by the Northwest Power Planning Council, an audit by the General Accounting Office, and a report by the Sport Fishing and Boating Partnership Council.

In July 1997, Congress directed the Northwest Power Planning Council, with the assistance of the Independent Scientific Advisory Board, to conduct a thorough review of all federally funded artificial production programs in the Columbia River Basin. The Council was to recommend a coordinated policy for future operation of artificial production programs, and to provide recommendations for how to obtain such a policy. The Council recommended ten policies to guide use of artificial production.

The General Accounting Office (GAO) completed its audit of the National Fish Hatchery System (NFHS) and released its final report, entitled National Fish Hatcheries: Authority Needed to Better Align Operations with Priorities (GAO/RCED-00-151), in the summer of 2000. The first GAO review, Classification of the Distribution of Fish and Fish Eggs Needs Refinement, issued in October 1999, found that appropriations for operating the National Fish Hatchery System dropped by 15 percent from FY 1992 through 1999. About one-fourth of the positions at federal hatcheries are currently unfilled, and 1998 fish distribution was about 19 percent below 1992 levels. The final GAO report found that:

- Current NFHS hatchery activities are legal, falling within the broad boundaries of the 100+ laws that govern FWS hatchery operations.
- Because of the continuing decline in aquatic species, FWS emphasizes the recovery of threatened or endangered species and the restoration of other native fish to self-sustaining levels.
- Hatchery programs have succeeded in increasing the size of some listed and declining fish populations.
- FWS continues to emphasize mitigation.
- Maintaining existing programs with declining funds has impaired hatchery operations.
- While FWS has successfully obtained reimbursement for mitigation in some cases, in other cases FWS is precluded from obtaining reimbursement or its ability to obtain reimbursement is questionable.

The GAO report also recommended that Congress:

- Provide direction on which programs it wants the hatcheries to emphasize;
- Authorize FWS to open, close, change, move, and consolidate hatcheries to allow more efficient and effective alignment of its operations with Congressionally directed priorities; and
- Provide FWS with clear authority to seek reimbursement from federal water development agencies and/or project beneficiaries for all hatchery operation and maintenance expenses associated with mitigation projects.

The Sportfishing and Boating Partnership Council's Hatchery Steering Committee, composed of diverse stakeholder groups, recommended a significant new course for the hatchery system. The new course focuses on fulfilling mitigation obligations; restoring and maintaining native fisheries; improving recreational fisheries; strengthening cooperation with states, tribes, and other partners; and improving accountability with Congress, NFHS stakeholders and the general public. The use of science-based management principles and practices was a central theme of the steering committee's report.

Partners for Fish & Wildlife

Working with private landowners, who manage the vast majority of the nation's wildlife habitat, is an essential element of habitat protection. The voluntary Partners for Fish and Wildlife Program is a critical element in meeting the nation's habitat protection and restoration goals, and regularly maintains a backlog of more than 2,000 landowners interested in working with the Service to improve habitat on their lands.

Since the program began in 1987, the Service has entered into partnership agreements with more than 21,500 landowners and restored nearly a million acres of wetlands and uplands. During the Clinton Administration, the Partners for Wildlife Program became the Partners for Fish and Wildlife Program. Increasingly, program resources were used to restore aquatic habitats. This not only helped restore native fishes to headwaters areas, it also improved water quality in downstream reaches. The Partners program has restored more than 2,700 miles of instream and riparian habitats and opened more than 581 miles of streams for fish passage.

Wetlands and Coastal Habitat Restoration

The Service issued a Final Policy on the National Wildlife Refuge System and Compensatory Mitigation under the Rivers and Harbors Act and the Clean Water Act in September 1999. The Policy does not allow compensatory wetlands mitigation on refuge lands for water resources development projects permitted by the Army. These lands are already protected and targeted for restoration in accordance with refuge management plans.

The Service is the major producer of digital wetland maps that aid the nation in the stewardship of these precious natural resources. The Department of the Interior and the Service have actively guided development of the digital wetlands layer of the National Spatial Data Infrastructure.

This has been largely accomplished in concert with the Federal Geographic Data Committee, which includes involvement of federal, state, and local governments and the private sector. Secretary Babbitt has actively chaired this Committee, which has representatives from seventeen cabinet and executive level agencies. The Fish and Wildlife Service has chaired the wetlands subcommittee, and is responsible for the coordinated development, use, sharing and dissemination of wetlands data. As a result, digital map data for more than 40 percent of the conterminous United States and 13 percent of Alaska have been added to the wetlands layer of the National Spatial Data Infrastructure. Digital National Wetlands Inventory maps have been completed in cooperation with more than fifty federal, state, and university mapping organizations that have provided data or funding support.

Since 1994, the Service has served digital wetland data over the Internet and more than one million data files have been downloaded by users. To better meet general public demand, the Service implemented a Web-based browser-driven mapper in September 1999. This Wetlands Interactive Mapper has enabled Internet users to produce more than 250,000 custom maps using their desk top computers. In the hands of public and private users, these maps and digital information have been applied to myriad resource management scenarios ranging from project siting and transportation routing, to habitat protection, to locating recreational opportunities.

Alaska

Exxon Valdez Trust Fund

As a result of the devastating 1989 *Exxon Valdez* oil spill in Alaska's Prince William Sound, a trust fund was created to study, monitor and protect wildlife, habitat and other sensitive resources affected by the spill. In 1994, the trustee council for the fund adopted a restoration plan that, in part, was devoted to habitat protection and acquisition. By 1996, \$400 million had been committed to these efforts over a ten-year period, making it the largest habitat restoration program in the United States. Funding has been used to protect over 270,000 acres within the Alaska Maritime, Kenai, and Kodiak National Wildlife Refuges. A portion of the trust fund has been set aside for long-term habitat protection initiatives that may benefit national wildlife refuges.

Migratory Bird Treaty Act Amendments

The United States reached a formal agreement with the Canadian government that will improve the management of birds that migrate between the United States and Canada and permit regulated spring subsistence hunting for the indigenous peoples of Canada and Alaska. The agreement formally implements a protocol amending the 1916 Migratory Bird Convention, an important bilateral treaty for the conservation of migratory birds. The amendments to the Migratory Bird Convention, which were approved by the U.S. Senate in 1997 and the Canadian government in 1995, will allow the United States and Canada to recognize and cooperatively manage subsistence hunts with native peoples. Many indigenous peoples in the far north depend on traditional subsistence hunting for their survival, and such hunting is guaranteed by the Canadian Constitution and protected by established U.S. policy. The Migratory Bird Convention with Canada, signed in 1916, is North America's oldest international wildlife conservation pact.

Arctic National Wildlife Refuge

Oil and gas development and wilderness designation on the coastal plain of the refuge has been discussed continuously since the contentious Alaska lands debate of the 1970s. Section 1002 of the Alaska National Interest Lands Conservation Act (ANILCA) required the preparation of the Arctic Refuge Coastal Plain Resource Assessment, while Section 1003 prohibited leasing or production of oil and gas until authorized by further Act of Congress. Although serious consideration was given to allowing oil and gas drilling and exploration of the 1002 area during the 1980's, similar legislative proposals have been strenuously opposed by the current Administration during the 1990s. In May of 1998, Secretary Babbitt noted that "there are places on the Arctic Coastal Plain that should be forever set aside. The Administration's commitment to protect and preserve the Arctic National Wildlife Refuge has not and will not change."

Subsistence Hunting and Fishing Issues

New regulations expanding federal subsistence fisheries management in Alaska became effective in the early fall of 1999. The regulations govern subsistence fishing on rivers and lakes within and alongside more than 200 million acres of National Park Service lands, National Wildlife Refuges, National Forests, and other federal conservation lands, representing about 60 percent of Alaska's waters.

The new federal subsistence fisheries management program was phased in by spring 2000, when the major subsistence salmon fisheries began. The new regulations resulted from the 1995 *Katie John* decision directing the federal government to expand federal jurisdiction for subsistence fisheries in waters within federal conservation units. A series of Congressional moratoria postponed implementation of the court's decision to allow the State of Alaska more time to craft a solution that complies with ANILCA provisions giving rural residents priority for subsistence uses. In the summer of 2000, the 9th Circuit Court of Appeals advised it would reconsider the *Katie John* ruling.

International Conservation and Law Enforcement

Convention of International Trade in Endangered Species (CITES)

The Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES) is an international treaty aimed at regulating the worldwide trade in threatened and potentially threatened species. It became effective July 1, 1975, with the United States as one of the original ten member countries. Currently more than 150 nations are signatories to CITES, which is administered through the United Nations Environment Programme (UNEP) and headquartered in Geneva, Switzerland. CITES is implemented in the United States under the ESA, with the U.S. Fish and Wildlife Service as the lead agency for this implementation.

In 1994, the United States hosted the 9th Conference of the Parties to CITES in Ft. Lauderdale, Florida. Approximately every two years, CITES member nations meet to review and vote on proposed resolutions and decisions to improve the effectiveness of CITES, and also on proposed amendments to the listings of protected species in the CITES Appendices. This was the first time these member nations had met in the United States since the drafting of the convention.

The 10th Conference of the Parties, held in Harare, Zimbabwe, June 9-20, 1997, included discussions on the relationship between CITES and the International Whaling Commission, as well as the proposed reopening of commercial trade in whales and seas turtles. The most visible and controversial issue, however, concerned the status of African elephants. Three countries (Botswana, Namibia, and Zimbabwe) proposed to downlist their African elephant populations from Appendix I to Appendix II to allow trade in stockpiled ivory to Japan. Party members voted to allow resumption of limited trade in ivory eighteen months after the downlisting took effect, but only to Japan and only if certain conditions were met and approved in advance.

At the 11th Conference of the Parties, held in Gigiri, Kenya, April 10-20, 2000, opposition by Kenya and India on resumption of the ivory trade led to a compromise with the southern African countries, which withdrew their proposals to reopen the trade. This provided additional time to improve methods for monitoring both the status of elephant populations and the poaching and illegal trade in African and Asian elephants. In addition, the conference turned down proposals to downlist some whale populations, including our own grey whale, and listed some vulnerable shark species.

Also raised at the April 2000 conference was the issue of bushmeat. The meat of wild animals is a staple of the diet of forest dwelling peoples in the equatorial forests of west and central Africa. As the population of Africa becomes increasingly urbanized, commercial hunters and traders have moved to meet the demand for bushmeat. The illegal trade in ape meat is the greatest threat facing gorillas, chimpanzees, and bonobos today. A working group was formed to consider ways to stop the killing of these protected primates.

Protecting Sturgeon

Global concern about overharvesting of sturgeon for the caviar trade prompted the member nations of the Convention on International Trade in Endangered Species (CITES) to extend new protections to these fish during the 10th Conference of Parties in 1997. The United States and Germany, two of the world's leading caviar-consuming countries, spearheaded the proposal to impose trade controls on all sturgeon species and Sturgeon Products B, controls that brought the high-volume, high-profit caviar industry under Service regulation and worldwide scrutiny for the first time. The new trade controls required U.S. caviar importers to declare their shipments to the Service and obtain CITES export permits from the country of origin properly identifying the species involved and verifying that trade represented no threat to sturgeon populations in the wild.

Before the controls took effect on April 1, 2000, the Service conducted outreach to educate the industry on the new requirements, developed procedures for dealing with existing caviar stocks, and pioneered a DNA technique for identifying sturgeon species—a forensics capability that would be essential for effective trade monitoring. During the next two years, Service law enforcement staff at major ports of entry inspected more than 200 tons of caviar, intercepting significant quantities of black market roe and breaking up several major smuggling operations. In November 1999, the nation's first federal prosecution upholding global protections for sturgeon produced guilty verdicts against the owner of Gino International, a Connecticut caviar import company, and his business associate. During a seven-month period, the pair had

smuggled more than 21,000 pounds of caviar into New York's John F. Kennedy International Airport using "suitcase" couriers traveling on commercial airline flights from Europe. In July 2000, U.S. Caviar & Caviar, a major American caviar supplier based in Rockville, Maryland, pleaded guilty to 22 federal charges related to caviar smuggling, conspiracy, and fraud. The company's president, business manager, and the owner of a caviar export firm operating out of the United Arab Emirates also pleaded guilty to multiple felonies in the case, which documented profiteering involving more than \$7.5 million worth of Caviar B, one of the largest value wildlife trafficking schemes ever uncovered by the Service.

Rhinos, Tigers, Elephants, Asian Medicinals

Protection of species used in traditional Chinese medicine has been an ongoing issue for CITES since 1994. At that time the United States committed to working with traditional medicine practitioners to advance conservation awareness of the plight of tigers and rhinoceroses, listed in the Chinese *materia medica* as ingredients in medicinal formulas. Since that time, the United States has contributed to increased awareness of these species' conservation needs, both at a national and an international level. Domestically, it has worked with schools of traditional Chinese medicine to provide information on CITES protection for these species. Internationally, the United States, through the U.S. Fish and Wildlife Service, manages a small grants fund established by the Rhinoceros and Tiger Conservation Act of 1994, to support critical conservation efforts in nations whose activities directly affect rhinoceros and tiger populations. An amendment to the Act in 1998 led to prohibition of sale, importation, and exportation of products labeled as containing rhinoceros or tiger parts, whether these products actually contained the species or not. This represented a significant step forward in U.S. efforts to halt domestic trade in these species, particularly in traditional medicine products claiming to contain them.

Panda Policy

Giant pandas also benefited from development of U.S. policy. In December 1993, the United States placed a moratorium on the processing of import permit applications for live giant pandas. There was growing concern that short-term giant panda loans to U.S. facilities might adversely impact dwindling wild panda populations in China. The moratorium was lifted in 1998 with the publication of a giant panda conservation policy. Under the policy, imports are only allowed if the research or breeding efforts of U.S. facilities seeking panda loans are coordinated with Chinese efforts and have direct benefit to pandas in the wild. The main focus of the policy is on funding high-priority conservation projects listed in China's National Project for the Conservation of Giant Pandas and Their Habitat, or their National Survey. Funding of China's breeding plan is also important. Permission to import pandas could be made contingent upon an importing facility's willingness to return panda-associated revenues. The facility holding pandas must use any funds associated with the panda loan (loan money, net profit, fund-raising money) to China, where the funds would support these high-priority projects. The policy is designed to ensure that any panda loan activities requiring a permit from the United States will contribute to the survival and recovery of the wild panda populations.

Coral Reef Conservation

Service law enforcement co-chaired the international trade subgroup of the Presidentially-created U.S. Coral Reef Task Force, directing an interagency effort to analyze U.S. trade data for corals and other reef resources and propose improved trade controls. The group worked to facilitate international cooperation on conserving the world's coral reefs; secured initial Congressional interest in legislative mechanisms for promoting sustainable trade; and conducted liaison with states and territories, industry, trade groups, and conservation organizations that helped increase public awareness of the U.S. role in the trade of coral reef species. Working as part of the North American Wildlife Enforcement Group, the Service took the lead in planning, coordinating, and conducting a November 1999 marine invertebrate identification workshop for U.S., Mexican, and Canadian wildlife law enforcement officers. In August 1999, Service law enforcement also secured the first federal felony conviction for coral smuggling in a Florida case that involved illegal trafficking in corals plundered from reefs in the Philippines.

National Fish & Wildlife Forensics Laboratory

The Clark R. Basin National Fish & Wildlife Forensics Laboratory, which opened its doors in Ashland, Oregon, in 1988 as the first facility of its kind in the world, assumed an increasingly important role in the investigation and prosecution of wildlife crimes. The number of federal, state, and international cases handled by the Service's small cadre of forensic experts more than doubled in the 1990s; in FY 1999, for example, scientists worked on 672 cases, involving the examination of more than 3,300 pieces of evidence. During this period, lab scientists also developed many of the analytical techniques needed to help solve wildlife crimes. By the end of the decade, wildlife forensics had gained global recognition as a new field of science, thanks largely to the Service's pioneering research. Examples include the application of DNA analysis to species identification, including the development of a DNA method for detecting the sturgeon species represented in a tin of caviar; work to pinpoint the contents of traditional Asian medicines, many of which claim to contain endangered species; and the successful use of hemoglobin analysis to identify wildlife species from blood samples.

Federal Aid

Relationships with some Members and staff of the House Resources Committee and some constituent groups became contentious during 1999 and 2000, after the Committee initiated a General Accounting Office (GAO) audit of the Service's Federal Aid program for Sport Fish and Wildlife Restoration. Under this program, federal excise taxes are collected on sporting arms and ammunition, fishing tackle, motorboat fuels and certain other boating equipment. The funds raised are distributed through the Fish and Wildlife Service to State fish and wildlife agencies, and constitute a major source of conservation funding for most states. The programs were enacted in 1937 (for wildlife) and 1950 (for fish) and have been highly successful in restoring fish and wildlife species such as striped bass, white tailed deer, and wild turkey.

GAO found poor management and record-keeping practices in the Service's administration of the Federal Aid program, but did not issue an official report on their findings. The Fish and Wildlife Service disputed some of the findings but took the audit results seriously and initiated a series of administrative reforms, in partnership with state fish and wildlife agencies. Several

contentious Congressional hearings were held on this topic, and some interest groups (National Rifle Association, National Wilderness Institute) charged that the management shortcomings in the Federal Aid division were part of an anti-hunting, anti-gun bias on the part of the Clinton-Gore Administration. Although the Service acknowledged management weaknesses in its Federal Aid division, the hearings served as a platform to air unsubstantiated allegations of illegality and diversion of funds. These allegations were repeated, distributed by several organizations and reported in some news articles. The Wildlife and Sport Fish Restoration Programs Improvement Act of 2000 to reform the Federal Aid program was introduced in early 2000 and passed the House; at this writing the legislation has not been acted upon by the Senate.

Operations from a Landscape Level and Ecosystem Approach

Restructuring of Service Research Function

Shortly after the Administration took office, newly appointed Secretary Babbitt announced a reorganization of the Department of the Interior's biological science programs. This reorganization, which was completed before the end of 1993, separated the Service's research function and combined it with functions from National Park Service to create an independent agency, the National Biological Survey (NBS). A lack of Congressional support for the new agency eventually led to its losing its independent status and being reorganized again as the Biological Resources Division of the U.S. Geological Survey.

Ecosystem Management

In 1993, the Fish and Wildlife Service and other natural resource agencies began adopting a management philosophy known as "ecosystem management." This philosophy emphasized the health of entire ecosystems and encouraged Service personnel to work across traditional program lines, which were organized around species groups or issues such as migratory birds, fisheries, endangered species, and refuges. Organizing the agency to implement this ecosystem approach to conservation proved challenging. In 1994, Service leadership formally adopted the ecosystem approach concept and provided each Service region with the opportunity to organize to implement this approach. In October 1995, all of the regions were directed to adopt a geographic focus at the assistant regional director level, creating positions known informally as GADS (geographic assistant regional directors). These positions managed all issues (migratory birds, refuges, etc) within designated geographic areas in each Region. This was a departure from the previous organization, which had assistant regional directors who managed issues by program for the entire region, so that, for example, all refuge issues in the Region were managed by one individual, and all fisheries issues by another.

A formal evaluation of this management approach by the Ohio Cooperative Fish and Wildlife Research Unit of Ohio State University found that the Service was still in the preliminary stages of adopting this management approach and that many Service employees would prefer a return to a programmatic structure. The Ohio State report recommended a geographic line management approach with programmatic staff support.

Service leadership adopted a modified version of the Ohio State recommendations in the spring of 1998 and created Program Assistant Regional Director, or PARRED, positions while retaining

the GARD positions as well. In the fall of 1999, recommendations from an employees team established to help Service leadership implement the ecosystem approach led to a further organizational review, conducted by a team of deputy regional directors and deputy assistant directors. The results of that review showed that Service employees support the ecosystem approach, but found the GARD/PARRED organization complex, confusing, and cumbersome. To address these shortcomings, Service leadership eliminated the existing GARD and PARRED positions in the regional offices and created Assistant Regional Director positions which are responsible for both program policy and geographic line management. The Service also established a Special Assistant for Ecosystems reporting to each Regional Director to help the agency maintain its landscape-level conservation focus.

During the management restructuring, field-level ecosystems teams, organized around fifty-three major watersheds, continued to function effectively and carried out numerous high-priority, cross-program efforts, such as restoring habitat for threatened scrubjays in Florida.

National Office Reorganization

In conjunction with the 2000 restructuring just discussed, the Director instituted a revised organization in the headquarters office. That change was prompted, in large part, by the massive workload associated with administering the Endangered Species Act and the desire to elevate the status of the National Wildlife Refuge System. The new organization also provided greater focus on migratory bird conservation and Federal Aid to States. (Organization charts are included in the documentary supplement.)

California-Nevada Operations Office

In May 1998, the Service established a new California-Nevada Operations office, headquartered in Sacramento, California, to handle the growth in fish and wildlife issues in those states involving habitat conservation planning, land acquisition priorities and refuge compatibility issues. The nine-person office manages high profile resources issues under an Operations Manager and a Deputy Operations Manager. The office falls under the direction of the Pacific Northwest region. This organizational structure was approved after nearly a year of negotiations with Congress. The Service had first proposed establishing an additional region to handle issues within these rapidly growing states.

National Conservation Training Center

Conservation in America gained a permanent home during the Clinton Administration with the creation and opening in 1997 of the U.S. Fish and Wildlife Service's National Conservation Training Center near Shepherdstown, West Virginia. The \$143 million campus offers more than 250 courses in all aspects of natural resource management; it anchors America's conservation community by providing a site for common learning and consensus-building, as well as a research center for the history of American conservation. President Clinton capitalized on these features when he brought Israeli Prime Minister Ehud Barak and Syrian Foreign Minister Sarouk Al-Sharan to NCTC in January 2000 for continuing negotiations as part of the Middle East peace process.

GPRA and Strategic Planning

Under the Government Performance and Results Act, the Service established four principal mission goals: establish self-sustaining populations of fish and wildlife species; conserve wildlife habitat; promote public use and enjoyment of fish and wildlife resources; and strengthen conservation partnerships. For these mission goals, the Service has developed twelve measurable long-term objectives that it aims to fulfill by 2005. The Service's goals and objectives and the progress realized in achieving those objectives are documented in two strategic plans (1997 and 2000), three annual performance plans (1999, 2000, 2001), and the 1999 annual performance reports.

Using the Internet

Since 1993, the Service has created nearly 25,000 Web pages so the public can access fish and wildlife information via the Internet (Home Page: <www.fws.gov>). In an effort to improve public access to its information, all Service news releases are distributed via listservers as well, and even historic news releases dating back to 1914 have been posted at <news.fws.gov>. The Endangered Species listings, plans, and species profiles are accessible via the Web, as are many of the Service's publications in an online library at <library.fws.gov>.

FWS Leadership: 1993-2000

In 1993, President Clinton named and the Senate confirmed Mollie Beattie of Vermont as Director of the Service. The first woman to head the Service, Beattie came to Washington with an extensive background in state government and resource management. Beattie came to the Service from the Richard A. Snelling Center for Government in Vermont, an institute for public policy and service, where she was executive director.

As a forester by training, and the first woman to hold the Director's spot, Beattie's nomination was initially met with skepticism from some quarters of the conservation community. Prominent groups charged that she did not support such traditional constituencies as hunters and anglers. Beattie faced her critics and won their confidence through her actions.

Beattie's tenure as director was marked by intense national debates over reauthorization of the Endangered Species Act, concerted efforts to open the Arctic National Wildlife Refuge to oil exploration, proposed National Wildlife Refuge System legislation and often contentious Congressional funding issues. Under her guidance, the Service was able to weather these storms and reach many milestones, including taking the first steps to remove the peregrine falcon from the Endangered Species list.

Before stepping down as director, Beattie led an intensive effort to restart the Endangered Species Act listing program that Congress had once placed under moratorium. Amidst widespread publicity, she guided the first post-moratorium listing under the restarted program.

Beattie served as Director of the Service for three years, but resigned in June 1996 because of failing health. After what Secretary Babbitt described as "a valiant one-year struggle," she succumbed to brain cancer shortly after her resignation. Congress designated a large area of

Alaska's Brooks Range in the Arctic National Wildlife Refuge as the Mollie Beattie Wilderness Area in her memory.

Following Beattie's resignation and untimely death, Dr. John G. Rogers, a career Service employee served as acting Director. He had served as Deputy Director since 1995, replacing Richard N. Smith. Rogers served as Acting Director of the Service until the Senate confirmed the President's nomination of Jamie Rappaport Clark, the Service's second woman Director and a career civil servant with the Service, as Director on July 31, 1997.

Prior to being named Director, Clark was the Assistant Director for Ecological Services for the Service, a position she was named to in 1994.

Clark's directorship was marked by the passage of the National Wildlife Refuge System Improvement Act, as well as intense Congressional interest in the Service's Federal Aid program. She was an active participant in reintroducing Mexican wolves into the wilds of Arizona. Her tenure as Director was also highlighted by the formal de-listing of the American peregrine falcon and the Aleutian Canada goose as endangered species, and the formal proposal to remove the bald eagle, the nation's symbol, from the list of endangered species as well. Under her direction, the Service focused on four priority areas: strengthening the ecosystem approach to fish and wildlife conservation, lifting the conservation of migratory birds to a higher level, leading efforts to prevent the introduction and spread of invasive species, and strengthening the National Wildlife Refuge System.

Saving Wild Places and Wildlife for Future Generations

Summarizing the last eight years of activity, Director Clark characterized the "invaluable support" of Secretary Babbitt throughout the Clinton Administration as the "greatest gift the employees of the U.S. Fish and Wildlife Service could receive—the opportunity and encouragement to succeed." The Fish and Wildlife Service is now better situated to fulfill its charge from the American people: to save wild places and wildlife so that these irreplaceable resources can be handed down to future generations. With the policy advances of the past eight years, the Service made great strides in ensuring that our national wildlife refuges are places where Americans can go to learn how wildlife conservation happens. Through its role in administering the Endangered Species Act and other conservation programs, the Service also has encouraged more Americans than ever before to take an active role in conserving the unique ecosystems that define their communities.

NATIONAL PARK SERVICE

During the Clinton Administration, the National Park Service focused on restoring park infrastructure and protecting the natural and cultural treasures preserved in national parks. The NPS budget increased under both Director Roger Kennedy and Director Robert Stanton, while partnerships with other federal agencies and the private sector led to further improvements in resource protection, educational opportunities and business efficiency.

Growth in the NPS Budget

In his first testimony before Congress and in his first budget, Secretary Babbitt pressed for operational increases in the NPS budget. Because of the emphasis placed on it by the Secretary and the Clinton White House, from FY 1993 to FY 2001 the NPS budget grew from \$1.38 billion to over \$2 billion.

Since FY 1997, the National Park Service budget has continued to grow to accommodate pressing operational and infrastructure needs in parks, as well as through partnership programs. Between FY 1997 and the FY 2001 budget proposal, the NPS budget grew overall by \$449 million (28 percent). The single largest appropriation within the NPS budget, operations of the national park system, increased \$206 million (27 percent) during this period. Slightly more than half of this growth is associated with programmatic increases, with the balance linked to fixed costs. Of the programmatic increases, significant growth has occurred for park base operations, which dramatically affects the day-to-day operations of parks. Other significant increases have been in natural resources management for the natural resource challenge (\$33 million), as well as growth in funds appropriated for repair and rehabilitation.

In FY 1999, a five-year maintenance and capital improvement plan was instituted. In FY 2000, NPS received funding for the first time in five years for the state assistance and urban parks programs of the Land and Water Conservation Fund.

Implementing New Legislative Authorities and Mandates

The National Parks Omnibus Management Act of 1998

In 1997 and 1998, Secretary Babbitt and NPS staff worked closely with Sen. Craig Thomas of Wyoming on comprehensive legislation to address National Parks needs. Passage of the 1998 Omnibus Act provided clear direction for the NPS in a variety of management disciplines and strategies.

Implementing Concessions Reforms

The National Parks Omnibus Management Act of 1998 instituted the first legislative reforms of NPS concessions management practices in a generation. In response, NPS developed regulations and guidelines for concessions contracts, commercial use authorization, and the use of franchise

fees. The legislation also allowed the NPS to retain concessions franchise fees in the parks in which they are collected.

The Recreational Fee Demonstration Program

In 1996, at the urging of the Administration and the recreation industry, Congress created the Recreational Fee Demonstration Program to help NPS and other land management agencies deal with increasing visitation, unfunded infrastructure repair, and rising operating costs. The NPS has named 100 demonstration projects, twenty of which are charging recreation fees for the first time. Of the fee revenue collected, 80 percent is retained for use in the park where the fee is collected, with the other 20 percent distributed on a Service-wide basis. Over \$140 million in fees were retained by NPS for use in the parks in 1999.

The Recreational Fee Demonstration Program has been extended through September 30, 2001. The revenue will be available to the NPS through September 30, 2004.

To date, public acceptance of the Recreational Fee Demonstration Program has been high. Surveys indicate that the strong support that visitors give to the new fees are related to the public's strong preference that most or all of fee revenue remain in the park where it is collected, to improve visitor services or protect resources.

Protecting Park Resources

Vanishing Treasures

The Vanishing Treasures program, inaugurated by Director Kennedy, completed high priority and emergency preservation projects, recruited and trained craftspeople, recruited and trained experts such as archeologists, engineers, and exhibit specialists, and provided for management, oversight, and accountability of preservation efforts. Most of the craftspeople hired have traditionally been American Indian or Hispanic employees who live near the parks. Approximately \$2,029,000 has been made available to recruit and train thirty-seven preservation specialists in fifteen parks, and \$1,947,800 has been made available to conduct thirty high-priority preservation projects in eighteen parks.

Defeating the "Parks Closure" Bill

Republicans took control of Congress midway through President Clinton's first term, and with support from the Democratic former chairman of the House parks subcommittee, they advanced legislation directing a reassessment of the criteria and procedures for adding areas to the park system and a reevaluation of existing parks. The "National Park System Reform Act" would have led to recommendations for removing areas from the system, though actual divestiture would have required further Congressional action. Secretary Babbitt, the National Parks Conservation Association, and other opponents characterized it as a park closure bill aimed at dismantling the system. Sensitive to such charges, the House decisively defeated the bill on September 19, 1995, by a vote of 180 to 231.

The Natural Resource Management Challenge

In 1997, historian Richard Sellars published *Preserving Nature in the National Parks*, a comprehensive history in which he traced the clash of values between traditional scenery and tourism management and emerging ecological concepts in the national parks. Sellars argued that for most of the 20th century, NPS had practiced a curious combination of active management and passive acceptance of natural systems and processes, while becoming a superb visitor services agency. The book was widely read in the Service, and prompted the National Leadership Council under Director Stanton to conclude that such a management style would not be sufficient to protect natural resources in the 21st Century.

In 1998 and 1999, NPS developed a plan to revitalize and expand its natural resource programs, strengthen partnerships with the scientific community, and share knowledge with educational institutions and the public. On August 12, 1999, at the ceremony marking the 100th Anniversary of the founding of Mount Rainier National Park, Director Stanton announced a major effort to substantially improve how the NPS manages the natural resources under its care. *The Natural Resource Challenge: The National Park Service's Action Plan for Preserving Natural Resources* addresses the challenges of caring for our country's natural heritage within the complexities of today's modern landscapes.

NPS's FY 2000 budget passed by Congress included \$14 million in increases to implement the Action Plan and subsequent budgets include further increases. These funds will help complete natural resource inventories so that park managers have critical baseline data available for informed decision making. They will increase funding for large-scale preservation projects, restoration of threatened and endangered species and restoration of areas damaged due to human disturbance. Congress appropriated over \$15 million more in FY 2001 to implement the Action Plan.

Saving America's Treasures

The Clinton Administration understood that too many of the historic buildings, sites, monuments, objects and archival documents that tell America's story are deteriorating and are not being preserved and restored because of lack of resources and organized interest. President Clinton proposed a Save America's Treasures initiative in his Fiscal Year 1999 budget to be administered by NPS, and Congress approved \$30 million in federal grants to address the nation's most urgent preservation needs, significant historic sites and collections.

By law, each grant award required a dollar-for-dollar non-federal match. Many states, communities, corporations and foundations—including General Electric and Calvin Klein—supported projects through financial contributions, donations and in-kind services.

Agencies covered within the Interior appropriations bill became eligible to submit urgent federal projects, or apply on behalf of other regional sites or collections that fit the criteria established by the park service. A panel of five experts, representing preservation and conservation disciplines from non-competing federal agencies, reviewed the applications and made recommendations for funding to Secretary Babbitt, who then consulted with the House and Senate Committees on Appropriations and the White House Millennium Council.

On May 19, 1999, First Lady Hillary Rodham Clinton, honorary chairman of the White House Millennium Council, joined by Secretary Babbitt and Director Stanton, announced the recipients of the first round of Historic Preservation Fund Grants to “Save America’s Treasures.”

Grants were awarded to twelve federal agencies for sixty-two projects in twenty-four states, the District of Columbia and the Midway Islands. The projects included preservation or restoration work on the Thomas Jefferson papers at the Massachusetts Historical Society, Frank Lloyd Wright’s Taliesin in Wisconsin, the historic Vail Ranch House in Arizona, Ebenezer Baptist Church—Martin Luther King, Jr. National Historic Site—in Georgia, the National Film Preservation Foundation’s “Saving the Silents” project, and ancient cliff dwellings of Mesa Verde National Park in Colorado.

In July 2000, the President announced another round of Save America’s Treasures grants for projects at sites including Valley Forge, Pennsylvania, Central High School in Little Rock, Arkansas, Ellis Island in New Jersey, and the USS Missouri anchored off Hawaii.

As part of the ongoing Administration effort to bring attention to America’s national treasures and ensure their survival into the next century, Director Stanton joined Mrs. Clinton in three “Save America’s Treasures” tours of America’s national treasures. Together they toured cultural sites in Massachusetts, New York, New Jersey and the American Southwest.

Reducing Impacts to Park Resources

Overflights

Air tour operations over units of the National Park Service drastically increased in the two decades prior to the Clinton Administration. In 1993, an interagency working group was formed to explore ways to limit or reduce the impacts from overflights on national parks, especially the Grand Canyon, and to decide what measures could and should be taken to conserve natural quiet while providing airspace access over national park units.

In response to the working group’s recommendations, President Clinton issued a Memorandum for the Heads of Executive Departments and Agencies (61 FR 18229, April 25, 1996) to address the impacts of transportation on the visitor experience in National Parks. The President directed the Secretary of Transportation, in consultation with the heads of relevant departments and agencies, to issue “A notice of proposed rulemaking for management of sightseeing aircraft in National Parks.”

The National Parks Overflights Working Group was established in May of 1997 to respond to the Presidential memo, and in November 1997, they submitted its findings as a recommended rule.

The National Parks Air Tour Management Act of 2000 mandated that each park affected by air tour operations develop an Air Tour Management Plan (ATMP) in cooperation with the Federal Aviation Administration (FAA). Because the FAA is responsible for the safety and regulation of

the airspace, it was designated the lead agency in the ATMP process. The National Park Service convened the first meeting on ATMPs in August of 2000.

Also in 2000, the NPS established a central office to handle all ATMPs for the NPS units. The FAA, in turn, has identified counterpart FAA units to work on ATMPs with the NPS office.

Personal Watercraft

During the Clinton Administration, NPS sought to restrict use of personal watercraft in some park units and ban them in others.

In the 1980s and 1990s, the use of personal watercraft (PWC) dramatically increased in units of the National Park Service and elsewhere. Also known as jet skis, waverunners, wavejammers, wetjets, sea-doods, wet bikes and surf jets, PWCs are high performance vessels designed for speed and maneuverability, and are often used to perform stunt-like maneuvers. Over 1.2 million PWCs are in use in the U.S. in 2000, with sales growing annually.

The solitude and natural quiet enjoyed by visitors to America's pristine rivers and secluded lakes have traditionally been protected by Park Service policies limiting the number of boat launches and the number of users allowed on remote, unspoiled waterways. Shallow-drafted PWCs are able to navigate waterways not formerly open to motorized watercraft, and their launch is difficult to monitor. PWC users tend to travel in groups, and their movements are characterized by repeated acceleration and deceleration. The resulting pattern of noise, along with PWC's distinctive engine whine, is particularly disturbing to other visitors and to wildlife.

There are also safety concerns when high-speed PWCs are operated in river corridors frequented by slow moving canoes and rafts. While PWCs make up less than 10 percent of the registered vessels in the United States, they are involved in approximately one third of all boating accidents. Operator inexperience, excessive speed, and alcohol use are factors in many PWC accidents.

PWCs release pollutants harmful to aquatic vegetation and wildlife. Nearly all PWCs in use today are powered by two-stroke engines that lose about 30 percent of their unburned fuel-and-oil mix directly into the water. Tougher EPA regulations effected in 1999 call for a gradual phasing out of two-stroke engines, with a total ban imposed by the year 2008.

On April 20, 2000 the NPS rule on PWC use (36 CFR 3.24) became final. This rule prohibits PWC use in all units of the system unless a site-specific rulemaking is carried out. The service-wide rule provides for a two-year grace period during which twenty-one NPS units will continue to allow PWC use on an interim basis while new PWC management plans and rules are being formulated.

Snowmobiles

In January 1999, The Blue Water Network and several other environmental organizations petitioned the NPS to ban snowmobiles in the National Parks. The petition heightened NPS

awareness of the need to re-evaluate its policy of allowing snowmobile use in the parks, and to apply NPS policies consistently throughout the National Park System.

The NPS agreed, in effect, that it was not in compliance with its own long-standing policies, nor with Executive Orders regulating snowmobile use. Recent advances in snowmobile technology have greatly expanded snowmobile performance capacities, and their use in national parks has increased correspondingly. The NPS had not accurately tracked this increase, and, as a result, had not recognized the growing and increasingly deleterious impacts of snowmobile use on the air quality, wildlife, natural resources, natural quiet, visitor safety, and visitor experience of non-snowmobile users.

In 2000, Assistant Secretary Don Barry made curtailing snowmobile use in parks a priority. Until that time, forty-three National Park areas had allowed recreational snowmobile use. NPS is amending its service-wide regulation (36 CFR 2.18) to reflect new criteria for snowmobile use. Subsequently, park specific regulations will also be rewritten to be in compliance with the new service-wide regulation.

Protecting and Restoring Park Resources

Yellowstone National Park: 1993-2000

The Clinton Administration pursued a variety of strategies to protect the resources at national parks. Some of its most important successes benefited Yellowstone National Park.

New World Mine

In the early 1990s, Crown Butte Mines, Inc., proposed the New World Mining Project, an underground gold, copper, and silver mining complex, to be located less than three miles from the northeast corner of Yellowstone National Park. The mine would have operated year-round at elevations from 8,000 to 10,000 feet, at the headwaters of three drainages: the Clark's Fork of the Yellowstone River (Wyoming's only Wild and Scenic River), the Stillwater River (which flows into the Absaroka-Beartooth Wilderness), and Miller Creek, a tributary of Soda Butte Creek which flows into Yellowstone Park. NPS was greatly concerned about the potential for degradation of Yellowstone's surface and groundwater quality. Other concerns included changes in the quantity of water flowing into the park; increased occupation and disturbance of grizzly bear and other wildlife habitat; loss of scenic and recreational values in and adjacent to YNP; noise intrusion; deterioration of air quality—including the degradation of scenic vistas leading to and from YNP; socioeconomic changes to the nearby communities of Silver Gate and Cooke City; and the cumulative effect on what is presently the least-visited entrance of the park

The Clinton Administration negotiated with Crown Butte Mines to remove these threats, and on August 12, 1996, President Clinton, during a ceremony near Barronette Peak in YNP, signed an agreement with Crown Butte Mines to halt the permitting process for the New World Mine. Under the agreement, Crown Butte turned over all of its properties and mineral claims at the New World Mine area to the Government in exchange for public properties worth \$65 million.

Crown Butte agreed to place \$22.5 million of the \$65 million into an escrow account to cover the costs of cleaning up the site and restoring any damage to natural resources. They were also responsible for cleaning up environmental damage caused by historic mining activity dating back more than 100 years, most of which occurred before the company took ownership.

Wolf Reintroduction

In 1991, Congress directed the U.S. Fish and Wildlife Service to prepare an EIS on reintroduction of gray wolves to Yellowstone and central Idaho. A draft EIS was released to the public for review and comment and received over 160,000 comments, the largest number of comments on any federal proposal ever received. Over 130 open houses and hearings were held throughout the process. A final decision was approved by Secretary Babbitt in 1994. The U.S. Fish and Wildlife Service prepared special regulations outlining how wolves would be managed as a nonessential experimental population under section 10(j) of the Endangered Species Act, and these regulations took effect in November 1994.

Reintroduction of wolves began in the winter of 1994-95 and was scheduled to continue for three to five consecutive years until a wild population was established to full recovery. A recovered population is defined as a minimum of ten pairs of wolves that have successfully bred for three successive years in each of the recovery areas—Yellowstone, central Idaho, and northwestern Montana. In 1995, fourteen wolves were released into Yellowstone National Park; two packs produced a total of nine pups.

During his first visit to Yellowstone National Park on August 25, 1995, President Bill Clinton hiked up to the Rose Creek pen in the northeast corner of the park to assist park staff with feeding the animals. He then held a brief, informal meeting with conservation organization representatives where he discussed his concerns about and support for conservation issues.

In 1996, seventeen more wolves were released; four packs produced a total of fourteen pups. Because more pups were born, survival was higher, and livestock depredations were lower than expected, further reintroductions were unnecessary. Currently, there are approximately 115-120 free-ranging wolves in at least twelve packs, not including pups born in 2000.

Because the program has been so successful, the states of Wyoming, Montana and Idaho can prepare to de-list the wolf by creating wolf management programs for the Greater Yellowstone Ecosystem (GYE). Such specific programs must be in place for the GYE to assure that wolves will be successful beyond Park boundaries.

Bison

Management of bison is a critical protection issue at Yellowstone. Because some bison in Yellowstone National Park are infected with brucellosis, ranchers in Montana fear that in the winter when bison migrate north and west across park borders, they will infect livestock, though there have been no proven cases of this occurring in the wild. Brucellosis can cause cattle to abort and so is strictly controlled by state veterinarians and the USDA Animal Plant Health Inspection Service. The mere presence of brucellosis in the region can lead to restrictions on interstate shipment and sale of cattle and economically devastate cattle owners.

In 1990, the State of Montana, the U.S. Forest Service (USFS), and the NPS entered into an agreement to develop a long-term management plan and an Environmental Impact Statement (EIS) for managing bison migrating from the park into Montana. Interim plans and accompanying Environmental Assessments were developed and implemented through the years, but a final EIS was never completed.

In 1995, the state of Montana sued the NPS and the USDA Animal Plant Health Inspection Service (APHIS) over bison management and threats to Montana's brucellosis-free status. A settlement agreement to the lawsuit resulted in an interim bison management plan that called for construction of capture facilities inside and outside the park, capture and shipment to slaughter of all bison exiting the north park boundary at Reese Creek, and capture and serological testing of all bison exiting the west boundary. Bison from the west boundary testing positive, as well as all pregnant females, were shipped to slaughter. Non-pregnant bison testing negative were allowed to roam freely on designated public lands in the west boundary area.

During the severe winter of 1996-97, the interim plan resulted in approximately 1,100 bison being killed, reducing the largest wild, free-ranging bison population by over 30 percent to about 2,000 animals. The winter slaughter of Yellowstone bison created a firestorm of publicity and protest. Secretary Babbitt and the NPS worked throughout the second Clinton term to find a solution and prevent recurrence of the conflicts between state, federal and local interests.

The resulting final EIS, completed in late 2000, is designed to maintain the Yellowstone herd as the largest wild, free-ranging population in the U.S. and address the risk of brucellosis transmission. Employing a number of techniques within an adaptive management framework, it envisions tolerating some bison on public lands during winter, limiting the spring bison population to 3,000 animals, vaccination of bison, vaccination of cattle, and additional monitoring of cattle in specific areas near Yellowstone. A Record of Decision was finalized by December 2000.

Bioprospecting

An estimated twenty-one national parks have geothermal resources. Yellowstone is the undisputed hotbed of bioprospecting activity because of microorganisms found in geothermal water and soil. In the past several decades, organisms discovered at Yellowstone have led to at least thirteen proven or potential beneficial uses by biotechnologists. The best known of these applications is the case of *Taq* polymerase, the essential component of DNA fingerprinting, which has revolutionized biology and medicine, and earned hundreds of millions of dollars for its patent-holder. The crucial, heat-stable enzyme used in DNA replication process was extracted from *Thermus aquaticus* Yellowstone type-1 (*Taq* YT-1) an organism discovered in the park's Mushroom Pool. There are about twenty bioprospecting scientists currently working in Yellowstone.

Scientists work in parks through access granted under scientific collecting permit regulations. Interior/NPS has the legal authority to permit access for scientific research pursuant to the NPS Organic Act and related regulations. "Benefits-sharing" or compensation is due the taxpayer or the park when a successful discovery results from research on park specimens, but before 1997

the parks received no compensation from research results. The absence of any “benefits-sharing” provisions in existing research permits prevented the parks from maximizing the potential conservation incentives and financial support associated with bioprospecting.

Under the authority of the Federal Technology Transfer Act, the NPS implemented the first national park benefit-sharing agreement at Yellowstone in August of 1997. Congress then confirmed the parks’ authority to implement benefit-sharing agreements with the research community in the National Parks Omnibus Management Act of 1998. Vice President Gore signed the first agreement during his official trip to Yellowstone in 1997, when he spoke at the 125th anniversary event at Mammoth Hot Springs honoring supporters of Yellowstone. The park is spearheading the effort to do an EIS that would provide a foundation for additional agreements.

Winter Use

Since the completion of the Winter Use Plan in 1990, winter use and visitation has increased significantly beyond projections. In response to this increase, NPS and Forest Service staff began work on a coordinated interagency report on Winter Visitor Use Management in 1994.

In the meantime, in the spring of 1997, the Fund for Animals and other organizations and individuals filed a lawsuit against the NPS over winter use issues. Under the terms of the November 1997, settlement agreement, the NPS agreed to prepare a new winter use plan and corresponding EIS by September 2000. The interagency staff eventually produced a final report, *Winter Visitor Use Management: A Multi-Agency Assessment* (1999), which identified a number of concerns and issues regarding winter use in the greater Yellowstone area.

A final EIS was published for public comment and a Record of Decision was signed in November 2000.

The plan calls for the eventual ban of snowmobiles in Yellowstone and their use in Grand Teton National Park only on crossing routes to access other lands open to snowmobile use. The plan recommends transferring all winter visitors to mass transportation (snowcoaches) once they enter the parks. A three-year implementation would commence in the 2000-01 season, with full implementation of the plan by the winter of 2003-04.

125th Anniversary (1997)

In 1997, NPS commemorated and celebrated the Yellowstone’s 125th anniversary with a series of events to celebrate the origins and evolution of the national park idea, an idea which originated with Yellowstone National Park and has spread around the world.

The Yellowstone Park Post Office held a commemorative stamp cancellation event in March. On July 5, Garrison Keillor led a live broadcast of *Prairie Home Companion* from Old Faithful. A program honoring “protectors” of Yellowstone was held at Mammoth Hot Springs led by Vice President Gore on August 17. On August 25, an event was held at Old Faithful honoring the “best idea America ever had—Yellowstone National Park”. The National Gallery of Art in

Washington, D.C. exhibited works featuring Yellowstone features by artist Thomas Moran from September 1997-August 1998 in several venues.

Royal Teton Ranch Land Conservation Project

The 12,000-acre Royal Teton Ranch (RTR) is located north of Yellowstone National Park on the Gallatin National Forest in Montana. The RTR lands provide critical wildlife migration and winter range habitat for a multitude of species, including mule deer, elk, bighorn sheep, antelope and bison. The lands also provide essential habitat for the grizzly bear and the Yellowstone Cutthroat trout. In 1997, the Forest Service and the Rocky Mountain Elk Foundation (RMEF) developed a multi-component agreement with the RTR landowner—Church Universal & Triumphant, Inc.—that included direct purchase of lands and conservation easements, a small land exchange, acquisition of all of the Church’s geothermal interests, and a long-term right of first refusal to purchase all remaining RTR lands.

Overall, approximately 7,782 acres were permanently protected. The first portion of the acquisition consisted of 3,107 acres and was completed between June 1998 and February 1999. The second phase of the acquisition consisted of 3,663 acres and was completed on August 30, 1999. The Forest Service and Interior each contributed \$6.5 million of Land and Water Conservation Fund monies.

In February 1999, the Church also granted a long-term right of first refusal to the Elk Foundation and the Forest Service for potential purchase of an additional 6,000 acres west of the Yellowstone River.

Everglades Restoration

This initiative, of enormous consequence to Everglades National Park and other units managed by the Department of the Interior, is covered in several sections of the narrative. The NPS section offers a history of key milestones.

A SHORT HISTORY OF THE EVERGLADES ECOSYSTEM RESTORATION

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| 1993 | Clinton Administration establishes South Florida Ecosystem Restoration Task Force to coordinate federal agency ecosystem restoration efforts. |
| 1994 | Governor Chiles establishes Commission for a Sustainable South Florida to make recommendations for achieving a healthy ecosystem in coexistence with and supportive of a sustainable economy and quality communities. |
| 1996 | Water Resources Development Act authorizes the Central and Southern Florida Project Comprehensive Review Study; expands the South Florida Ecosystem Restoration Task Force to include state, local and tribal governments. |
| | Farm Bill appropriates \$200 million to acquire keys lands for restoration. |

Interior completes a land exchange with the Collier Corporation in southwest Florida. Interior trades land in downtown Phoenix for multiple tracts of South Florida land owned by the corporation. Over 100,000 acres are added to Big Cypress National Preserve, Florida Panther National Wildlife Refuge and Ten Thousand Islands National Wildlife Refuge.

Interior acquires an additional 40,000 acres within the East Coast Buffer/Water Preserve areas and Southern Golden Gate Estates area. Funding is provided for construction of a melaleuca quarantine and research facility to facilitate eradication of this invasive exotic.

1997-2000 Interior Appropriations Acts provide for land acquisition by the National Park Service and the Fish and Wildlife Service for restoration.

Clinton Administration acquires 500,000 acres for restoration.

The federal government purchases 16,000 acres along the eastern edge of the Everglades to connect marshlands, reservoirs, and aquifer recharge basins to help meet future water supply needs for the environment, urban areas and agriculture.

1999 Clinton Administration purchases and exchanges 51,000 acres from the Talisman Sugar Corporation in the Everglades Agricultural Area.

Interior issues the largest and most comprehensive multi-species recovery plan in the Nation, a blueprint for the recovery of 68 species now listed as threatened or endangered. Among the plan's long-term goals are de-listing seventeen species including the Loggerhead sea turtle. The Plan assists local communities and private landowners in development of Habitat Conservation Plans.

Comprehensive Everglades Restoration Plan is submitted to Congress, outlining 68 projects to modify the water delivery system and improve the quantity, quality, timing and distribution of water to the natural system. The estimated cost of \$7.8 billion to be shared 50-50 by the federal government and the state.

Water Resources Development Act extends critical restoration project authority until 2003; authorizes two pilot infrastructure projects.

2000 The State of Florida provides \$2 billion in funding for ten years to implement the Comprehensive Everglades Restoration Plan.

Clinton Administration provides funds to help the State of Florida acquire 9,000 acres in the Caloosahatchee River basin known as Berry Grove to be part of a 20,000-acre reservoir that will capture excess water from the Caloosahatchee River and Lake Okeechobee

Administration completes outcome-oriented strategic plan to coordinate federal and non-federal activities necessary to accomplish the three ecosystem goals: (1)

get the water right; (2) restore, preserve, and protect natural habitats and species; (3) foster compatibility of the built and natural systems

Everglades National Park completes land acquisition of 120,000 acres in East Everglades, an area essential to restoring the natural hydrologic conditions in Shark River Slough drainage.

Water Resources Development Act legislation authorizes the Comprehensive Everglades Restoration Plan including the first ten construction projects and four pilot projects at a cost of \$1.4 billion.

2003 Kissimmee River Restoration to be completed. This project will restore forty miles of river and floodplain ecosystem home to approximately 320 fish and wildlife species.

The California Desert

Provisions of the California Desert Protection Act of October 31, 1994 (Public Law No. 103-433) contributed to the growth of the National Park System as well as to preservation of significant areas of the desert region in eastern California. As a result of the California Desert Protection Act, Death Valley National Park currently has a total land acreage of 3,367,627.68, approximately twice the size of the Delaware, making it the largest national park unit in the contiguous United States.

Under Title III, Death Valley National Monument was re-designated a national park and NPS acquired jurisdiction over more than 1.2 million acres of additional lands formerly administered by the Bureau of Land Management. Title IV re-designated Joshua Tree National Monument as a national park and added some 234,000 acres to the park. Title V established the Mojave National Preserve, consisting of 1,553,815.65 acres. Title VI designated significant portions of these three National Park Service units as components of the National Wilderness Preservation System: approximately 3,158,000 acres in Death Valley; nearly 700,000 acres in Mojave, and more than 131,000 additional acres in Joshua Tree.

The California Desert Protection Act also designated approximately four million acres as sixty-nine Wilderness Areas to be managed by the Bureau of Land Management. Much of the land protected by the Act is habitat for threatened and endangered species native to the California desert, including the California desert tortoise, the Mojave ground squirrel, and the flat tailed horn lizard. The passage of the Act, the largest land use action in the lower forty-eight states in U.S. history, significantly changed the management and regulatory prescriptions for most of the federal lands in the desert.

Gettysburg

by Superintendent John Latschar

Under the leadership of President Clinton and Secretary Babbitt, Gettysburg National Military Park (NMP) has dramatically improved the preservation of critical park resources and enhanced the public's understanding of the significant events that occurred there and their impact upon the development of our nation.

Partnerships

From the beginning, Secretary Babbitt encouraged the National Park Service (NPS) to seek partnerships with the private sector in order to solve the myriad problems facing national parks, problems that could not be solved exclusively through Congressional appropriations or federal agencies acting in isolation. At Gettysburg NMP, this challenge—this opportunity—was seized upon with vigor. The park has built its volunteer program from virtually nothing into a critical component of its current success. In 1999, for example, over 3,400 volunteers contributed over 50,000 hours of labor to the park, in activities as varied as providing “living history” encampments for visitors, participating in the “Adopt-A-Position” battlefield maintenance program, and signing up for the “Park Watch” protection program. If translated into the equivalent of federal personnel or dollars, this volunteer program has provided the park with the equivalent of twenty-four additional full-time employees with a value of \$659,000 per year.

The park accepted the partnership challenge with equal energy when it came to raising funds to supplement Congressional appropriations. In 1993, donations from the Gettysburg Friends group amounted to \$34,000, donation returns from the park's cooperating association were \$280,000, and donations from the general public were negligible. In 1999, by contrast, the Friends group provided donations and services worth just over \$1 million, cooperating association returns exceeded \$570,000, and general donations from the public had grown to almost \$70,000—in total, an increase of 477 percent in donated funds.

The park's proudest partnership accomplishment came via its new General Management Plan, which received the personal support and endorsement of Secretary Babbitt. In order to achieve long-standing goals such as adequate preservation of the park's museum and archival collections, preservation of the Cyclorama Painting, rehabilitation of the historical landscapes of the battlefield, and to provide park visitors with a basic understanding of the significance of the Battle of Gettysburg, the NPS formed a partnership with the non-profit Gettysburg National Battlefield Museum Foundation. Under the terms of this partnership, the Foundation is responsible for raising the \$39 million for the design and construction of a new visitor center and museum complex, and for the removal of the park's current visitor facilities and restoration of their site to its historic appearance. The Foundation will operate the new facilities on behalf of-and at no cost to-the NPS for a period of twenty years, then donate the facilities to the NPS. Gettysburg NMP was indescribably pleased and honored that the “1999 Department of the Interior Accomplishments” report included the “Restoration of Gettysburg National Military Park” as its # 3 accomplishment.

Resource Management

Though there have been great strides in the preservation of park resources throughout this Administration, three initiatives stand out. In 1995, the NPS released a White-Tailed Deer Management Plan and Environmental Impact Statement to determine the best means of controlling the over-population of white-tailed deer on the battlefield. The numbers of deer at the battlefield exceeded the scientific “carrying capacity” of the ecosystem by over ten-fold, and deer browsing was making it impossible for the NPS to maintain and preserve the historic battlefield crop-fields and wood-lots. Although the plan was challenged in federal court, the validity and legality of managing NPS wildlife populations was upheld by both the District Court and Circuit Court of Appeals. Consequently, the deer density at Gettysburg NMP has now been reduced to merely twice the ecosystem carrying capacity, and final success at controlling the density of the deer population is within sight.

Another dramatic example of the Administration’s dedication to restoring the battlefield landscapes occurred on July 3, 2000, when Secretary Babbitt presided at public ceremonies for demolition of the so-called “Gettysburg National Tower,” a privately-owned tourist facility which had long dominated the battlefield landscape. This was, literally, a Secretarial initiative, for Mr. Babbitt had pledged a year earlier to remove the tower “on his watch.” It was symbolic of his commitment to resource preservation throughout the national park system.

The Park Service is starting to make real progress in acquisition of privately owned lands within the park boundary. After years of small or non-existent appropriations for land acquisition, Gettysburg NMP has received \$1-2 million per year for the past five years. This has enabled the park to acquire, preserve, and interpret almost a dozen critical tracts of land, which otherwise would have been vulnerable to incompatible development. Fortunately, through the combined efforts of the Friends group, the Conservation Fund, and the Civil War Preservation Trust, non-NPS organizations have acquired and protected even more land. There is still more land left to acquire, and the cost of land and development pressures in this part of the U.S. are escalating. The President’s Land Legacy program, recently funded by Congress, will be a giant step towards ensuring that these precious lands are preserved for the enjoyment of future generations.

Interpretation

This Administration has given consistent policy and moral support to the NPS efforts to interpret its historic sites to the American public “within context” of the times in which historical events occurred. Specifically, the NPS is moving slowly but surely towards interpreting the “causes and consequences” of the Civil War at its Civil War sites, an initiative which has caused a certain degree of concern among some of NPS’s Civil War constituencies. It has also captured a certain amount of media attention during these days of public debates over whether it is appropriate or not to display the Confederate battle flag at public institutions. Again, in a symbolic but very public gesture, the Secretary took the time to personally open the NPS’s symposium at Ford’s Theatre National Historic Site in May 2000. That symposium, entitled “Rally on the High Ground,” was dedicated to strengthening NPS interpretation of the Civil War era.

Elwha River Ecosystem

In October 1992, the Elwha River Ecosystem and Fisheries Restoration Act (Public Law 102-495) was signed by President Bush. Known simply as the “Elwha Act”, this law authorized the Secretary of the Interior to acquire the Elwha and Glines Canyon dams on the Elwha River in Washington State, and to fully restore the river’s ecosystem and native anadromous fisheries. “Anadromous” fish—such as salmon and shad—are so called because they swim upstream, from salt to fresh water, in order to spawn. Soon after taking office, Secretary Babbitt made restoration of the Elwha River ecosystem a priority.

In May 1994, the Elwha Report was transmitted to Congress, in accordance with the Elwha Act. The report concluded that to meet the Act’s goal of full restoration of the Elwha River ecosystem and fisheries, both dams should be removed.

The Department of the Interior, led by NPS, developed two environmental impact statements (EIS) to fully analyze the impacts and costs of removing the two dams. The final version of EIS-1 was released in June 1995, and recommended the removal of both dams. The final version of EIS-2, released in November 1996, recommended allowing the accumulated sediments to naturally erode downstream following dam removal. Identification of water quality mitigation, flood control and other measures were included, as well as revegetation and fish restoration plans. The overall cost of the restoration project, including the dams’ acquisition cost of \$29.5 million, and the costs of water quality and flood protection, revegetation, and fish restoration, was estimated at \$113 million (April 1995 dollars).

In response to rising concern about the Elwha project’s possible effects on Washington state residents, an ad hoc citizens’ advisory group, the Elwha Citizens’ Advisory Committee (ECAC) was named. Their goal was to study and offer recommendations to resolve the controversy surrounding Elwha River restoration. Comprised of Clallam County residents and representing a wide range of interests and positions, this group had a broad range of views about the wisdom and feasibility of fisheries restoration and dam removal. On March 7, 1996 the ECAC held a town meeting, gathering community input to help form a locally developed solution. On April 30, 1996, the ECAC advanced their conclusions, together with six recommendations. Among other things, the group recommended a phased approach to restoration, including immediate federal acquisition of the projects, timely removal of the Elwha dam, and a waiting period to assess funding availability and restoration success prior to removal/modification of the Glines dam.

Secretary of the Interior Bruce Babbitt made his first visit to the Elwha River in 1997. During an informal press conference at the Glines Canyon dam, Secretary Babbitt emphasized that the key to securing funding for Elwha restoration was finding consensus among state officials, the Washington Congressional delegation and especially Senator Slade Gorton, who chaired the Senate Interior appropriations subcommittee. The Secretary characterized the purpose of his visit as not only a chance to see the area for himself, but also an attempt to “facilitate a larger consensus on how we might manage the river.”

Washington Senator Slade Gorton stated his support for the acquisition of both hydroelectric projects and removal of the Elwha Dam in 1998, provided that several other provisions are met. The fate of the Glines Canyon Dam would be decided following removal of the Elwha Dam.

In 1999, the Elwha River chinook salmon (March) and bull trout (November) were listed as threatened species under the Endangered Species Act.

A total of \$22 million was appropriated in the FY 2000 budget for Elwha Restoration. These funds will be used for final project design and for water quality protection measures and fisheries restoration.

The first meeting with Elwha water user groups-City of Port Angeles, Dry Creek Water Association, Elwha Place Homeowners Association and the Lower Elwha Klallam Tribe-was held in November 1999 to discuss measures necessary to protect them from the “possible adverse impacts of dam removal” (Elwha Act Section 4).

The release of the Environmental Assessment prerequisite to the development of an Interim Management Plan for administering the 1,061 acres surrounding the Elwha dam and Lake Aldwell was released in January 2000. Very few changes to the current type and level of management of these lands were proposed, and the State of Washington and Clallam County will retain existing jurisdiction during the interim period. Public use and access to these lands remains essentially unchanged. The National Park Service will serve as interim land manager for Lake Aldwell and the land associated with Elwha dam until a long-term manager is selected.

On February 11, 2000, Secretary Babbitt chaired a ceremony attended by Congressmen Norm Dicks and Jay Inslee at Glines Canyon Dam in recognition of the pending federal purchase of the two Elwha River dams and hydroelectric projects. Secretary Babbitt and representatives of Fort James, Daishowa America, and the Lower Elwha Klallam Tribe signed a commemorative declaration acknowledging “the many entities and individuals” working to make Elwha restoration a reality.

Capping a full year of negotiations, and paving the way for dam removal, ownership of the two Elwha River dams was transferred from private to public ownership on February 29, 2000. The \$29.5 million purchase price for the two dams, set by Congress in the Elwha Act of 1993, was paid to the former owners and operators, the Fort James Paper Company and Daishowa America, Inc. Final design work and instituting water quality protection measures will take three to four years, then dam removal can begin.

On March 1, 2000, federal operation of the Elwha and Glines Canyon hydroelectric projects began. Though under National Park Service (NPS) jurisdiction, the two dams will continue to produce power, pending further review. They are being operated for the NPS by the Bureau of Reclamation. Power generated by the dams is now part of the regional power grid under the marketing authority of the Bonneville Power Administration (BPA). BPA is paying the operations and maintenance (O&M) costs of the projects and donating the margin (revenue after deduction of O&M costs) from the sale of Elwha-generated power to the National Park Foundation (NPF) to invest in the restoration project. As stipulated by the Elwha Act, Daishowa America is guaranteed replacement power through BPA.

In September 2000, the Clallam County Board of Commissioners sent a letter to Senator Slade Gorton urging concurrent removal of both Elwha River dams. In October 2000, restoration work began with the clean up of a former utility pole storage yard near the Elwha Dam.

Grand Canyon/Colorado River Flood Releases

In late March of 1996, Secretary Babbitt led a controlled experimental habitat-building flood release from Glen Canyon Dam. The purpose of the flood release was to redistribute sediments stored on the bed of the Colorado River and rebuild sandbars (beaches) and associated habitats which have been lost to progressive erosion since the completion of Glen Canyon Dam in 1965. Before the river was dammed, sediment-laden snowmelt floods deposited large sandbars on the shoreline of the Colorado River in Glen and Grand Canyons. The dam effectively eliminated the annual spring snowmelt flood. Sandbars continued to erode.

Sandbars on the Colorado River in Grand Canyon are important resources for recreation (camping) and riparian vegetation (and associated wildlife), and also form backwater areas needed by native fishes. Sandbars also serve to protect cultural resources from erosion.

The preferred alternative in the Environmental Impact Statement on the operation of Glen Canyon Dam called for periodic flood releases in excess of the dam's powerplant capacity

The March, 1996 flood release was executed by the Bureau of Reclamation in cooperation with the National Park Service, U.S. Geological Survey, Fish and Wildlife Service, and other federal and state agencies, Native American tribes and universities. Secretary Babbitt turned the valve that began release of approximately 46,000 cubic feet per second (cfs) of water over a seven-day period. Releases had not exceeded roughly 30,000 cfs (power plant capacity) since natural flood spills in 1983-85. An accompanying scientific monitoring and research program documented the floods' beneficial effects. Considerable amounts of sand were deposited on the river's margins.

The habitat-building flood flow experiment was highly controversial. Upper basin states and hydropower interests opposed the release until criteria were modified in the Colorado River Annual Operating Plan, which constrains the use of flood releases as a management tool. While some controversy still surrounds the long-term use of flooding, all interests agreed that a scientifically-evaluated assessment of the concept was necessary. The 1996 flood release served the purpose of demonstrating the river resource effects of a high flow, and provided for an objective scientific analysis of the benefits and detriments to downstream natural and cultural resources.

Independence National Historical Park

Work done in the Clinton Administration will culminate in 2001 in the complete transformation of Independence National Historical Park (INHP)

In September, 1993 the National Park Service (NPS) began the public process of developing a General Management Plan (GMP) for Independence National Historical Park (INHP), in central city Philadelphia. During the next four years, INHP held eighteen public meetings-one

televised-to convey information and seek public input in the developing plan. This public outreach included a comment call-in line and an Internet home page outlining the preferred alternative.

In April, 1997 the GMP was finalized with a Record of Decision which focused on sweeping changes to Independence Mall, composed of three “super-blocks” stretching north from Independence Hall. Within six months, a Master Plan for a complete re-development of Independence Mall was announced to the public by the NPS and the Philadelphia-based Olin Partnership, which specializes in landscape architecture and urban design.

The Master Plan created new spaces and gardens, enhanced views and vistas of Independence Hall and improved visitor access and circulation. Block One will include a new facility to house the Liberty Bell and a new First Amendment Rights Area, where citizen groups can assemble and demonstrate without disrupting daily visitation to the Mall.

Block Two will feature a new Gateway Visitor Center, a welcome and orientation space that would serve as a gateway to the park and to the surrounding Philadelphia area. The Independence Park Institute, also in Block Two, will serve the educational needs of visitors to the park, including 400,000 school-age children annually.

In Block Three the privately developed National Constitution Center will focus on the influence of the U.S. Constitution in the lives of American citizens. This block will also have a bus loading facility to minimize traffic congestion.

With the early and intense public involvement in the prior planning, the new design was greeted with widespread support from key government officials, the news media, cultural institutions and the public, despite an estimated price tag of approximately \$250 million.

Several major partners immediately stepped forward with commitments of funds. Six weeks after the Master Plan announcement, INHP Superintendent Martha Aikens was joined by Pennsylvania Governor Tom Ridge, Philadelphia Mayor Ed Rendell and Pew Charitable Trusts President Rebecca Rimel to announce pledges of \$10 million each to help fund the Gateway Visitor Center and the Liberty Bell Complex. Soon thereafter, the Annenberg Foundation added its support of \$10 million to help fund the Liberty Bell Complex and landscaping.

National Constitution Center secured funds from the City of Philadelphia, the Commonwealth of Pennsylvania and the federal government, as well as from foundations and private donors. The Eastern National region teamed with INHP for design and fundraising for the Independence Park Institute, adding Temple University as the prime educational partner in the effort.

Construction began on the Gateway Visitor Center in spring of 2000 and will be completed in the fall of 2001. On September 17th, Constitution Day 2000, President Clinton participated in the groundbreaking ceremony for the National Constitution Center, which is slated to open on Constitution Day, 2002. The Liberty Bell Complex is expected to be complete in early 2002.

Glacier Bay National Park

The population of commercially harvested fisheries throughout the world's oceans is in steep decline from both over-harvesting and pollution effects. Glacier Bay National Park, as the largest marine protected area in the USA, can serve both as a site for baseline research on fisheries, and as a nursery for fish stocks that can freely move in and out of the park.

Two million pounds of fish were commercially harvested from the waters of Glacier Bay National Park in 1986. In 1996, ten million pounds of fish were harvested from the same area. After years of evaluation and consideration, NPS decided in 1998 to phase out commercial fishing in most of the marine waters of Glacier Bay proper, while allowing it to continue in the outer, ocean waters of the National Park

Commercial fishing has been prohibited in most national parks by policy and regulation since 1966, but had not been enforced in Alaska. In 1998, Congress passed a law essentially putting the NPS phase-out plan into effect and balancing that with a \$23 million compensation program for affected fishermen and fishing-dependent communities near the park.

Voyageurs National Park

Since its establishment in 1974, Voyageurs has been one of the most troubled parks in the system, with nearly constant local opposition to its management. In 1997, NPS sent a new superintendent to run the park, and began preparing a new general management and visitor use plan. In addition, NPS brought in the Federal Mediation Service to conduct a multi-party negotiation to attempt to settle numerous controversies. While the mediation itself did not result in a conclusive settlement, it did result in the opportunity to finalize the new management plan with a broader base of public support than was previously possible.

Big Cypress National Preserve

As a result of litigation over the effects of off-road vehicle (ORV) use of the Preserve's wetlands, NPS agreed in 1998 to prepare a new ORV management Plan and EIS. Although ORV use was permitted in the Preserve's enabling legislation, it was supposed to be limited to designated roads and trails. Over the 25 years since its establishment, lack of enforcement had resulted in over 20,000 miles of ORV tracks through the Preserve. Assistant Secretary for Fish & Wildlife & Parks Don Barry seized upon this issue in 1999 and personally led the effort to develop a plan that would control ORVs and restore the damaged areas. Under a Final ORV Management Plan approved in 2000, these vehicles will be limited to some 400 miles of designated and hardened roads and trails in the Preserve.

Cumberland Island National Seashore

This island has both significant cultural sites and structures and statutory wilderness, and the management of these natural and cultural resources together has been a seemingly intractable problem for the park since its establishment. Assistant Secretary Don Barry and NPS Director Bob Stanton decided to bring their personal energy and expertise to the park to resolve these issues. A series of local stakeholder meetings were convened in 1999 by the Assistant Secretary

and the Director, and resulted in an agreement among all parties on a set of principles and management actions. Significant additional funding was allocated to the seashore for restoration projects. Subsequently, the National Park System Advisory Board appointed a Committee, chaired by Board Member Tom Williams and comprised of a full array of stakeholders, to review NPS draft management plans for the seashore, and make recommendations for changes to the full NPS Board. The Committee presented its recommendations to the Board in November, 2000, and the Board adopted them unanimously. NPS issued the draft management plans for public comment in December 2000.

St. Croix National Scenic Riverways

Beginning in the early '90s the Minnesota and Wisconsin Departments of Transportation (DOTs) began planning a new multi-lane highway bridge across the St. Croix near the town of Stillwater to replace an existing outdated bridge in the town that is listed on the National Register of Historic Places. The Wild & Scenic Rivers Act requires NPS approval and appropriate mitigation for a project that could adversely affect the purposes for which the river was designated for inclusion in the national park system. The DOTs wanted to tear down the historic bridge when the new one was completed, and NPS did not want two bridges impacting the scenic and natural qualities of the river. The Federal Highway Administration and the NPS attempted to reach a settlement of the dispute, but had been unable to do so until Secretary Babbitt and Transportation Secretary Slater suggested requiring additional mitigation for the adverse affects of the new bridge using conservation easement acquisitions along the river valley. While a final settlement with the two states seems now to depend on additional funding for the easement mitigation effort, the project is much closer to a final resolution.

Cooperative Ecosystem Study Units

With the active support of Secretary Babbitt, Congress enacted legislation in 1998 establishing a network of university-based research centers to support park management. Shortly after, Secretary Babbitt decided that such a network could serve all of the land-management agencies and directed that the Cooperative Ecosystem Studies Units (CESUs) provide research, technical assistance and education to federal land management, environmental and research agencies and their partners.

The broad scope of the new CESUs includes the biological, physical, social, and cultural sciences needed to address natural and cultural resource management issues at multiple scales in an ecosystem context. Each CESU is comprised of federal agencies, a host university, and partner institutions. Cooperative and joint venture agreements allow each of the participating federal agencies to efficiently transfer funds to university partners while maintaining responsibility for agency-sponsored activities with CESUs

CESUs are organized around biogeographic areas. Four CESUs were competitively established in 1999 in the biogeographic areas of the Colorado Plateau, Rocky Mountains, Southern Appalachian Mountains, and North Atlantic Coast. Agencies participating in these four CESUs include the Bureau of Land Management, the National Park Service, the U.S. Bureau of Reclamation, the U.S. Forest Service, the U.S. Geological Survey, and the Department of Energy. There are thirty-one universities and other institutions included in these CESUs.

Research, technical assistance and education projects are underway. Some of the federal agencies have located employees at participating universities to increase collaboration.

An additional four CESUs have recently been competitively established in the biogeographic areas of the Pacific Northwest (including Southeast Alaska), Desert Southwest, Great Plains, and South Florida/Caribbean. There are thirty-eight universities and other institutions involved in these CESUs.

A third formal competition to establish additional CESUs is currently underway. Three biogeographic areas are California, Chesapeake Watershed, and Great Basin.

Environmental Leadership/Green Energy Parks

. A workshop held in Shepardstown, WV, in June, 1998 created a working relationship between the Department of Energy and the Department of the Interior and initiated “Green Parks: Making the National Parks a Showcase for an Energy Efficient Future.”

An April 27, 1999, Memorandum of Understanding between the Secretary of Energy and the Secretary of the Interior officially inaugurated the joint “Green Parks” program to promote the use of energy efficient and renewable energy technologies and practices in national parks, and ensure that the visiting public is informed about these efforts.

An environmental NPS leadership summit was held in January 1999. On July 13, 1999, Director Stanton issued a *Memorandum on Environmental Leadership for the National Park Service*.

Alternative Transportation Systems

In September 1997, Secretary Babbitt appointed Jacqueline Lowey, a senior Transportation official, to Deputy Director of the National Parks Service. Among her contributions during her three years as NPS Deputy Director, Ms. Lowey several initiatives related to transportation in the parks.

President Clinton issued a challenge to the NPS on April 22, 1996 in a memorandum directing the development of a comprehensive plan to improve public transportation in the national parks. On November 25, 1997, Secretary Babbitt and Transportation Secretary Slater signed a Memorandum of Understanding (MOU) to implement innovative transportation planning compatible with the protection and preservation of the nation’s cultural and natural resources. Though the transportation planning strategy is intended to benefit all NPS unites and projects, five parks-Yosemite, Zion, Grand Canyon, Acadia, and Golden Gate National Recreation Area-were specifically mentioned in the MOU.

The NPS developed a manager’s guidebook to transportation planning issues and options. The guidebook includes sections on: the role and purpose of transportation in National Parks; an explanation of transportation planning and tools; problem identification; transportation analysis techniques; transportation management techniques; evaluating alternatives; implementing solutions; and funding opportunities. There is an emphasis on partnering with gateway communities and State, regional, and local governments. The guidebook also features best

practices, lessons learned and resources and contacts that expand upon these topics. The guidebook can be downloaded from the ParkNet Web site.

NPS conducted four regional transportation training conferences, “New Approaches to Transportation: Planning, Partnerships, and Programs” in 1999 and 2000.

Comprehensive transportation legislation—The Transportation Equity Act for the 21st Century (TEA-21)—increased annual funds to the Park Roads and Parkways program, allowing NPS to keep pace on road repairs and providing funds for over fifty specific park projects and over 100 trails projects.

Yosemite, Zion, and Acadia National Parks were selected to compete for a grant of \$1 million from the Federal Highway Administration plus \$1 million from NPS for an ITS (Intelligent Transportation Systems) Field Operational Test (FOT). Intelligent transportation systems employ advanced information processing, communications, control, and electronics technologies to create 21st century transportation networks that save lives, time, and money. A consultant to The Federal Highway System (FHWA) helped the parks develop strategies for a valid FOT. On November 1, 1999, Secretary Babbitt announced that Acadia National Park had won the grant.

In June 1999, Acadia National Park, in conjunction with local communities, initiated a clean-fueled shuttle bus system that carried over 140,000 passengers in its first summer in operation.

In May 2000, Zion National Park inaugurated the use of a shuttle system to carry visitors up Zion Canyon and officially opened its new visitor/transportation center. Park visitors entering at the south entrance leave their vehicles at the visitor/transportation center to ride on one of the shuttle buses that run at frequent intervals. Once on the buses, visitors can exit at several stops in the canyon, where they can use backcountry trails or visit the concession facilities.

With the personal support of Secretary Babbitt, progress has been made toward an ambitious light rail system at the Grand Canyon, where 6,000 vehicles compete for 2,500 parking spaces on the South Rim during peak visitation. The park dedicated the transportation/orientation center, the Canyon View Information Plaza, on October 26, 2000. When Grand Canyon’s transportation system is fully functional, visitors will board light rail outside the park, and will exit the trains at the Canyon View where they can walk to the rim or board shuttle buses that will stop at points along the South Rim. The transportation system is expected to be operational in 2002.

NPS Management Policies Emphasize Resource Protection

In 2000, NPS revised the primary written guidance for NPS managers—*NPS Management Policies*, last published in 1988. The new management policies place the primary emphasis on the NPS preservation mission. New concepts and topics were added or expanded, such as sustainability and environmental leadership; management accountability; managing information resources; partnering with others to help protect parks and serve the public; and dealing with management challenges coming from outside park boundaries.

One significant difference from 1988 is a clear message that the dual objectives of resource protection and public enjoyment do not carry equal weight in the decision-making process and

that the law requires that resource protection be paramount. The National Park Service also revised and rewrote all of its Director's Orders, Handbooks and Reference Guides, supplemental documents that form a second and third level of policy guidance.

Expanding the National Park System

NPS Units Added 1993-2000

The Presidio (1994)

In October 1994, the Presidio of San Francisco, a former military base, was transferred from the Department of Defense to the National Park System. In an innovative partnership, the Presidio Trust manages the buildings and reduces the operational cost to the federal government by leasing many of them to private and non-profit enterprises. The NPS manages the grounds and interprets the natural and cultural history of the area to the public.

Mohave National Preserve (1994)

Mohave National Preserve in California was created on October 31, 1994, through the California Desert Protection Act. A legislative and conservation victory for the Administration and the California Democratic delegation, it is one of the most diverse desert environments in the world. The area ranges from creosote bush dominated flats in low areas to pinyon pine and juniper woodlands in higher elevations. The roughly 1.6 million acres in the Mohave Desert is defined by sand dunes, volcanic cinder cones, Joshua tree forests, and mile-high mountains.

New Orleans Jazz National Historic Park (1994)

New Orleans Jazz National Historic Park was established on October 31, 1994, to celebrate and preserve information and resources on the origins and early development of jazz, America's indigenous art form, in the city widely recognized as its birthplace.

Cane River Creole National Historic Park (1994)

Cane River Creole National Historic Park in Louisiana is within the Cane River National Heritage Area, 40,000 acres of privately and publicly owned land along the banks of the Cane River. The park, established on November 2, 1994, includes forty-two acres of the Oakland Plantation and eighteen acres of Magnolia Plantation outbuildings. Among its other missions, the park will interpret the history of plantation slavery.

Boston Harbor Islands National Recreation Area (1996)

The Boston Harbor Islands National Recreation Area in Massachusetts, including thirty islands and within the Greater Boston shoreline and covering 1,482 acres, was created on November 12, 1996. The Area is managed by a unique, thirteen-member partnership, which includes the NPS and other public and private organizations. An advisory council provides a mechanism for public involvement.

New Bedford Whaling National Historic Park (1996)

New Bedford Whaling National Historic Park in Massachusetts, created on November 12, 1996, commemorates the heritage of the world's preeminent whaling port during the 19th century. The park includes a visitor center, the New Bedford Whaling Museum, the Seamen's Bethel, the schooner Ernestina, and the Rotch-Jones-Duff House and Garden Museum. The park's enabling legislation also established a formal connection between New Bedford Whaling NHP and the Inupiat Heritage Center in Barrow, Alaska, to commemorate the more than 2,000 whaling voyages from New Bedford to the Western Arctic.

Nicodemus National Historic Site (1996)

Nicodemus NHS in Kansas preserves, protects, and interprets the only remaining western town established by African Americans during the Civil War Reconstruction Period. The town, covering 141 acres, symbolizes the pioneer spirit of African Americans who left familiar surroundings to seek personal freedom and opportunity.

Tallgrass Prairie National Preserve (1996)

Congress passed created Tallgrass Prairie National Preserve in the Flint Hills region of Kansas to protect what remains of the 400,000 square miles of tallgrass prairie that once covered North America. Approximately 11,000 acres, the Preserve will be a new kind of national park, remaining under the ownership of the National Park Trust, which purchased the land in 1994. The National Park Service will own up to 180 acres, and the the Park Service and the National Park Trust will manage the entire acreage cooperatively.

Washita Battlefield National Historic Site (1996)

Just before dawn on November 29, 1884, the 7th U.S. Cavalry under Lt. Col. Geroge Armstrong Custer attacked the Southern Cheyenne village of Peace Chief Black Kettle. Washita Battlefield National Historic Site in Cheyenne, Oklahoma, protects and interprets the site of that attack.

Oklahoma City National Memorial (1997)

The Oklahoma City National Memorial, covering six acres in Oklahoma City, honors the victims, survivors, rescuers, and "all who were changed forever" on April 19, 1995 by the terrorist bombing of a federal building. This monument, created by legislation on October 9, 1997, and dedicated by President Clinton on April 19, 2000, includes an outdoor memorial, reflecting pool, children's area, rescuer's orchard, and survivor tree. A National Memorial Center is scheduled to open in early 2001.

The Franklin Delano Roosevelt Memorial (1997)

Although Congress authorized a Washington, D.C. memorial to Franklin Delano Roosevelt in 1959, it was not completed and dedicated until May 2, 1997. Both President Clinton and Vice President Gore spoke at the dedication ceremony of the impressive, multi-faceted memorial located next to the Tidal Basin.

After the dedication there was public pressure for an addition recognizing President Roosevelt's disability and use of a wheelchair throughout his Presidency. On July 2, 1998, a committee appointed by President Clinton announced its recommendation that the main entrance to the Memorial be re-configured to create an additional outdoor "room" of granite with a bronze, human-scale statue of FDR in the small wheelchair he invented. The setting for the new statue is being created by the memorial's designer, Lawrence Halprin, stone carver John Benson, and sculptor Robert Graham, who created the First Inaugural and Social Programs elements of the Roosevelt Memorial.

Tuskegee Airman National Historic Site (1998)

The Tuskegee Airman National Historic Site in Alabama was established on November 6, 1998, to commemorate and interpret, in association with Tuskegee University, the heroic actions of the Tuskegee Airmen during World War II. The Tuskegee Institute was the center for African-American Aviation during World War II.

Little Rock Central High School National Historic Site (1998)

Little Rock Central High School National Historic Site, Arkansas, commemorates the site of a key confrontation in the history of desegregation in the United States and the black teenagers who attempted to desegregate the school in the 1950s.

Marsh-Billings-Rockefeller NHP and the Conservation Study Institute

When Marsh-Billings-Rockefeller National Historical Park opened to visitors in 1998, it became the first national park in Vermont and the only national park to tell the story of conservation history and the evolving nature of land stewardship in America. Marsh-Billings-Rockefeller NHP interprets the history of conservation with tours of the mansion and the surrounding 550-acre forest. The park focuses on the development of three core program areas: sustainable land stewardship; stewardship education; and conservation leadership skills. The woodland is managed as a working forest demonstrating the best practices for long-term sustainability. In 1999 the park opened its Carriage Barn Visitor Center and Stewardship Exhibit. Finally, the park works with its principle partner, the Conservation Study Institute on projects to enhance conservation leadership skills. The National Park Service established the Conservation Study Institute in 1998 to enhance leadership in the field of conservation. In collaboration with the NPS and academic and nonprofit partners, the Institute provides a forum for the conservation community to discuss conservation history, contemporary issues and practice, and future directions for the field.

Minuteman Missile National Historic Site (1999)

Minuteman Missile National Historic Site in western South Dakota is not yet open to the public, but will interpret part of the complex story of the Cold War. The site consists of a Launch Control Center and a Launch Facility, also known as a missile silo. The site will be co-administered with Badlands National Park to conserve operating expenses and share services.

Tightening Requirements for New Area Studies

In 1995, the Administration and the Park Service opposed a Congressional attempt to redesign the process of adding new parks to the NPS system, and the National Park Service Reform Act of 1995 was defeated. The Administration agreed with Congress, however, that the procedures for identifying, studying, and recommending potential system additions needed reform. In November 1998, Congress amended Section 8 of the General Authorities Act to require the Secretary to annually submit a list of areas recommended for study, based on established criteria of national significance, suitability, and feasibility. The amendment provided that a new area study could not be made without specific Congressional authorization. The Secretary was also directed to submit annual lists of natural and historical areas that had already been studied, arranged in recommended priority order for addition to the system. These requirements, it is hoped, would inhibit the promotion of unqualified park candidates.

Ensuring the Safety of Employees and Visitors

Forging a Partnership with OSHA

Deeply concerned about recent data that showed an increase in accidents among park employees, NPS Director Stanton and Occupational Safety and Health Administration (OSHA) Assistant Secretary Charles Jeffress signed an agreement on October 6, 1998, to improve the safety and health of employees and visitors at park sites. Under the agreement, OSHA worked with ten selected park sites in 1999, and they will serve as safety and health models for the entire NPS.

In 1999, NPS experienced a 19 percent reduction in the number of lost time accidents among its workforce and that decline continues.

The management of workers' compensation cases also was emphasized in the NPS safety program. Three coordinators were hired to assist parks in helping workers return to work following a lost-time accident.

Increasing Workforce Diversity and Delivering Programs to a Diverse Audience

A Diverse NPS Workforce

During the Clinton Administration, NPS implemented a Diversity Action Plan to hold park managers responsible for diversifying seasonal and permanent staff, to establish full time recruiters focused exclusively on recruiting highly skilled candidates from underrepresented categories of workers, including the disabled, and to educate managers about diversity issues. By recruiting a diverse pool of applicants, NPS has increased the percentage of minorities employed in summer seasonal jobs.

NPS also established relationships with Historically Black Colleges and Universities, Hispanic Serving Institutions, Tribal Colleges and other groups. For example, on April 26, 1999, Director

Stanton signed a Memorandum of Understanding with the National Hispanic Environmental Council to encourage environmental education and outreach efforts in Hispanic communities.

The Urban Recreation Research Center at Southern University

On December 11, 1998, Director Stanton traveled to Southern University in Baton Rouge, Louisiana to deliver the commencement address and inaugurate the NPS Urban Recreation Research Center. The Urban Recreation Research Center is assisting managers of urban NPS sites in protecting resources and providing visitor services through a program of social science research, technical assistance, and education; creating a wider diversity of scientists conducting research on urban recreation and increase the pool of minority students interested in NPS careers; and providing technical support to NPS partners to strengthen the role of parks in urban communities.

Faculty and students at the center will examine the needs of urban youth for recreation and environmental education, problems related to high-density visitation, and ways to make parks more meaningful to people with different cultural and ethnic backgrounds.

The Underground Railroad

Responding to community initiatives around the country, legislation passed in 1990, and additional legislation signed by President Clinton on July 21, 1998, NPS implemented a national Underground Railroad initiative.

On April 7, 1998, Director Stanton unveiled an Underground Railroad handbook containing artwork, graphics, historical documents, essays by noted scholars, and suggested sources for further information. The handbook is an accessible, full-color guide for the general public, students and educators. NPS also produced Web sites, a travel itinerary, and an interpretive brochure.

Cooperative agreements at the national, regional, and park levels allowed the NPS to provide assistance to other government agencies, private organizations, and educational institutions interested in documenting, preserving, and interpreting the Underground Railroad. As a result, there were many new listings on the National Register of Historic Places and several Underground Railroad sites have been designated National Historic Landmarks. NPS also issued publications to assist communities in documenting sites, including a booklet for local historians entitled *Researching the Underground Railroad*.

Expanding the Involvement of Youth in NPS Programs

The Public Land Corps

On June 8, 1998, Secretary Babbitt and Director Stanton announced the inauguration of the Public Land Corps (PLC), which was authorized by the National and Community Service Act of 1993, but not funded until 1998 with \$2 million from the NPS Recreation Fee Demonstration Program and matching funds of \$1.5 million. The Act requires that the Corps be run in partnership with non-profit, youth-oriented organizations. The Student Conservation

Association and the Association of Service and Conservation Corps were chosen as the primary national partners for the Public Land Corps.

In 1998, the Public Lands Corps gave 834 young people an opportunity to earn minimum wage working on backlogged maintenance projects in the national parks. The value of the work completed by PLC members in 1998 was about \$5.3 million. The program employed over 800 youth again in 1999, and was expanded to employ almost 2,000 young people in 2000.

Job Corps

The NPS Job Corps Program improved tremendously during the Clinton Administration. The NPS manages three Job Corps Civilian Conservation Centers, serving more than 800 young men and women in a variety of vocational and educational training programs. The Labor Department now rates all three NPS-operated centers in the top 50 percent of centers nationally and training programs at all three centers are now accredited by national organizations.

Boy Scouts

In 1999, the Boy Scouts of America pledged to contribute one million volunteer hours to the parks.

Connecting People to Parks

NPS Education Program

The 382 units of the National Park System provide the setting for a unique hands-on educational experience. The National Park Service extends educational outreach beyond the park boundaries to connect the American people to their parks. Educational activities include personal presentations by professionally trained staff and the development of curriculum-based materials, publications, interactive CD-ROMs, Internet-based connections, and distance learning opportunities. Through the curriculum-based Parks as Classrooms program, the NPS works directly with schools to develop resource-based programs that compliment existing school curricula. Programs include teacher workshops, on-site learning experiences, teacher/student workbooks, traveling trunks, audio-visual materials, and distance learning opportunities. Since 1991, the NPS has distributed more than \$7 million, funding over 600 education projects reaching nearly 6 million students and 135,000 teachers.

In April 1997, the NPS and NASA signed a Memorandum of Understanding agreeing to jointly produce earth/space science educational materials and programs. NASA has provided funding to detail NPS employees to NASA's Goddard Space Flight Center. These individuals have provided training to NASA and NPS employees, developed a NPS/NASA Web site, developed a joint exhibit, provided educational materials to NPS interpreters and educators, and supported resource management by providing aerial and satellite imagery to park managers.

Other non-curriculum-based educational activities or programs include Junior Ranger programs offered in 213 parks; materials offered on the Internet through the NPS ParkNet Web site; the

Natural Resource Challenge; Environmental Leadership; Green Energy Parks; Fire Ecology; Invasive Species; Wilderness Education; and Aviation.

The strategic vision for accomplishing the NPS mission in interpretation and education is articulated in Goal Category II of the NPS strategic plan: provide for the public enjoyment of and enhance the visitor experience in our nation's parks. To determine how to best achieve this goal, the "Connecting People to Parks in the 21st Century Workshop" was held April 28-29, 1998, in Alexandria, Virginia. The forty-eight workshop participants represented the NPS regions, the Washington office and the private sector. In choosing the theme of "connecting people to parks," NPS emphasized that such connections serve to create memorable experiences for visitors, preserve the Nation's diverse heritage, and promote responsible stewardship. A workshop in conjunction with the Education Initiative Symposium, held in Santa Fe in September 1997, led to the creation of a comprehensive five-year national work plan for interpretation and education, a plan which is currently being implemented.

Expanding Partnerships

Volunteers in Parks

The NPS Volunteers-In-Parks (VIP) program provides the mechanism to accept and use voluntary help that is mutually beneficial to the NPS and the volunteer. In FY 1999, 116,000 volunteers contributed 4,265,000 hours of service valued at \$60,996,000. By 2000, there were 321 separate VIP programs, and volunteerism in the National Park System is growing at a rate of 5 percent per year.

National Park Service Cooperating Associations

Cooperating Associations are non-profit organizations, incorporated under state law, that have signed agreements with the NPS to provide program and financial assistance to NPS activities in interpretation, education, and research through the production and sale of educational and public affairs media. In FY 99, the sixty-five associations under agreement with the NPS had revenues of over \$110 million from earnings and donations. From these revenues, they donated over \$30 million in cash, equipment, facilities, and services to support NPS programs in interpretation, education, and research.

Mount Rushmore Development Completed with Private Sector Funding

1999 marked the culmination of a ten-year, \$56 million fundraising drive for Mount Rushmore National Park improvements through the Mount Rushmore Preservation Fund. The effort has become a model for other innovative public-private partnerships. The funds were used toward preservation of the sculpture and construction of the interpretive center, museum, amphitheater, Presidential trail, orientation center, and avenue of flags. A parking facility was constructed under a concession contract with the NPS, and is operated by a private concessionaire.

The visitor center/museum provides an interpretive experience unequalled in western national park areas. Situated on the lower level of the museum, the visitor center provides over 25,000 visitors a day with an unobstructed view of the Rushmore sculpture from the Grandview Terrace.

Redwood National and State Parks

The National Park Service and the California Department of Parks and Recreation signed a benchmark Memorandum of Understanding in May of 1994 to cooperatively manage Redwood National and State Parks. Under the agreement, the agencies work together and commit resources, staff, equipment and facilities to the common protection of all resources contained within the parks.

Isle Royale Housing

The public-private partnership established in 1994 between the Department of the Interior, NPS, Isle Royale National Park and the National Park Foundation has been extremely successful in its initial efforts to resolve critical housing needs at the park. With committed leadership from the National Park Foundation, NPS, Northern Michigan University, the Home Builders Association of Superiorland, Michigan National Guard, the Charles Stuart Mott Foundation, the Kellogg Foundation and the First Martin Corporation, the Isle Royale partnership proved just how much a private/public alliance can accomplish. Within a forty-eight-month period from 1995-99, the partnership commissioned designs, solicited funds and materials, attracted volunteer labor, and coordinated logistics to build two duplex units and a ranger station at remote locations. They converted an abandoned pumphouse into a campground host cabin and constructed a four-plex housing unit and a new visitor center at Windigo. In 2000, the park is constructing a triplex at Windigo, using remaining donated funds. Volunteers have contributed in excess of \$150,000 in labor, and donors have contributed over \$550,000 in funds and in-kind donations.

NPS Partnership Programs

The American Battlefield Protection Program

Secretary Babbitt offered great support for the preservation of America's historic battlefields. The American Battlefield Preservation Program (ABPP) helps communities near historic battlefields develop balanced preservation approaches for these sites at the local level. During the Clinton Administration, the ABPP and its partners helped protect and enhance more than 100 battlefields by co-sponsoring more than 150 projects in twenty-one states and the District of Columbia. Individual project funding has ranged from \$1,000 to more than \$115,000; the average amount is \$22,000. Most partners contributed matching funds or in-kind services to these projects. In addition to awarding small matching funds to organizations sponsoring planning and educational projects at historic battlefields, ABPP historians, preservation planners, and archeologists provide technical assistance to owners of battlefield property, battlefield friends groups, and state and local governments interested in preserving historic battlefield land and sites.

Federal Lands-to-Parks

Through its Federal Lands-to-Parks program, the National Park Service helps state and local agencies acquire surplus federal lands, buildings, and recreational facilities at no cost. Military bases that are closing and other surplus federal lands provide the potential for transfers of land

and facilities to local jurisdictions for public use, conservation, or community revitalization. NPS helps by identifying historically and naturally significant surplus federal properties, notifying communities of upcoming opportunities, acting as liaison with other federal agencies, and ensuring the long-term preservation of properties transferred under these programs. NPS has completed dozens of transfers to state and local governments since 1993.

Heritage Partnerships

Secretary Babbitt and Directors Kennedy and Stanton each strongly endorsed the concept of heritage partnerships, and nationwide interest in heritage partnerships grew throughout the Clinton Administration. Seventeen National Heritage Areas, one form of Heritage Partnership, have been designated by individual acts of Congress.

Heritage Partnership is a strategy for conserving and promoting natural, historic, scenic, cultural, and recreational resources in areas that are not owned or managed by the National Park Service. Heritage Partnerships can help conserve important resources in ways that are compatible with their continued evolution and productivity. Local partnerships are enabled and encouraged to pursue politically viable conservation strategies that are responsive to local needs and values.

Upon request, the NPS provides technical assistance to state and local governments and nonprofit organizations working as partners to develop strategies for heritage conservation. Growing demand for this type of assistance has led to consideration of federal legislation to establish a system for designating heritage sites and to create specific authorities for providing technical and financial assistance to Heritage Partnerships.

Providing Global Leadership for Parks and Conservation

World Bank National Park Partnership

Beginning in 1997, NPS Special Assistant to the Director Brooke Shearer developed a strong working relationship with the World Bank so that Bank projects in key countries could be augmented by direct NPS involvement in an assortment of heritage preservation and tourism development projects. To date, the NPS has begun park and heritage projects in Albania, Croatia, Georgia, Haiti, Jordan, Ukraine, and Vietnam in association with World Bank economic development loans or at an earlier stage of the assistance process.

World Protected Areas Leadership Forum

In the spring of 2000, the National Park Service hosted an historic international event for national parks and protected areas—the inaugural meeting of the World Protected Areas Leadership Forum (WPALF) in Warrenton, Virginia. Park and protected area system Directors/CEOs from nineteen of the world’s developed and developing countries met to exchange ideas and perspectives about emerging park issues. They also shared experiences and lessons learned about common approaches to protected area challenges. The forum served as an important mechanism for protected areas leaders to jointly consider their pressing issues at the dawn of the 21st Century and to bring them forward for consideration at the 2002 World Parks Congress to be held in Durban, South Africa in September 2002.

The park Directors established the following eight key issues: 1) Establishing an Overall Vision and Strategy; 2) Building Awareness; 3) Capacity-Building; 4) The Role of Eco-Management, Science and Technology in Protected Areas Management; 5) Building Linkages to and Demonstrating the Benefits of Protected Areas; 6) Marine Ecosystems; 7) Leveraging Resources; and 8) Protected Areas Governance.

Development of International Agreements

During the Clinton Administration, NPS negotiated more than a dozen bilateral agreements for technical exchange and cooperation with counterpart national park management agencies from the following countries: Argentina, Bahamas, Canada, Chile, China, Italy, Mexico, Poland, South Africa, United Kingdom, and Venezuela. In Argentina, China, South Africa, and Venezuela, full-blown two-year action plans that include technical exchanges, study tours, training workshops, and cooperation in parks and protected area management are well under way.

Partnering with U.S. Neighbors Canada and Mexico

In May 1998, Director Stanton signed an agreement with Canadian officials to coordinate management responsibility for preservation of natural and cultural resources along the U.S.-Canadian border, and to share management expertise beneficial to park managers in both countries. In June 1998, Director Stanton signed a first-ever agreement with the Mexican officials responsible for the preservation of cultural resources in that country. One on-going area of cooperation with Canada and Mexico involves international efforts to interpret the Underground Railroad.

China and South Africa

In May 1998, Director Stanton traveled to China to sign the NPS's first-ever formal agreement with its Chinese counterpart agency. Several NPS teams have traveled to China under the agreement, which commits NPS to advise China on preservation and operations in some of its national parks.

In May 1999, Director Stanton traveled to South Africa to initiate discussions and cooperative activities with the South African National Parks ministry. NPS is advising South Africa on the preservation and interpretation of its cultural resources.

NPS Leadership

Roger G. Kennedy became the fourteenth director of the National Park Service in June 1993. Formerly director of the Smithsonian Institution's National Museum of American History, Kennedy is an historian, lecturer and published author. As director of NPS, he reemphasized the need for partnerships to further NPS objectives and sought a greater educational role for the bureau beyond the parks, through such media as the World Wide Web.

Kennedy left in March 1997, and Robert G. Stanton became the fifteenth director of the National Park Service the following August. The first NPS careerist in the post since 1985, he had been a park superintendent, an assistant director, and regional director of the Service's National Capital Region. Under legislation enacted in 1996, he was the first appointee to the position required to undergo Senate confirmation. Stanton was the Park Service's first African American director.

The same legislation that required the Director to be confirmed by the Senate created a Deputy Director position within NPS. Jacqueline Lowey, formerly Deputy Chief of Staff at the Department of Transportation, became the first appointed Deputy Director. She served as Deputy Director from 1997 to June 2000.

In September 2000, Karen Atkinson, an attorney and former aide to Assistant Secretary Don Barry, became the first Native American Deputy Director of the NPS. The Green Energy/Green Parks initiative benefited from Ms. Atkinson's leadership.

Under Secretary Babbitt's active leadership, the National Park Service re-dedicated itself to its mission of preserving unimpaired the nation's natural and cultural heritage. During the Secretary's tenure, the NPS budget increased almost 50 percent, to over \$2 billion. Major environmental restoration projects occurred at the Grand Canyon, Yellowstone, Yosemite, the Everglades and at other national parks. The Secretary's ideal that resource knowledge should drive decision-making permeated the Service, positioning it as a leader in restoration and interpretation for the 21st century.

CHAPTER TWO: LAND AND MINERALS MANAGEMENT

BUREAU OF LAND MANAGEMENT

Protecting and Restoring National Landscapes

The Clinton Administration has protected more acreage in the conterminous United States than any other administration. Under the leadership of President Clinton and Secretary Babbitt, 3.8 million acres—an area about the size of Connecticut and Rhode Island combined—are now protected as National Monuments or National Conservation Areas within the Bureau of Land Management. Since 1996, President Clinton has designated eleven new National Monuments, seven of which are exclusively managed or co-managed by the Bureau of Land Management (BLM).

National Monuments

Grand Staircase-Escalante

On September 18, 1996, President Clinton created the Grand Staircase-Escalante National Monument in southern Utah. This high, rugged region was the last place to be mapped in the lower forty-eight, and its plateaus and multi-hued cliffs run for distances that defy human perspective. The Grand Staircase-Escalante was the first national monument designated under the Clinton Administration, and the first ever to be managed by BLM.

The Grand Staircase's 1,870,800 acres are located in the southwest portion of Utah between Kanab and Escalante. The monument embraces a spectacular array of scientific and historic resources.

In 1999, President Clinton asked Secretary Bruce Babbitt to investigate other federal lands and to make recommendations regarding suitable areas for special protection. In response, Secretary Babbitt began to visit communities and surrounding federal lands that might warrant such protection.

Agua Fria National Monument

On January 11, 2000, President Clinton established Agua Fria National Monument. Comprising approximately 71,100 acres in central Arizona north of Phoenix, it is made up of two mesas—Perry Mesa and the adjacent, smaller Black Mesa—the public land north of these mesas, and the canyon of the Agua Fria River. The monument contains one of the most significant systems of prehistoric sites in the American Southwest. At least 450 prehistoric sites are known to exist within the monument. Agua Fria's abundant rock art includes intact symbols etched into the surfaces of boulders and cliff faces. Prehistoric peoples also extensively modified the landscape to improve it for agriculture, creating extensive terraces bounded by lines of rocks. The monument contains a wide array of sensitive wildlife species and native fish.

Grand Canyon-Parashant National Monument

Also created on January 11, 2000, the Grand Canyon-Parashant National Monument contains 1,023, 785 acres in the northwest corner of Arizona. Adjoining Grand Canyon National Park, the monument is a vast, biologically diverse landscape encompassing an impressive array of scientific and historic objects.

California Coastal National Monument

The California Coastal National Monument includes all unappropriated and unreserved islands, rocks, exposed reefs, and pinnacles owned by the United States along the entire 840-mile Pacific coastline of California. This beautiful monument, established on January 11, 2000, is of irreplaceable scientific value, and its preservation is vital to protecting the fragile ecosystems of the California coastline. The monument provides unique habitat for an estimated 200,000 breeding seabirds, including the endangered California least tern and brown pelican. It is also breeding habitat for the threatened southern sea otter.

Pinnacles National Monument Expansion

President Clinton also expanded Pinnacles National Monument under the Antiquities Act on January 11, 2000. The monument was created by President Theodore Roosevelt in 1908 to protect Pinnacle Rocks and the series of caves underlying them. The boundary enlargement is vital to reduce the threat of exurban development and watershed degradation. In addition to protecting more geological formations, the expansion lands hold some of the headwaters of the monument basin. The expansion lands provide important habitat for raptors—prairie falcons, golden eagles, and red-tailed hawks—as well as amphibians and reptiles.

Canyons of the Ancients National Monument

Designated on June 9, 2000, this national monument of 163,852 acres is located in southwest Colorado. Containing the highest known density of archaeological sites in the nation, Canyons of the Ancients harbors evidence of cultures and traditions spanning thousands of years.

The Canyons of the Ancients National Monument designation was preceded by several public meetings with local residents conducted by the Secretary and the BLM Resource Advisory Council in the spring and summer of 1999. Public discussions on the national significance of this area date back to a 1894 Salt Lake Times story detailing interest in protecting the region. In 1979, a bill was introduced in Congress to designate the area a National Conservation Area. Senator Ben Nighthorse Campbell introduced new National Conservation Area legislation in February 2000 (S. 2034), but he suspended all action on his bill on March 23, 2000.

Cascade-Siskiyou National Monument

Located in southwest Oregon at the convergence of the Cascade, Klamath and Siskiyou ecoregions, this 52,786-acre monument provides habitat for a spectacular variety of rare and beautiful species of plants and animals, including one of the highest diversities of butterfly

species of any area in the United States. Along with Canyons of the Ancients, this monument was established on June 9, 2000. The Jenny Creek portion of the monument is a globally significant center of fresh water snail diversity, and is home to three endemic fish species, including a historically isolated stock of redband trout. The area also contains old growth habitat crucial to the threatened Northern spotted owl.

Ironwood Forest National Monument

Also designated on June 9, 2000, the Ironwood Forest National Monument includes 129,022 acres near Tucson in south central Arizona. The ironwood tree for which the monument is named can live in excess of 800 years and is the dominant nurse plant in the Sonoran Desert region. The ironwood habitat in the Silver Bell Mountains contains more than 674 species, including 64 mammal and 57 bird species, several of which are threatened and endangered, such as the cactus ferruginous pygmy-owl. The desert bighorn sheep in the monument may represent the last viable population indigenous to the Tucson basin.

Hanford Reach National Monument

Hanford Reach National Monument encompasses approximately 195,000 acres of public land within the borders of the Department of Energy (DOE) Hanford Reservation. Bisected by the stunning Hanford Reach of the Columbia River, the monument contains the largest remnant of the shrub-steppe ecosystem that once blanketed the Columbia River Basin. Hanford Reach is the last free-flowing, non-tidal stretch of the Upper Columbia River, where approximately 80 percent of fall chinook salmon spawn. Within its mosaic of habitats, the monument supports native plant and animal species of a size and diversity unmatched in the Columbia Basin. The monument is also one of the few remaining archaeologically rich areas in the western Columbia Plateau, and is known for its dramatic geologic features. The monument was designated on June 9, 2000.

Craters of the Moon Expansion & Vermilion Cliffs National Monument

On November 9, 2000, President Clinton created the Vermilion Cliffs National Monument and expanded Craters of the Moon National Monument. The existing Craters of the Moon National Monument in Idaho covered 54,440 acres of lava flows; the expansion added an additional 661,000 acres of federal land to encompass the entire lava field. The National Park Service will manage lava flows on the added land, while the rest of the land will continue to be managed by the BLM.

Vermilion Cliffs National Monument covers 293,000 acres of federal land on the Colorado Plateau in northern Arizona and includes the Paria River Canyon. The monument provides habitat for twenty species of raptors, and California condors have been reintroduced into the area. The Paria River supports sensitive native fish, including the flannelmouth sucker and the speckled dace.

National Conservation Areas

National Conservation Areas (NCAs) are designated by Congress and feature exceptional natural, recreational, cultural, wildlife, aquatic, archaeological, paleontological, historical, educational, and/or scientific resources. During the Clinton administration, Congress established five new NCAs and one special protection and management area:

The Snake River Birds of Prey National Conservation Area

The Snake River Birds of Prey National Conservation Area was created by an Act of Congress in August of 1993. This National Conservation Area includes approximately 601,053 acres in southwestern Idaho. In addition to containing important historic and cultural resources, these lands contain one of the densest known nesting populations of eagles, falcons, owls, hawks, and other birds of prey in North America.

The Gunnison Gorge National Conservation Area

Gunnison Gorge National Conservation Area was created by an Act of Congress in October of 1999. The Act set aside approximately 57,725 acres in south central Colorado as a National Conservation Area and 17,700 acres within the NCA as the Gunnison Gorge Wilderness. In addition, the Act designated the adjoining Black Canyon of the Gunnison as a National Park. The Gunnison Gorge National Conservation Area is known for its diverse landscape, ranging from adobe badlands to rugged pinon- and juniper-covered slopes, and its unique geologic features.

Colorado Canyons National Conservation Area

Colorado Canyons National Conservation Area was created by Act of Congress in October of 2000. The Act set aside approximately 122,000 acres in western Colorado as an NCA and 75,000 within it as Colorado Canyons Wilderness.

Las Cienegas National Conservation Area

Las Cienegas National Conservation Area was created by Act of Congress in November of 2000. The Act set aside 42,000 acres as Las Cienegas National Conservation Area southeast of Tucson with a 142,000-acre acquisition district.

Santa Rosa and San Jacinto Mountains National Monument

Santa Rosa and San Jacinto Mountains National Monument, an area of over 150,000 acres near Palm Springs, California, was created by Act of Congress in October of 2000. This is the first Congressionally created national monument that gives management responsibility to the BLM, an important validation of BLM conservation management responsibility.

Steens Mountain Cooperative Management and Protection Area

The Steens Mountain Cooperative Management and Protection Act provides important new environmental protections to the Steens Mountain area of southwestern Oregon. The Act created a protection area of 425,000 and a wilderness area of approximately 155,000 acres. It sets apart 87,000 acres of public lands as “cow-free.” The Act also establishes a one-million-acre withdrawal area.

National Landscape Conservation System

Following Secretary Babbitt’s recommendation, the BLM established the National Landscape Conservation System (NLCS) in June 2000 to conserve, protect and restore nationally significant landscapes, so that their outstanding cultural, ecological and scientific value will be preserved for present and future generations. Components of the National Landscape Conservation System include the BLM National Monuments, National Conservation Areas, Wilderness, Wilderness Study Areas, Wild and Scenic Rivers, and National Scenic and Historic Trails. Also included in the System is the Headwaters Forest Reserve, an area in California designated by an act of Congress. The system does not create new legal protections, but by providing more intensive management, it raises the profile of BLM areas that are a key part of the agency’s portfolio.

Wilderness

Colorado Wilderness Act of 1993

On August 13, 1993, President Clinton signed the Colorado Wilderness Act of 1993 (Public Law 103-77) into law. The bill designated two tracts of wilderness to be managed by BLM: the 3,390-acre Uncompaghre Wilderness, and 48,115 acres in the Powderhorn Wilderness. BLM manages the Powderhorn Wilderness jointly with the U.S. Forest Service, which controls over 12,000 acres of adjacent land. The protected land represents a mix of sub-alpine and alpine ecosystems.

California Desert Protection Act of 1994

President Clinton signed into law one of the largest land conservation bills in U.S. history (Public Law 103-433) on October 31, 1994. Among its many provisions, the Act designated sixty-nine BLM wilderness areas, totaling 3.6 million acres. These BLM wilderness areas contain unique scenic, ecological, scientific, cultural, environmental, recreational, historic, and wildlife resources. Since passage of this major land law, BLM has managed the California Desert in cooperation with other state and federal agencies, users, and local communities, tribes, and additional partners to ensure that these lands continue to provide their extraordinary values to current and future generations.

Otay Mountain Wilderness

On December 9, 1999, President Clinton signed Public Law 106-145, one of the few wilderness bills passed by the 106th Congress. It designates 18,500 acres of BLM-administered public

lands adjacent to metropolitan San Diego as part of the National Wilderness Preservation System. Rugged Otay Mountain is internationally known for its diversity of rare plants and animals. Its wilderness areas play a critical role in San Diego's multi-species conservation plan, which was designed to maintain the area's biodiversity.

Major Land Acquisitions

Southern California (Catellus)

In January of 1999, Secretary Babbitt took title to the first of several tracts of land that BLM acquired from the Catellus Development Corporation. Totalling 322,520 acres, these key parcels were privately held in-holdings spread throughout the California Desert. Part of an unprecedented public-private partnership to protect the Desert's natural values, BLM completed the transaction through purchase (\$10 million) and donation assistance (\$25 million) from The Wildlands Conservancy, a non-profit organization based in Oak Glen, California.

Headwaters Forest

In March of 1999, BLM acquired 7,400 acres of redwood forest—using \$250 million of federal funds, plus \$130 million dollars contributed by the State of California—to protect ecological and wildlife values in Northern California. The stands of old-growth redwoods secured through this purchase are home to the marbled murrelet, a threatened seabird, and shelter the headwaters of several major streams which provide habitat for the threatened coho salmon and other fisheries.

Baca Ranch Acquisition and New Acquisition Authority

The Baca Ranch is almost entirely surrounded by the Santa Fe National Forest, home to one of the largest remaining herds of wild elk. The Valles Caldera Preservation Act of July 25, 2000 created the 88,900-acre Valles Caldera National Preserve, a unit of the National Forest System.

The unique management approach created for Preserve management under the Act is the Valles Caldera Trust, a wholly owned government corporation. A nine-member Board of Trustees will govern the Trust, and the Supervisors of the Santa Fe National Forest and the Bandelier National Monument will be members of that Board. President Clinton, in consultation with the New Mexico Congressional delegation, will appoint the other Trustees, selecting candidates based upon their areas of expertise. The Board will assume management of the Preserve approximately sixty days after its appointment. Until the Valles Caldera Trust assumes management of the National Preserve, the Santa Fe National Forest will provide interim management.

The Baca Ranch purchase also added 823 acres within the Alamo Watershed to Bandelier National Monument, and the Pueblo of Santa Clara purchased 5,045 acres located in the Pueblo's upper watershed.

The purchase price for the entire ranch was \$101 million including the portion purchased by the Pueblo of Santa Clara. The Land and Water Conservation Fund—established in 1965 with

revenues derived from offshore oil and gas drilling royalties and other user fees—was tapped for this federal land acquisition.

The Baca Ranch contains the headwaters of two rivers and twenty-seven miles of streams. Several threatened, endangered or sensitive plant and animals species are located within the diverse ecosystem. In addition, this property encompasses most of the fifteen-mile-wide caldera of an ancient volcano. Two eruptions formed the present-day caldera; fifty cubic miles of volcanic ash and rock—over sixteen times the amount of material released from Mount St. Helens—exploded from the volcano.

New Authority

Title II of the Baca Bill—formally known as the Federal Land Transaction Facilitation Act—provides for the use of receipts obtained from the sale of certain BLM lands across the West for the acquisition of private in-holdings by land managing agencies (BLM, U.S. Fish & Wildlife Service, National Park Service, Forest Service). Under this act, the Secretary of the Interior and the Secretary of Agriculture are given funds to purchase in-holdings (privately owned lands lying within the boundary of federally designated areas) and other privately owned lands which have exceptional scientific, natural, historic, cultural, or recreational resource value.

Money received by the United States from the sale or exchange of public lands is deposited in a separate account in the Treasury of the United States entitled the “Federal Land Disposal Account.” The designated Cabinet Secretaries may use these funds to purchase land, to complete land appraisals, to satisfy administrative costs, or to fulfill any other legal requirements associated with the sale or exchange of public lands identified for disposal.

The Secretary of the Interior and the Secretary of Agriculture are responsible for establishing procedures to identify in-holdings by state that private landowners are willing to sell to the U.S., and for developing standards and procedures for the orderly purchase of in-holdings and other privately owned lands with exceptional resource value. Under the Act, private landowners are not obligated to sell their lands to the United States, nor is the U.S. obligated to purchase lands from private landowners, and any purchase from private willing sellers must not exceed fair market value. The Act does not require new regulations; BLM will continue to use existing regulations found in the 43 Code of Federal Regulations 2700 sales regulations.

National Land Exchange Team and Land Exchange Legislation

Land exchanges are an important management tool to acquire lands with significant resource and public values. Land exchanges involve highly complex and multi-faceted processes to appraise land, weigh public values and benefits, and analyze the trade-offs between lands leaving federal ownership and those being acquired. These processes require a high level of oversight and management involvement. In many areas, rapidly developing real estate markets are highly speculative and are in a constant state of flux, heightening the complexity of the exchange processes and the level of controversy associated with exchange decisions

BLM Director Fry announced the formation of a National Land Exchange Evaluation and Assistance Team on August 14, 1998. The Team was formed after audits performed by the Office of the Inspector General criticized the land exchange program, faulting BLM for failing to consistently follow established procedures and regulations governing land exchanges. The Team's purpose is to take the initiative in addressing external concerns related to BLM's land exchange program, and to take corrective actions before BLM is irreversibly committed to any further exchange transactions.

The Southern Nevada Public Lands Management Act allowed receipts from the sale of certain lands in Clark County, Nevada, to be used to either acquire lands needed for federal programs or to develop recreation and other areas for use by the public. To date two sales have been held—in November 1999 and June 2000.

Great Basin Restoration

In the fall of 1999, teams of specialists met to map out a strategy for restoring Nevada's Great Basin ecosystem, which had suffered severe wildfire damage earlier that year. Acknowledging that the ecological resiliency of the Great Basin—a sagebrush-dominated area of desert mountains and basins—was failing as non-native annual grasses and noxious weeds covered the land, the team recommended that a restoration effort begin as soon as possible, before an ecological “point of no return” was reached.

Since then, the Great Basin Restoration Initiative has prioritized the restoration in order to protect healthy, functioning ecosystems of native plant communities; restore degraded landscapes with high potential for recovery and restore decadent shrub lands. The BLM has published several reports on the Great Basin restoration efforts, which include: *Out of Ashes* (November 1999); *Healing the Land* (April 2000); and *Great Basin Restoration Initiative Brochure and Interpretive Display* (December 2000).

Protecting and Restoring Public Land Resources

Restore and Maintain the Health of the Land

Many of the public rangelands managed by the BLM were degraded by the end of the 19th century because of unsustainable livestock grazing, timber harvesting, and mining practices. Despite 20th century efforts to reverse this trend, a 1993 U.S. Forest Service report found that many of the Nation's rangelands remained deforested, dotted with abandoned mine sites, and afflicted with a continuing loss of biological diversity.

In 1993, Secretary of the Interior Bruce Babbitt announced a Healthy Rangeland Initiative to improve the management and health of public rangelands. The program aims to restore the natural characteristics of healthy rangelands—abundant plant and animal life, clean water, functional watersheds and stable soils. The initiative culminated in the 1995 regulations that set standards for rangeland health and the use of Resource Advisory Councils (RACs) in the development of these standards.

The Secretary was particularly concerned to develop improved standards and guidelines for livestock grazing, which is the most common traditional use of public lands in the American West. The twenty-four RACs created by the initiative represent a balance of views among various local interests with a stake in the management of public lands. BLM works with the Councils to develop a broad consensus on standards of rangeland health.

Because healthy rangelands recover quickly from ecological disturbances and are stable over time, they support a wide variety of sustainable uses and create lasting economic benefits. The land health standards developed through the initiative are included in BLM's land use plans, and help BLM's land managers determine the proper number of livestock to run, the correct time of the year for grazing, the kinds of fences to be used, and the water developments and vegetation treatments necessary to maintain the health of the land.

Resource Advisory Councils

Secretary Babbitt established Resource Advisory Councils throughout the West to help chart a new course for public land management by BLM. These locally based citizen councils provide an opportunity for individuals from all backgrounds and interests to have a voice in the planning and management of public land resources located within their geographic areas. This voice is particularly vital at a time of rapid growth and changing demographics in the West, whose population, which was 17 million in 1945, now exceeds 60 million. The councils help ensure citizen involvement in management of the nation's public lands.

A notable feature of these advisory councils is their balanced composition. Five members represent the traditional uses: livestock grazing, energy development, timber production, commercial recreation, rights-of-way, and organized off-highway vehicle use. Another five members represent conservation and non-commercial recreation interests in these areas: environmental protection, historical and cultural preservation, wild horse and burro advocacy, and general recreation. The other five members consist of local elected officials, academicians, tribal representatives, and state or local agency personnel, as well as individuals from the general public.

This balanced composition is most apparent in each advisory council's voting requirements. Each council's charter specifies that a majority of each interest group must vote affirmatively to refer any recommendation to the BLM for consideration. This requirement makes achieving consensus more difficult than in a "majority-rules" scenario, but it also encourages each group to seek support from members of other groups. Win-lose propositions are not viable in such an environment; general agreement among (as well as within) the groups is essential. Such consensus-driven recommendations are far more likely to lead to sustainable outcomes that benefit natural resources and enjoy high levels of public support.

Jobs-in-the-Woods

The Pacific Northwest experienced a reduction in timber-related employment in the 1990s due to changes in federal land policy and changing economic conditions in the timber industry. The Jobs in the Woods program was created to lessen the impact on communities by providing

employment opportunities. Through this program, displaced timber workers perform ecosystem restoration on BLM lands in western Oregon and northern California.

Implementing Jobs-in-the-Woods has provided an opportunity to integrate various social, economic, and environmental components of BLM's natural resources work, while simultaneously creating quality jobs that benefit both individuals and communities in the Pacific Northwest.

BLM has implemented this program through the contracting process as well as through innovative agreements with cooperating partners including government agencies, tribes, universities, private individuals, industry, and other organizations such as watershed associations. Since 1994, more than \$47 million has been invested in the Jobs-in-the-Woods program. This has resulted in approximately 1,389 jobs and 1,026 restoration projects.

BLM has focused restoration efforts on the Governor of Oregon's Coastal Salmon Initiative, thereby playing an effective role in restoring Pacific coast salmon while continuing to provide job opportunities to displaced workers. This has been accomplished through contracts with small businesses in local communities, and shared partnerships with communities and watershed associations.

The resulting restoration work has benefited Western Oregon forests, streams and rivers, as well as the fish and wildlife that depend on these lands for habitat. Projects made possible through the Jobs-in-the-Woods program—such as culvert replacement for fish passage and sediment reduction, riparian restoration, and stream and river rehabilitation—are contributing significantly to the health of western Oregon forests and watersheds.

BLM is also focusing on projects with partners to support the Oregon Plan for Salmon and Watersheds, while efforts in northern California will focus on watershed restoration and fuels treatments. BLM is funding a share of restoration projects on private lands through legislation that allows systematic planning of restoration projects to achieve maximum benefits to watersheds.

Clean Water Action Plan and the Unified Federal Policy for Watershed Management

Clean Water Action Plan

In 1997 and 1998, the U.S. Department of Agriculture (USDA) and the Environmental Protection Agency developed the Clean Water Action Plan (CWAP) in coordination with the Department of the Interior. The CWAP directs federal agencies to adopt a watershed approach to the restoration of America's waterways. Restoration priorities are established and clean-up actions planned with the integrated health of the watershed in mind. This means taking into account the various needs and capacities of the people, wildlife, and ecosystems, which depend on water resources within the river basin. Once stronger water quality standards are proposed, under CWAP federal agencies coordinate their activities to support locally led watershed restoration and to improve the caliber of publicly available information concerning watershed health and the safety of drinking water.

CWAP has facilitated improved funding throughout the Departments of the Interior and Agriculture for water quality improvement initiatives, and for programs aimed at the restoration of riparian habitat, upland watershed conditions, and abandoned mine lands.

Nonpoint source pollution—pollution traceable to a distant source—is the biggest cause of degradation to water quality in the U.S. Activities affecting water quality on public lands often originate off public lands. CWAP made several commitments designed to yield long-term improvements in aquatic health and water quality, with BLM specifically addressing stream corridor restoration, abandoned mine cleanup, road decommissioning and water quality protective measures for forest roads and trails.

BLM completed about 1,500 miles of stream corridor restoration in both 1998 and 1999. There are BLM abandoned mine land cleanup projects in nine states, with projects underway in thirty watersheds. BLM is assessing several million of acres annually for conformance with rangeland and watershed health standards.

Unified Federal Policy for a Watershed Approach to Federal Land & Resources Management

Several federal agencies and the Department of the Interior have nearly completed a final Unified Federal Policy on watershed management to protect water quality. This policy, which provides a framework for a watershed approach to federal land and resource management activities, is one of the action items in CWAP, and has been developed collaboratively, with public involvement solicited through eleven regional meetings and a draft *Federal Register* comment period.

The Unified Federal Policy is a proposal in which BLM and the U.S. Forest Service (USFS) would share the lead for a consistent approach to water quality protection and restoration. It calls for a science-based approach to watershed assessment and greater collaboration between the federal and state governments, tribes, and other stakeholders in watersheds.

Public land is important to millions of Americans for drinking water, irrigation, transportation, recreation, and wildlife habitat. Federal land managers are responsible for protecting and restoring these resources under the Clean Water Act and water quality standards established by states and tribes.

This Unified Federal Policy provides a model for water quality stewardship and the protection and enhancement of aquatic resource values.

Threatened & Endangered Species Management Guidelines

The Federal Endangered Species Act (ESA) requires BLM to protect and restore the health of public lands, which provide habitat for threatened, endangered, and candidate species. The goal of BLM's management program is to promote species recovery and prevent additional species from being listed. BLM's management program therefore addresses not only plants and animals that are federally listed, but also those that are proposed for listing, as well as species designated

by the agency as sensitive. The public lands managed by BLM support at least 300 federally listed species, forty-six proposed species, fifty-five candidate species, and an additional 1,500 sensitive species. Collectively these species occur over a significant portion of the 264 million acres of public lands managed by BLM. The agency has updated its policies and guidance to ensure that actions authorized by BLM do not jeopardize a listed species or contribute to the need to list sensitive species.

With the increasing numbers of listed, proposed, and candidate species occurring on BLM managed lands, the agency under Secretary Babbitt took a more aggressive approach, in some cases implementing plans to protect multiple species and entire ecosystems. For example, the agency is developing multi-species conservation plans for prairie grasslands and sagebrush ecosystems on public lands to be implemented on an entire landscape. These plans are being developed in concert with other federal land managing agencies as well as state agencies and private conservation organizations. “The Lynx Conservation Assessment and Strategy” (developed with the USDA Forest Service and the U.S. Fish and Wildlife Service) and the “Lynx Conservation Agreement” (developed with the U.S. Fish and Wildlife Service) represent broader more inclusive landscape level conservation efforts designed to more effectively manage for threatened and endangered species. BLM is taking a similar approach to the conservation and protection of the black tailed prairie dog. Prairie dog habitat typically supports a great diversity of additional plants and animals.

BLM recognizes it can not conserve and protect endangered species in isolation. The agency has developed national agreements with a number of groups interested in working cooperatively on endangered species issues, organizations such as the Society for Ecological Restoration, the Nature Conservancy, Bat Conservation International, the Lady Bird Johnson Wildflower Center, and the Western Association of Fish and Wildlife. In addition, BLM has been instrumental in developing partnerships such as the Plant Conservation Alliance, a consortium of fifteen federal agencies and over 170 non-federal partners working together on native plant conservation and restoration as well as invasive plant issues. In concert with other federal agencies, BLM has played a significant role in developing interagency Memoranda of Understanding on candidate species conservation, on the required (ESA Section 7) consultation process, and on endangered species recovery efforts. Throughout the Clinton Administration, BLM has worked successfully with other federal agencies and the private sector on a range of endangered species issues, including protection of the California condor and desert tortoise.

Riparian-Wetland Initiative

The term “riparian” refers to the type of ecosystem adjacent to streams and lakes that is strongly influenced by water. The concept includes the plants, animals, soil, and water that interact to create these special natural resources. Wetlands are areas that are inundated or saturated by water long enough to influence the type of vegetation present. Because they contain scarce water and support vegetation in vast areas of otherwise arid landscape throughout the western United States, these areas are very important to fish, wildlife, and people.

BLM administers 180,000 miles of streams flanked by riparian systems and 16 million acres of wetland scattered across fourteen states. Although comprising only about nine percent of the

land base, these areas constitute some of the most valuable resources managed by BLM. Wetlands and riparian areas provide clean, cool water, high quality reproductive habitat, and a variety of forage for fish, birds, and other wildlife species. They support biological diversity for a wide range of game and non-game species. When managed properly, riparian areas can provide abundant forage, water, and shade for livestock. Along with the life-sustaining value water provides for people, visitors are drawn to these special areas for the wide variety of recreational opportunities they provide.

In recognition of the critical values and important roles that riparian/wetland areas fulfill, BLM initiated a program called the “Riparian-Wetland Initiative of the 1990s.” The principal objective of the initiative is to return these areas to “proper functioning condition” or “PFC”. An area is in PFC when adequate vegetation, land form, or large woody debris is present. These features serve to dissipate energy associated with high water flow, promote rapid recovery from any disturbance, and sustain valuable physical and biological resources native to riparian/wetland systems.

BLM has been implementing the initiative in several ways, using strategies designed to restore long-term health and function to riparian and wetland areas. The first step is to take inventories calculated both to determine the current condition of a given area and to identify the causes of any existing dysfunction. Over the last eight years, BLM has assessed conditions on about 34,000 miles of flowing-water riparian areas in the western states and 132,000 miles in Alaska.

Concurrent with the inventory process, BLM has been prioritizing work, planning restoration actions, and implementing change. In some cases, modifying land use activities may be sufficient to initiate recovery and eliminate deleterious impacts. For example, where there is inadequate vegetation—failure to meet PFC—in an area used for season-long grazing, temporary livestock exclusion, accompanied by a permanent change in the grazing system, may be sufficient to move the system to PFC. If conditions suggest that stronger measures are necessary, BLM will design and implement projects which correct the dysfunction.

BLM has implemented about 400 new projects annually to protect, restore, or improve riparian-wetland areas. These projects have included water developments; fence construction, tree, shrub and grass plantings, prescribed burnings, and noxious weed control. Since modification of land use and activity plans can restore or protect riparian areas, BLM has prepared or revised approximately 150 activity plans per year to address riparian-wetland management issues. The plans include management prescriptions related to riparian-wetland areas for activities such as livestock grazing, surface protection, fish and wildlife habitat management, and recreational use.

Acquisition and expansion of key riparian areas is a strategy selected to maximize public benefit as well as to protect and enhance natural values. Working in close coordination with the Environmental Protection Agency, the Army Corps of Engineers, and others, BLM administers its acquisition program, so as to ensure compliance with the Clean Water Act and the Endangered Species Act. Over several years, the agency has acquired hundreds of miles of streams and thousands of acres of wetlands, focusing efforts on habitats critical to endangered species, such as those in migratory pathways or in areas where development was imminent.

Since water is essential to riparian-wetland functions, BLM has worked to secure rights or cooperative agreements to sustain water flow.

In support of its riparian-wetland program, BLM has joined with state and federal agencies and private interest groups to develop a cooperative training and information network. This delivery technique helps reach a large, diverse audience and takes advantage of existing research, outreach networks, and education programs administered by the various partners. The National Riparian Service Team, a cooperative training and consulting team, is staffed by BLM and U.S. Forest Service employees. In cooperation with the Natural Resources Conservation Service, Cooperative Extension, and others, the team members train hundreds of workshop participants annually. The Service Team delivers assistance both locally, through a network of individual state training cadres, and internationally, through workshops in both Canada and Mexico.

Through BLM's National Applied Resource Sciences Center, incorporating field experience as well as research and technology of universities and other institutions, BLM has developed and published ten technical reference documents on riparian and wetland inventory, assessment, and management.

BLM strives to create and nurture partnerships at the national, state, and local levels, promoting coordinated efforts with private landowners, state and federal agencies, and numerous interest groups. Each year BLM has allocated significant funding to projects with multiple funding partners, stretching limited financial resources and helping local and national interest groups accomplish local restoration goals.

Since riparian-wetland ecosystems do not begin or end at land ownership boundaries, restoration of these complex ecosystems depends on cooperation among resource users and managers, and both groups must learn to think on a watershed scale. A watershed, however vast, is a unified, delicately balanced system; the human beings, animals, and plants living within the watershed are inextricably connected to one another, and the welfare of each ultimately depends upon the health of the whole. BLM is working with local public land users and adjacent private property owners to develop a common understanding and incorporate multiple views and needs into long-term management plans. The use of "interdisciplinary teams," which include individuals trained in the hydrology, vegetation, soils, biology, and range management fields, helps to communicate the functions and interactions of the various resource components in riparian-wetland areas. This technique helps both the layman and the technical specialist understand the complex interactions occurring between people, soil, water, animals, and vegetation in riparian-wetland areas.

BLM has teamed up with the University of Montana's Riparian and Wetland Research Program to develop and implement an Internet-accessible database which allows anyone with access to a computer to view and query riparian data collected in Montana and Idaho. BLM has also cooperated on publishing riparian management guides and private property success stories, sharing information with a diverse audience.

Riparian-wetland systems are resilient and capable of recovery after disturbance, having evolved under conditions of frequent natural disturbance. However, periodic floods and droughts, along with climatic variations of moisture distribution, do affect the ability of these systems to tolerate

periods of environmental stress or to recover from a severe ecological shock. Human impacts on stream systems such as livestock grazing, mining, logging, water diversions, and road construction, further compromise any system's ability to support the physical and biological functions that BLM strives to restore and perpetuate. These valuable resources exist within a complex land ownership pattern, necessitating cooperative public-private management strategies to fulfill multiple objectives. BLM will continue to embrace cooperative planning and management, building upon many successful efforts already begun across the West.

Federal Wildland Fire Policy and Program Review

In 1994, thirty-four wildland firefighters lost their lives, including fourteen on the South Canyon fire in Colorado. As a result of this tragic fire season, the Secretaries of the Interior and Agriculture chartered the BLM, National Park Service, U.S. Fish and Wildlife Service, Bureau of Indian Affairs and Forest Service to conduct a review of federal wildland firefighting policies. This review, the "Federal Wildland Fire Management Policy and Program Review" (Policy) dated December 18, 1995, launched a major shift in wildland fire policy.

The Policy reconfirms public and firefighter safety as the agencies' top priority. It also recognizes that wildland fire is a critical natural process, and encourages its reintroduction into areas where fuels have accumulated and pose threats to wildland/urban interface areas, and forest and rangeland health.

The "Federal Wildland Fire Policy" consists of nine guiding principles, which have been endorsed by the federal land management agencies and their state partners: 1) firefighter and public safety is the first priority in every fire management activity; 2) the role of wildland fire as an essential ecological process and natural change agent will be incorporated into the land use planning process; 3) fire management plans, programs, and activities support land and resource management plans and their implementation; 4) sound risk management is a foundation for all fire management activities; 5) fire management programs and activities are economically viable, based upon values to be protected, costs, and land and resource objectives; 6) fire management plans and activities are based upon the best available science; 7) fire management plans and activities incorporate public health and environmental quality considerations; 8) federal, state, tribal, and local interagency coordination and cooperation are essential; 9) standardization of policies and procedures among federal agencies is an ongoing objective.

The emphasis on safety and the shift in the wildland fire policy from total suppression to one that includes wildland fire use has resulted in several changes and new initiatives in both management and operations. These include:

- The development of minimum qualification standards for key fire management positions. These incorporate key competencies for fire management positions, standard performance elements, and required and recommended training for agency managers.
- The expansion of fire research capabilities to provide agencies with information on treating hazardous fuels successfully, reducing the threat of severe wildland fires, and restoring or maintaining the appropriate role of fire in ecosystems.

- The development of goals and recommendations to help improve safety in firefighting based on input from more than 1,000 wildland firefighters.
- The establishment of national operating standards for wildland fire management. Updated and published annually, the *Standards for Fire and Aviation Operations* provides guidance and clarification on wildland fire policy, safety procedures, fire use and suppression, fire preparedness and prevention, protection priorities, interagency cooperation, roles and responsibilities, and wildland/urban interface issues. This reference, more commonly known as the “Red Book “ helps ensure safe, effective and efficient operations.
- The initiation of formal preparedness reviews of fire and aviation programs in BLM field offices. The goal of these reviews, conducted by a national team every three years, is to ensure that the standards established in the “Red Book” are being met. As part of the preparedness reviews, employees complete a series of drills to ensure they have received the needed training, and are able to apply that training. Organizations that do not meet the standards are grounded until the deficiencies are corrected. BLM State Offices also conduct their own preparedness reviews for units within their state each year.
- The establishment of Interagency Fire Use Management Teams to help land managers make and implement decisions relating to the use of fire to reduce hazardous fuels and improve forest and rangeland health. The teams focus heavily on risk assessment and fire growth projections.
- The establishment of National Wildland Fire Prevention and Education Teams to help land managers create awareness about how to reduce human-caused fires, and educate the public about fire-safe practices. The teams also help the public understand the benefits of naturally occurring fire. In conjunction with these efforts, BLM collaborated with Florida State University to develop an interactive multimedia program to help middle and high school students learn about the role of fire in ecosystems and the benefit of managing fire in natural areas. The program, entitled “Burning Issues”, leads the student through a variety of “Ecoventures” to help users learn about prescribed fires; fire suppression; the effects of fire on the relationships among predators, prey and invasive plant species; and firewise building techniques in wildland/urban interface areas.

Invasive Weeds

Non-native invasive plants are spreading at unprecedented rates in rangelands, forests, prairies, wetlands and waterways. They crowd out native plant species, disrupt ecosystem processes, alter wildlife habitat and cost Americans billions of dollars each year. It is estimated that weeds are spreading at the rate of 4,600 acres per day on federal lands alone. Much of this spread is occurring on BLM-managed lands in the Western United States.

Although the spread of weeds is exponential, it is believed that close to 90 percent of BLM’s public lands are not yet significantly infested by weeds. This provides an excellent (and urgent) opportunity for the agency to prevent the majority of public lands from becoming seriously infested. BLM therefore has targeted prevention, control, and containment of invasive plants as a top agency priority. BLM has made significant progress in the 1990s despite only slight increases in its budget.

In 1996, BLM initiated Partners Against Weeds, a national invasive weed management strategy which outlines necessary prevention, detection, education, inventory, planning, coordination, monitoring, and research activities necessary to manage public land weed issues. Because invading plants do not respect property lines, the plan emphasizes concerted community and partnership efforts to help stem the spread of noxious weeds. Examples of cooperative weed control efforts among private parties, state officials, and BLM include the following:

In 1999, a BLM seasonal-spray crew spent two weeks working with Juab County, Utah, to treat thousands of Scotch thistle plants in an area that had burned the previous summer. In late May of 2000, BLM staff found only a dozen plants. Successful control of the thistle in this area was a result of vigilance and timing. Had BLM and local officials missed this window of opportunity, repeated control measures would have been required for the next twenty years. Because it initiated this cooperative project, BLM saved thousands of public dollars.

Also in central Utah, during the “Cove Fort Weed Day,” BLM collaborated with several hundred high school and middle school student volunteers to dig thistle. The result of this joint effort has been an increase in the quality of elk habitat within Millard county.

Four high school students from Columbus, Montana, along with their vocational-agriculture instructor, successfully introduced the use of the horned beetle to reduce the spread of leafy spurge. Starting with a modest 200 beetles, the students successfully reproduced millions of insects. This project is believed to be the only one that has succeeded in reproducing these beetles in large numbers.

In Montrose, Colorado, BLM and the Sierra Club have received national recognition for their anti-weed partnership. Members from across the country pay to participate in a service vacation during which they work along the Dolores River, digging and pulling non-native weed species from some of the most heavily used boating stops along the river.

In addition to working with community partners, BLM has also worked within the agency to incorporate a new emphasis on invasive plant management into BLM handbooks and strategies. For example, in 1999 BLM changed its handbook on implementing the National Environmental Policy Act (NEPA) to identify weeds as a critical element in NEPA evaluations. The restoration strategy for the Great Basin, “Healing the Land,” also recognizes that the invasion of weeds is a major obstacle to restoration efforts and recommends techniques such as establishing fuel breaks, greenstripping and other methods to protect areas from wildland fire impacts and weed invasions.

In 2000, BLM established a training course on management of invasive plants for all field staff. The purpose is to get all employees, not just botanists or plant specialists, to take an active role in identifying and controlling weed invasions, and, more importantly, preventing new invasions on healthy lands.

In support of its goal to increase the total acreage treated to control non-native weeds in 1999 by 40 percent, BLM adopted a management approach which integrates chemical, cultural, biological, and mechanical means of weed control. In 2000, BLM inventoried a total of 7

million acres of public land for weed occurrence and funded a number of new cooperative weed management projects throughout the western states. Although BLM Field Offices submitted approximately 200 detailed proposals for high priority work in their states, funding was not available to fund all of these projects. Available resources are directed toward the following priorities: weed pilot projects where cooperative partnership efforts help prevent the spread of weeds at the local community level; weed education, prevention, and early detection strategies; weed control treatments; and cooperative weed inventories involving state, local and private partners.

In April of 1998, BLM hosted a “Science in Wildland Weed Management” symposium in Denver, which concluded that education must be a top priority in any national effort associated with nonnative invasive plant problems. Education is critical to help people understand the extent of the problem, the part they may have played in contributing to the problem and, most importantly, how they can play a meaningful role in controlling the spread of these plants. With this in mind, BLM spearheaded development of a comprehensive invasive species education plan, “Within Our Grasp,” as part of Partners in Resource Education, is a national partnership of educators from BLM, Fish and Wildlife Service, Forest Service, and National Park Service. Additional partners are the Natural Resources Conservation Service, representing private landowners, and the non-profit National Environmental Education and Training Foundation which coordinates the program. The plan enlists partners at the national and local levels to join in the effort to mobilize communities to minimize the spread of invasive plants. It addresses both formal (kindergarten through high school) and informal education. These programs compliment related federal efforts such as those by the Federal Interagency Committee on the Management of Noxious and Exotic Weeds (FICMNEW), on which BLM serves.

In order to raise awareness of the seriousness of the spread of invasive plants, President Clinton signed an Executive Order on invasive species (E.O. 13112) on February 3, 1999. It establishes a framework in the fight against weeds and other invasive species and calls for a coordinated federal effort. It directs the creation of an Invasive Species Council and an advisory committee comprised of non-federal stakeholders. A comprehensive plan to address the growing economic and environmental threat on a national basis is under development in the year 2000. The BLM, manager of 264 million acres, will continue to play an important role in the national weed control program currently being formulated.

CASHE: Compliance Assessment - Safety, Health and the Environment

The Compliance Assessment - Safety, Health and the Environment (CASHE) Program is an audit process to improve facility management. BLM program areas that are benefiting from CASHE audits include recreation, fire, wild horse and burro, and noxious weeds.

The Bureau’s National Applied Resource Sciences Center (now the National Science and Technology Center) proposed the creation of a Bureau-wide environmental auditing program after learning of the benefits private industry and the Department of Defense were receiving from similar endeavors. In Fiscal Year 1993, the Washington Office agreed to the establishment of an environmental auditing program.

During the initial program development, BLM identified the need for an auditing program that evaluated more than just the environmental compliance issues facing its facilities. As a result, the audit program was expanded to include safety, health, environmental, transportation, and fire prevention regulations, and the CASHE Program was created. The CASHE Program's comprehensive scope ensures that BLM facilities comply with the regulation or standard that most protects human health and the environment.

The first CASHE audit was conducted in October 1993; in September 1997, the Department of the Interior required all its agencies to develop environmental auditing programs. The CASHE program received a Department of the Interior Environmental Achievement Award in 1997 and an Environmental Protection Agency, Region 8, Environmental Achievement Award in 1998.

During a CASHE audit, in addition to facility evaluation, personnel receive training on how the regulations apply to their operations. In order to provide immediate feedback to the audited unit, a written draft final report is given to each field office during an exit briefing with the CASHE Team. Problems are outlined for the management team during the briefing, and the draft report recommends how to correct them. Since 80 to 90 percent of CASHE findings can be corrected at no cost, and fewer than 1 percent cost over \$2,500 to correct, the vast majority of recommendations can be implemented promptly.

The CASHE review process encourages audited facilities to begin to plan for the implementation of recommendations immediately, and results in a final report that serves as an action plan. The final report includes estimated completion dates and points of contact for the implementation of each recommendation.

National Public Lands Day

In 1994, BLM and Times Mirror Magazines created Public Lands Appreciation Day (PLAD) to provide citizens with opportunities to participate in volunteer and education activities linked to public lands. The National Environmental Education & Training Foundation (NEETF) signed on in 1996 as the new national coordinator of the event, and PLAD became "National Public Lands Day" (NPLD). As national coordinator for National Public Lands Day, NEETF works with federal land managers to promote and support NPLD events. The Foundation works with agencies to select sites; assists sites with planning, promotion, and environmental education materials; and develops resources from public and private organizations for program implementation.

Each year, NPLD volunteers build trails and bridges, and transform many sites into universally accessible areas. They renew buildings, improve wildlife habitat, revegetate stream banks, restore shorelines, and complete other projects that could not be undertaken without the infusion of volunteers provided by National Public Lands Day. In addition to improving public lands, NPLD events help to educate citizens about critical environmental and natural resource issues and the need for shared stewardship of public land resources. NPLD also helps to build partnerships between the public sector and the local community centered on mutual interest in the enhancement and restoration of America's public lands.

Celebrated on or near the last Saturday of each September, NPLD has grown since its inception from a handful of sites in a few states to a true national celebration. In 2000, eight participating federal land management agencies hosted events at more than 250 sites across the nation, with 50,000 volunteers performing public lands work with a value of more than \$8 million. Preliminary BLM statistics for 2000 indicate that 6,000 volunteers participated in planned activities at fifty BLM sites in eighteen states.

In addition to BLM, federal agencies participating in National Public Lands Day 2000 were the U.S. Fish and Wildlife Service, National Park Service, Bureau of Reclamation, U.S. Army Corps of Engineers, Department of Defense, USDA Forest Service, Tennessee Valley Authority, and U.S. Environmental Protection Agency. Numerous state and local parks and recreation departments also participated, and governors' proclamations were issued in nineteen states. The Public Lands Foundation committed personnel and funds at several western sites. National corporate sponsors included Toyota, the Outdoor Life Network, Galyans Sports, Sunbeam Corporation, and Leave No Trace. A wide array of local public and private partners also contributed to events at individual NPLD sites.

Innovations and New Approaches

National Wild Horse and Burro Policy

In 1998, BLM faced several questions about the fiscal management of the Wild Horse and Burro (WH&B) program and management of viable herds on healthy range. The first issue was the organization of the program. In the late 1980s, the BLM had decentralized management of the WH&B program from Washington, D.C. to Reno, Nevada and placed responsibility under the Nevada BLM State Director. Only liaisons were left in Washington to interact with upper management, other agencies, and Congress. A second issue was the extremely poor public perception of the program and its management, expressed in allegations in nationwide news articles. Third, adoptions of wild horses and burros had dramatically decreased nationwide and preparation facilities were at capacity. There were large numbers of unadoptable animals in the pipeline and populations were burgeoning on the range. Fourth, the budget had been reduced. Fifth, there was no a formal plan guiding the management of the program. Last, the program was essentially a loose aggregation of several separate programs run by individual BLM state offices.

In response to recommendations from several internal and external evaluations, BLM began implementing many steps to improve management of the program, beginning with reorganization of the program administration. The program was redefined as a national program and management was moved back to Washington, D.C. The Wild Horse and Burro Advisory Board was rechartered, as authorized by the Wild Free-Roaming Horse and Burro Act of 1971, to assist the agency.

Strategic planning was conducted for the program. A long-term goal and two quantifiable performance measures were inserted into BLM's Strategic Plan. The long-term goal, to be met by 2005, is to manage the wild horse and burro populations in a manner consistent with land standards and healthy herds in order to achieve and maintain a thriving natural ecological

balance on 15 percent of the Herd Management Areas, and to ensure that wild horses and burros continue as living symbols of the historic pioneer spirit of the West.

The Wild Horse and Burro program developed a pilot instituting the use of business tools. Specific costs for each of the discrete activities of the program-gathers, preparation, adoption, compliance, titling-were developed for each state through Activity Based Costing (ABC). BLM also used a population model developed specifically for the WH&B program to develop several on-the-ground management options based on biological data.

Surprisingly, the use of ABC and population modeling data supported a management strategy that had been repeatedly discarded in the past as too costly. The data clearly demonstrates that the chosen strategy is the most cost effective in the long term and will enable BLM to meet management goals in the shortest time.

BLM Science Advisory Board

Secretary Babbitt established the BLM Science Advisory Board on April 15, 1998. The Board advises the Director on improving the communication of BLM science and research needs to other federal agencies, the scientific community in general, Congress, and the American public; transferring new technology and scientific findings to BLM field office staff; and coping with current and emerging resource issues.

Membership on the Science Advisory Board has included university professors, executives from industry and non-governmental organizations, and state government officials. Each board meeting has had a specific science agenda. Agendas have included: fertility control for wild horses; the science of wildland fire management and post fire rehabilitation; the Great Basin restoration initiative; the science associated with cultural resource management; and the use of current and emerging technologies for natural resource management.

The Board's main project during 1999-2000 was assisting a team of BLM and USGS staff in creation of a strategic science plan. The strategic plan outlines how science will be used in BLM decision making, defines a process of identifying and prioritizing BLM's science needs, and suggests how BLM can communicate its needs to science providers.

The Science Advisory Board was re-chartered by Secretary Babbitt on July 14, 2000 for two years.

Service First

Begun with two pilot sites in 1996, Service First is a BLM-Forest Service (FS) partnership created to enhance public service and improve land and resource management practices. By merging the efforts of the two agencies on a local level, BLM and FS expect to achieve dramatic improvements in customer service, operational efficiency, and quality of resource stewardship.

Fiscal realities and public demands continually challenge federal agencies to find new and better ways of doing their jobs. The Service First program aims to provide convenient and effective

“one-stop shopping” to its customers, and to apply good judgment and common sense in response to local circumstances and needs. Service First seeks to increase public satisfaction with agency services through a collaborative approach to resource management and through sharing of resources for more cost-effective service delivery. Joint management of intermingled and/or adjacent public lands also enhances benefits to the natural resources themselves, particularly in such large-scale programs as noxious weed control and watershed restoration.

Under the Service First provision for shared personnel, BLM and FS can allocate human resources to areas in which they are most needed. For example, BLM does not have an archaeologist in the Alamosa area of Colorado; the nearest BLM archaeologist is located in Canon City, a distance of 140 miles. Through Service First, the FS archaeologist in the Alamosa area can respond to the archaeological needs of both BLM and FS constituents in this vicinity. Co-location of staff improves customer convenience and interagency communication, and sharing of equipment and facilities stretches limited funding. Coordination in permitting and contracting and the joint pursuit of common administrative projects also lead to greater efficiency.

Hammer Awards have been presented by Vice President Gore’s National Performance Review to the Colorado Trading Post and the Central Oregon Initiative, the two pilot Service First projects, for “work [resulting] in a government that works better and costs less.”

Recreation Fee Demonstration Program

BLM participated in the six-year Recreation Fee Demonstration Program authorized by the Omnibus Consolidated Rescissions and Appropriation Act of 1996 (Public Law 104-134). The National Park Service, Fish and Wildlife Service and the Forest Service also were included in this legislation. This law gives BLM the authority to collect fees at various sites under its jurisdiction, and then to use 100 percent of those monies to fund much-needed improvements at the sites which generated the revenue. The law directed BLM to select a minimum of 10 and up to 100 sites to participate in the program.

Prior to fee demonstration, restrictions found in the Land and Water Conservation Fund (LWCF) Act had limited BLM’s authority to collect recreation fees. A 1972 amendment to the LWCF Act authorized BLM to issue permits and charge fees for special uses such as group activities, major recreation events, or motorized recreation vehicle use. It also allowed BLM to levy fees for certain recreation sites and facilities. In 1989, the Omnibus Budget Reconciliation Act permitted BLM to return a limited amount of fee money to the area of collection. BLM was later authorized to charge entrance fees at its eight National Conservation Areas through the 1993 Omnibus Budget Reconciliation Act.

Under the Recreation Fee Program, BLM increased its recreation fee pilot projects from an initial ten projects in Fiscal Year 1997 to sixty-eight projects in Fiscal Year 1998, ninety-five projects in Fiscal Year 1999, and the full 100 sites in Fiscal Year 2001. BLM collected recreation fees totaling \$3.7 million in Fiscal Year 1997, \$6.1 million in Fiscal Year 1998, and \$6.7 million in Fiscal Year 1999. BLM fee demonstration projects accounted for \$5.1 million of the Fiscal Year 1999 total. The fee demonstration project revenues are being used to maintain

and upgrade facilities; improve and expand campgrounds; provide visitor services, including interpretation, environmental education and stewardship ethics; improve visitor safety; enhance access to persons with disabilities and provide for fee collection and operation costs.

Overall, visitation to recreation areas managed by BLM has increased during the course of participation in the demonstration program, although several BLM fee demonstration areas received slightly less use during the first two years of the program. As would be expected, sites with the greatest visitation collected the most money, particularly in those areas that had a single or limited points of access, such as Red Rock Canyon National Conservation Area, located just a short drive from Las Vegas, Nevada; Little Sahara Off-Highway Vehicle Recreation Area, Utah; Yaquina Head Outstanding Natural Area, Oregon; and, the Anasazi Heritage Center, Colorado. All of these sites had high numbers of visitors and a single point of entry to the fee site.

Frequent agency presence on site is critical in order to have a high public compliance rate. For instance, the National Historic Oregon Trail Interpretive Center achieved more than 90 percent public compliance because the self-serve pay station is in full view of the staff and volunteers in the Center's lobby. Volunteers and organized groups that have played a role in the development and management of a particular recreation site have been given exemptions from fees based on their services and contributions to the particular site.

Although the legislation authorized agencies to retain up to 20 percent of the new fees at the national level for recreation related expenditures, BLM authorized its fee demonstration site managers to retain the full 100 percent of collections. This funding arrangement gives local managers an incentive to participate in the Recreation Fee Demo Program. Revenues collected at recreation sites with a high volume of visitation exceeded the cost of collection, while the less frequently visited sites collected revenues just sufficient to offset their collection costs. Since start-up capital costs were also involved, the revenue to collection-cost ratio will improve in the future, as the one-time start-up costs are amortized. Costs of collection also vary with the method of collection.

In Fiscal Year 1999, BLM spent approximately one-half (52 percent) of the revenues from fee collections on annual operating and maintenance work, including cost of collection. The other one-half of the collections was spent on reducing BLM's backlog maintenance projects (24 percent); improving interpretive services and providing improved or enhanced visitor amenities (13 percent); providing law enforcement services (2 percent); and protecting and conserving natural resources (9 percent).

Projects that have been completed or started include: maintaining existing facilities; retrofitting restrooms and access to picnic areas for persons with disabilities; repairing or constructing restrooms; repairing, replacing, installing and expanding water systems; landscaping sites; expanding campgrounds; adding new grills and tables; constructing trails and additional tent pads; increasing services and adding seasonal positions; constructing fee collection facilities; adding and repairing equipment; developing exhibits and other outreach materials; expanding partnerships; designing and creating interpretive displays, maps and brochures; creating and adding directional signs; repairing roofs and vehicles; paving and grading roads and bridges; repairing and adding communication systems; repairing, replacing, and constructing boat ramps;

replacing and constructing boat and fishing docks; purchasing and installing lighting for exhibits and kiosks; repairing gates, fences and flood damage; providing law enforcement officers; and eradicating weeds and other invasive species. These projects would not have been accomplished without the funds provided by the Recreation Fee Demonstration Program.

Reducing Barriers to Cross-Jurisdictional Planning

BLM seeks to reduce barriers to cross-jurisdictional planning by engaging in collaborative efforts with Indian tribes, other federal agencies, state and local governments, and communities.

Individuals, communities, and governments work together under collaborative planning to improve stewardship of public lands. These efforts aim to achieve healthy landscapes, promote sustainable development for local communities, and a better quality of life for all. BLM also uses alternative dispute resolution techniques.

Through established partnerships, federal land use planning becomes a community-based process. BLM's initiatives have been focused in several areas:

- Offering training in community-based partnerships on site in several western communities.
- Sharing computer data with many state and local governments
- Cooperatively planning with several counties and states
- Sharing resource assessment data among agencies and several states and counties
- Establishing partnerships among federal agencies and universities to undertake scientific research in support of land use planning.

Multi-jurisdictional planning is particularly important where BLM surface lands and subsurface mineral interests are intermingled with lands that are under the jurisdiction of other government entities. It fosters coordination of existing plans and encourages cooperative planning on a regional, sub-basin, or watershed unit basis.

Collaborative, cross-jurisdictional planning has been undertaken in a number of states. Among these planning efforts are:

- Carson City, Nevada, Urban Interface Plan Amendment;
- Gunnison Basin Sage Grouse Conservation Plan;
- Empire-Cienega Resource Conservation Area land use plan, Arizona;
- San Miguel Watershed Coalition, Colorado, plan to preserve its undisturbed river system;
- Rio Grande Resource Management Plan, Taos, New Mexico;
- Lake Pleasant/Bradshaw Foothills land use plan, Phoenix.

Additionally, BLM has entered into several partnerships to improve planning and decision making at BLM, and the health of the landscape, including a community-based planning effort in Safford, Arizona, to develop a plan for Watson Wash hot well; a Taos, New Mexico partnership for public land improvement, community economic development, and improved watershed health; a partnership with the Lake County Open Space Association to preserve open space and ranch land; and the Southwest Strategy, to coordinate land use and decision making.

In California, innovative, cross-jurisdictional planning efforts have been underway for several years. BLM partnerships with various national organizations, including the Sonoran Institute, the National Association of Counties, and the National Governors Association, among others, have helped to foster opportunities to work with state and local governments and communities. Also, cross-jurisdictional agreements have been developed among several federal agencies and universities as the Cooperative Ecosystem Study Unit projects.

Recreation.Gov

Federal lands host hundreds of millions of recreational visits each year, generating billions of dollars in economic activity. Vice President Gore initiated a multi-agency effort in 1997 to improve service to this important set of customers by establishing an electronic information system for recreation on federal lands, Recreation.Gov.

Recreation.Gov <www.recreation.gov> provides a single point of Internet access to information about more than 1,900 recreation sites managed by eight agencies from four different departments. These sites include national parks and national forests; national wildlife refuges; public land campsites, lakes, rivers, and historic sites managed by BLM; and more. The system also provides information on recreation permits, as well as links to on-line reservations for more than 50,000 campsites and other facilities nationwide. Users can search for recreation sites by activity, state, agency, or site name.

Before Recreation.Gov was established, potential visitors to federal lands had to look for recreation information by locating relevant agency Web sites one by one. Now, all of these federal agencies are accessible through one Web site, while introducing them to information about lesser-known recreation areas.

Through an interagency partnership approach, the agencies launched Recreation.Gov under budget and eighteen months ahead of schedule. The site, which debuted in 1998 to outstanding reviews, was rated one of the top fifteen Web sites in the federal government (“Best Feds on the Web”) by *Government Executive* magazine in May 1998, and also received the Vice President’s Hammer Award for innovative federal projects.

Native Americans

Spirit Cave Man Determined Culturally Unaffiliated

In a high-profile case involving an Indian tribe’s claim under the Native American Graves Protection and Repatriation Act, and after several years of study, the Nevada State Director decided in August 2000 that there is no basis in evidence for assigning the 9,000-year-old human remains from Spirit Cave to any contemporary Indian tribe. The partially mummified remains and associated materials have been preserved in the Nevada State Museum since being excavated sixty years ago. In 1997, the Fallon Paiute-Shoshone Tribe, representing all Northern Paiute tribal governments, asserted cultural affiliation with the remains and requested their repatriation.

Cultural affiliation, under the Native American Graves Protection and Repatriation Act, means a relationship of shared group identity which can reasonably be traced historically or prehistorically between members of a present-day Indian tribe and an identifiable earlier group. Cultural affiliation is established when the preponderance of the evidence indicates a relationship. The kinds of evidence reviewed can be geographical, biological, archaeological, linguistic, or based on folklore, oral tradition, historical, other information and expert opinion. In the case of Spirit Cave Man, BLM found that these kinds of evidence were not able to support the Fallon Paiute-Shoshone Tribe's assertion.

National Programmatic Agreement on Cultural Heritage Preservation

Through a National Programmatic Agreement executed in 1997 with the Advisory Council on Historic Preservation and the National Conference of State Historic Preservation Officers, BLM managers have accepted more of the responsibility for complying with Section 106 of the National Historic Preservation Act. As a key part of implementing the agreement, the Director created BLM's Preservation Board. The Board consists of the Preservation Officer in the Washington Office, a Deputy Preservation Officer in each state office, plus four field office managers and two field office specialists serving on overlapping two-year assignments. The Board meets twice annually and acts as a staff body to advise the Director and State Directors on improving preservation policies and practices. State Historic Preservation Officers (SHPO) and the Advisory Council on Historic Preservation (Council) now become involved at earlier stages of planning and decision making, increasing the consideration given to historic preservation in BLM's decision-making process. This also relieves the SHPOs and the Council from most of the routine case work for which BLM has a proven track record, while allowing them to continue to be involved as advisors in the more complex, non-routine cases.

The operation of the agreement has resulted in better communication at all levels within BLM, between BLM and the SHPOs, and even among the western SHPOs themselves. One of the significant by-products of the agreement is a BLM-SHPO data-sharing project, through which BLM is helping the SHPOs to digitize their comprehensive records and make them accessible online in GIS (Geographic Information System) format. This direct accessibility will greatly improve BLM's ability to incorporate historic property information in its land-use and project planning and will further streamline the compliance process that is a required part of all planning.

Commercial Films and Motion Pictures Policy

Regulations were implemented in 1996 to make it easier for commercial filming companies to obtain permits for filming on public lands, provided that the filming will not have environmental consequences that cannot be mitigated. Public Law 106-06, recently enacted, allows land managing agencies to retain both rental and cost recovery fees for commercial filming activities conducted on federal lands. BLM proposes to use fee money not only to cover the costs associated with processing commercial filming permits, but also to provide for outreach on commercial filming to help the public and permittees gain a better understanding of the agency's process for authorizing commercial filming on public lands.

Paleontology

The Fossil Report

Congress asked Secretary Babbitt in 1999 to review federal policy concerning fossils, and the Secretary asked eight agencies—six Department of the Interior agencies, the U.S. Forest Service, and the Smithsonian Institution—to conduct a study, drawing heavily on public input. BLM accepted the writing lead for the study report. The May 2000 report emphasizes the public importance of fossils on federal lands as a part of America's heritage. It addresses fossils' rarity (particularly vertebrate fossils), their extraordinary scientific significance, their endless educational values, and their unmatched attractiveness to the public. Unfortunately, rarity and public attraction also contribute to a market value, and fossils on federal lands are increasingly subject to theft.

The report recommends that collection of vertebrate fossils be restricted to qualified personnel; that collected fossils should remain permanently in federal ownership; that penalties for fossil theft should be strengthened; that government agencies should do more to inventory and monitor fossil localities on federal lands; that federally owned fossils in museums and educational institutions should be readily available for scientific research and public education; and that federal fossil management should include an emphasis on public education and public participation in stewardship of the public's fossil resources.

BLM's Red Gulch Dinosaur Tracksite

In 1997, an arroyo with over 1000 dinosaur footprints was discovered near the Red Gulch/Alkali National Backcountry Byway, in the area of Shell, Wyoming. Named the "Red Gulch Dinosaur Tracksite," this unique area, until recently thought to be an ancient ocean bottom, is located within an 1800-acre tract managed by BLM.

The 40-acre Red Gulch site is approximately 165 million years old, and contains only footprints (trace fossils), and none of the usual bones and teeth (body fossils) that paleontologists might excavate. The tracks were made by small to medium-sized theropods (meat-eating dinosaurs) that weighed 15 to 400 pounds. As they walked along a smooth beach covered with ripple marks, the dinosaurs left tracks ranging from eight to three-and-one-half inches in length. Their footprints were preserved by a thin film of algae that held the mud together.

BLM's Worland District manages the Red Gulch Tracksite and coordinates scientific research in the area. Nearly 1000 tracks have already been mapped, and there may be many others. Using photogrammetry and computer-assisted analysis, it will soon be possible to estimate how many animals left footprints at the site, and whether the dinosaurs were all of one species. The tracks will be preserved for further study and public viewing.

Minerals Policy

Oil and Gas

National Petroleum Reserve - Alaska (NPRA)

A BLM-led interagency effort resulted in the 1998 announcement of an Interior plan for the 4.6-million-acre National Petroleum Reserve - Alaska (NPRA). The plan prohibits surface disturbance in the sensitive wildlife habitat comprising almost one-third of the planning area, but still makes 87 percent of the area available for oil and gas leasing. Special stipulations protect subsistence hunting and fishing grounds. In 1999, BLM held an oil and gas lease sale offering 425 tracts on 3.9 million acres within the NPRA, the first such sale for the reserve since 1984. Oil companies paid \$104.6 million in bids for 132 leases in this high-potential oil and gas area.

Stripper Oil/Heavy Oil Royalty Rate Reduction

In order to bolster the domestic oil industry during a 1992 price downturn, BLM granted royalty relief to the operators of “stripper” oil properties, i.e., those producing less than an average of fifteen barrels of oil per day. This effort was designed to encourage production from marginal wells, prevent premature well abandonment, motivate operators toward enhanced oil recovery projects, and increase domestic oil production. In 1997, an interagency team determined that production of 3.54 million barrels of oil was attributable in large part to the rate reduction, representing an 18 percent increase over what otherwise would have been produced. In 1998, BLM formally extended this highly successful program for an indefinite period. As a similar incentive, in 1996, operators of federal heavy oil leases were also provided a royalty rate reduction to offset the typically higher production costs associated with heavy oil production.

Idle Wells; Bond Review; Orphan Wells

As of June 2000, approximately 30 percent of the 15,000 BLM-supervised shut-in and temporarily abandoned wells had been idle for ten years or more, with operator bonds insufficient to cover the costs of well plugging and surface reclamation. These wells were economic liabilities for BLM, and posed significant threats to the environment. Accordingly, BLM began in the latter half of the 1990s to pursue a policy of idle well review and classification, with a goal of requiring operators to permanently plug and abandon wells of no further economic value. Bond amounts are also reviewed in order to ensure that they are sufficient to protect the government in case of operator default. In addition, many of BLM’s 105 orphan wells (those that were not properly abandoned and for whom no responsible party can be identified) are located in vulnerable watersheds and present a siltation threat to rivers and streams. BLM has provided affected states with special Fiscal Year 2000 and Fiscal Year 2001 funding to assist in plugging orphan wells.

Naval Oil Shale Reserves Nos. 1 and 3

The National Defense Authorization Act for Fiscal Years 1998 and 1999 transferred jurisdiction over Naval Oil Shale Reserves Nos. 1 and 3 (Colorado) from the Secretary of Energy to the

Secretary of the Interior. The law also authorized the Secretary of the Interior to lease such transferred areas for the exploration, development, and production of petroleum, under specified conditions. In 1999, an interagency agreement was signed to formalize the working relationship between the two Departments and to establish respective responsibilities.

Coal Bed Methane Development and Policy

With the increased demand for natural gas in the late 1990s, coal bed methane on federal lands became a prime target as a natural gas source. In order to meet the tremendous increase in demand for development, BLM diverted resources to the areas of greatest potential. In both the Powder River Basin of Wyoming and the San Juan Basin of New Mexico and Colorado, BLM concentrated its efforts on more timely completion of planning and National Environmental Policy Act work to address increased development. At the same time, the agency developed national policy to address the sometimes conflicting interests and rights of oil and gas, coal, and coal bed methane owners to ensure orderly and timely development of those resources. The national policy is designed to prevent expensive, time-consuming litigation, allowing for prompt development of vital natural resources.

National Petroleum Forum

The creation of a national BLM oil and gas work group was proposed during the performance review of BLM's oil and gas program, inspired by the success of local BLM oil and gas work groups in California, Wyoming, and New Mexico. BLM formally established the National Petroleum Forum in 1999. It has since been used to institute an ongoing dialogue with industry in order to exchange information, address concerns, and resolve issues before they become an obstruction to development. The Forum also ensures that industry is aware of and understands BLM's position regarding those areas where oil and gas production may be prohibited or limited.

Comprehensive Oil and Gas Rules

In the mid-1990s, BLM undertook a major redesign and rewrite of federal oil and gas regulations. In late 2000, BLM will publish final rules that make a number of significant changes in the way the agency regulates oil and gas operations on federal lands. By reference, these rules incorporate certain industry standards pertaining to oil and gas operational activities on federal lands. The rules significantly increase lease liability bonding for federal oil and gas leases in order to minimize potential liabilities due to a lessee's failure to comply with the terms and conditions of a lease or with environmental laws and regulations. The redesigned oil and gas regulations also strengthen BLM's inspection and enforcement program and simplify civil penalty regulations. The rules exempt some low-producing wells from complying with certain requirements; over time, such exemptions are expected to save small operators money while still maintaining environmental safeguards. The rules also help protect federal lands from being drained of oil and gas without compensation.

Hardrock Minerals (Metallic Minerals and Some Special Non-Metallic Minerals)

Hardrock Mining Regulations (43 Code of Federal Regulations (CFR) 3809)

In 2000, as an outgrowth of mining law reform efforts made in the early 1990s, BLM finalized regulations that strengthen environmental standards for the permitting of mining operations and the reclamation of mined lands. In some cases, these regulations provide for the discretionary rejection of mining plans of operation based on “substantial irreparable harm to significant resource value.” These regulations, which apply to minerals that fall under the authority of the Mining Law of 1872, were released in December 2000.

Use and Occupancy Regulations (43 CFR 3715)

In 1996, BLM published regulations that severely limited mining claimants’ leeway to use the Mining Law of 1872 as a pretense for building summer recreation homes and campsites on their mining claims. The regulations give BLM authority to assess criminal and civil penalties for illegal occupancies, and also require that structures used for mining purposes meet public health and safety standards.

Mining Claim Rental/Holding Fees

As part of the Fiscal Year 1993 Interior Appropriations Act, Congress imposed a rental fee of \$100 per mining claim, in lieu of assessment work, for both Fiscal Years 1993 and 1994, with failure to pay resulting in statutory forfeiture of the claim or site. The effect of the increased fee was dramatic: from July to August 1993, BLM’s inventory of claims in good standing dropped from 760,000 to 293,000. Congress imposed other fees, including a one-time \$25 location fee, with these requirements extended for various periods.

Uniform Pricing of Publicly Traded Minerals for Mining Claim Validity Determinations

New BLM policy in 2000 established consistent methods to be used by BLM mineral examiners in determining what values to give to publicly-traded mineral commodities (a commodity listed on a national or international exchange) for validity examinations of mining claims.

Change in Approval Process for Mineral Patents Based on Secretarial Order 3163

In 1993, a Secretarial Order revoked BLM State Directors’ delegated examination and approval authority for those mineral patents that transferred mining claims out of public ownership. In conformance with the Order, first-half final certificates and patents under the Mining Law of 1872 are to be reviewed and issued by the Secretary.

Unmarketable Industrial Mineral Resources Under the Mining Laws

Because of inconsistent case law addressing assessment of large reserves of industrial minerals claimed under the mining laws, BLM established a policy limiting patents on non-metallic mineral resources to 40 years.

Legal Limit of Five Acres of Millsite Location for Each Mining Claim Location

On the basis of a 1997 Department of the Interior Solicitor's Opinion (M-36988) construing the Mining Law of 1872 as limiting location of millsites to five acres per mining claim, BLM gave agency personnel the flexibility to challenge mining operations where millsites in excess of five acres were included in a plan of operations. The policy also provided guidance for rejection of plans of operations for lands withdrawn from the mining laws and for lands where operations would unacceptably conflict with other significant resources.

Non-Energy Leasing Regulations (43 CFR 3500)

In response to Vice President Gore's National Performance Review "Plain English" initiative, BLM's non-energy leasing regulations were among the first to be consolidated and rewritten. In 1997, the reformulated regulations won a Clarity Award from the Plain English Committee of the State Bar of Michigan.

Abandoned Mined Lands (AMLs)

Hundreds of thousands of abandoned mine sites are located on BLM-managed public lands. Most of the sites consist of the remains of small- to medium-size hardrock mine and mineral processing sites, and many date from the mid-1800s. In 1994, after President Clinton recommended amendment of the Clean Water Act to address water quality impacts associated with AMLs, the Secretaries of Interior and Agriculture invited the Environmental Protection Agency Administrator to assist them in focusing on those AMLs that presented the most severe threats to water quality. The agencies produced an initiative based on adoption of a watershed approach, clean-up of the worst sites first, and integration of the expertise of land management, scientific, and regulatory agencies into the AML restoration task.

Leadership

Jim Baca of New Mexico served as the Clinton Administration's first confirmed Director of the BLM from 1993 through 1994. Mike Dombeck, a career U.S. Forest Service manager, served as the Acting Director of the BLM from 1994 through 1996. Sylvia Baca, the Deputy Assistant Secretary for Land and Minerals Management, was appointed Interim Director of the Bureau in January 1997. In the summer of 1997, the Bureau once again had a confirmed Director, Pat Shea. Pat Shea served as Director from 1997 to 1998, until he was promoted to Deputy Assistant Secretary for Land and Minerals Management. Tom Fry became the Acting Director of the Bureau in 1998 and was confirmed as the Director of the BLM in May 2000.

Director Shea worked to improve the Wild Horse and Burro Program, automation of Bureau services, control and elimination of invasive plants, the national fire program, land exchanges, recruitment and training of diverse employees, and using science to assist with land management decisions.

Prior to becoming the Acting Director of the BLM, Tom Fry was the Deputy Director of the Bureau from April 1997 through November 1998. As Acting Director and, later, as the Director of the Bureau, Fry directed the establishment of BLM landscape monuments and other protected areas as well as the creation and management of the National Landscape Conservation System, sought increases in appropriations, and directed federal response to the catastrophic wildland fire season in 2000.

OFFICE OF SURFACE MINING RECLAMATION AND ENFORCEMENT

The Surface Mining Control and Reclamation Act

In 1977, President Carter signed the Surface Mining Control and Reclamation Act—the first federal law to regulate the environmental effects of strip mining and to require the reclamation of land and water damaged by coal mining. The Act also created a fund to correct health and safety problems through reclamation of abandoned mines.

The United States covers only about five percent of the world's land area, yet it has one-quarter of the world's coal reserves. During the last two centuries, this abundance of coal fueled the nation's tremendous industrial growth, but that growth carried a price. For those miners fortunate enough to survive the dangers of working below ground—cave-ins, explosions and the lingering death of black lung disease—there were plenty of dangers above ground. Land and water scarred by coal mining posed a constant threat to the health, safety and well-being of people living in America's coal regions. Mine wastes dumped down slopes or poorly compacted on hillsides created an ever-present threat of landslides. Dangerous highwalls loomed over barren stretches of stripped earth where even weeds wouldn't grow. The landscape was dotted with mining pits filled with polluted water, streams clogged with sediment and rivers poisoned by acid runoff from exposed coal seams. There were places in Appalachia that looked more like the moon than planet earth.

It was well into the twentieth century before a handful of states began to require reclamation at coal mines. Even those meager efforts were largely unsuccessful as the demand for coal increased to support the war efforts in the first and second world wars. By the mid-1900s, the advent of larger and more effective earth-moving machines made strip mining of coal more efficient than ever before. Compared to traditional underground coal mining, strip mining generally costs less, is safer for miners, and usually results in more complete recovery of the coal. Washington came under increasing pressure from citizens and environmental advocates to develop a national program to require coal mining reclamation.

The Surface Mining Control and Reclamation Act created two major programs to be implemented jointly by the states and the federal government. The first was an environmental protection program to establish standards and procedures for approving permits and inspecting active coal mining and reclamation operations, both surface and underground. The second was a reclamation program, financed by fees paid by active coal operators, to restore land and water at abandoned mines. Congress included provisions for prohibiting mining in sensitive areas, requirements that coal companies obtain bonds to cover the costs of reclamation in case the companies failed to meet their obligations, and provisions for citizen participation in mine permitting, inspection and enforcement.

The Office of Surface Mining Reclamation and Enforcement

Ensuring that the Surface Mining Act's requirements are met is the responsibility of the Interior Department's Office of Surface Mining Reclamation and Enforcement (OSM)—a small bureau of about 650 employees nationwide. Under the Act, the Secretary of the Interior grants direct

regulatory authority to state governments, provided they develop programs that meet certain conditions. Once a state is granted “primacy,” it takes over responsibility for issuing coal mine permits, conducting inspections, and taking enforcement actions. Of the twenty-six coal-producing states, twenty-four have primacy. OSM retains regulatory authority on federal lands and Indian reservations, and in the coal states that do not have primacy.

Although most coal states have primacy, OSM retains responsibility for monitoring states to ensure that they properly carry out their delegated authorities and require operators to meet certain minimum requirements. Through independent oversight, OSM evaluates how effectively each primacy state is administering its approved program. If OSM finds serious deficiencies in a state’s conduct of its program, OSM can exercise backup enforcement authority or rescind primacy and resume direct federal regulatory authority. OSM’s oversight role helps states to maintain high standards, contributes to operator compliance, and maintains a level playing field so that the coal industry in any one state does not have an unfair economic advantage in interstate competition.

OSM supports primacy states with training and technical assistance and by providing fifty percent of regulatory program funding. OSM also provides primacy states and Indian tribes with full funding for the reclamation of abandoned mine lands. In addition, OSM operates programs to eliminate the environmental and economic impacts of acid mine drainage from abandoned mines, encourage reforestation of reclaimed mine land, develop techniques that can ensure reclamation of prime farmland soils, and publicly recognize outstanding reclamation work.

New Administration: Reinventing OSM

During the first decade-and-a-half after the Surface Mining Act became law, communities, homes, and businesses, particularly in Appalachia, were made safer. There were reduced dangers of highwall failures and dam breaks. The Act’s restrictions on dumping spoil in steep slope areas greatly reduced damage to homes, roads, and other structures from landslides. Requirements for sediment control reduced stream flooding, and hydrologic protection requirements reduced the adverse impacts of mining on streams, aquifers, and other surface and ground water features. Wildcatting—mining without a permit—once common in Appalachia, was nearly eliminated. More than \$2 billion of Abandoned Mine Land Program funds were spent to correct health and safety dangers caused by abandoned mines.

The technical problems of reclaiming surface-mined land are complex, and the requirements of the Act cover virtually every aspect of coal mine operations. Not every operator complied, and the problems created by a small number of irresponsible mining operators continued to taint the vast majority who complied with the law. Some key requirements of the Act remained to be clearly defined following successful court challenges by coal industry and environmental advocates to OSM’s regulations. Despite how much had been spent on AML reclamation, state and federal inventories of abandoned mines showed that federal appropriations were insufficient to fully address even the most serious safety and health hazards.

Change and Challenge

Leadership

By early 1993, OSM was at a crossroads and needed to step back and assess accomplishments and shortcomings. W. Hord Tipton, OSM's Deputy Director for Operations and Technical Services, served as Acting Director of the agency from January through October of 1993. In November 1993, Secretary Babbitt named an Interim Management Team (IMT) and charged it with evaluating every aspect of OSM's operations as a first step in setting a future direction for the bureau. The Secretary also appointed Interior's Deputy Solicitor, Anne Shields, as Acting OSM Director.

The Interim Management Team conducted an exhaustive survey, interviewing nearly everyone directly affected by OSM's programs—employees, citizens, environmental groups, state regulatory authorities, the coal industry, and unions. The Team looked into every aspect of OSM's organizational structure, management, policies, programs and regulations. Based on the results, the Team developed the Management Guidance Plan—a compilation of tasks and schedules that would serve as a blueprint for the future.

Having brought stability to OSM, Anne Shields returned to the Solicitor's Office after four months as Acting Director. On March 10, 1994, Robert Uram, a former Associate Solicitor at Interior during the Carter Administration, was sworn in as OSM's Director. In addition to drawing on his own extensive experience with surface mining issues, Uram turned to capable career employees and looked to the Management Guidance Plan to help him bring new direction to OSM.

Soon after his confirmation, Uram issued OSM's Mission and Vision Statement to clarify the basic purposes and objectives of the Surface Mining Act for all of OSM's employees. He developed OSM's first strategic plan to serve as the context for setting program priorities in the years to come. Planning and budget were redesigned around a handful of core business lines to emphasize more efficient use of fiscal and human resources. Customer service standards were established so that states, tribes, the coal industry, and citizens would know what to expect from OSM in the way of services.

1995: Restructure and Reduction in Force

During its evaluation, the Interim Management Team found that OSM employees and other stakeholders frequently criticized OSM's poor organizational structure, particularly the lack of clear lines of authority, accountability and responsibility. In early 1995, to address these concerns, Director Uram appointed a group of employees from OSM offices nationwide and asked them to identify options and recommend a new organizational structure. Following extensive review and consultations, OSM was restructured in late summer of 1995.

The new structure included three regional coordinating centers to serve as links between Washington and field staff in communicating policies and decisions throughout the bureau. Every two to three months, senior managers in Washington and the Regional Coordinating

Centers convened as the OSM Management Council to identify priorities, develop strategic initiatives, and set annual performance goals. OSM's new structure was designed to ensure consistent implementation of agency policies, clarify lines of authority, remove unnecessary layers of management, and reduce management-to-staff ratios. Most importantly, these changes moved decision-making closer to OSM's primary customers—the citizens of the coal fields.

As soon as the reorganization had been implemented, Congress slashed OSM's budget, forcing the bureau to lay off one-third of its employees. OSM went through a reduction-in-force in late 1995 that eliminated 300 employees from the bureau. While OSM and the Department did what they could to find other jobs for affected employees, many skilled and valued employees were laid off. It was an experience from which many who left, and some who stayed, never recovered.

In spite of the difficulties, Director Uram was successful in developing strong, mutually supportive relationships between OSM and states, Indian tribes, industry, and citizen groups. In September 1996, having guided OSM through some of its most difficult years and laying a foundation for OSM's continued success, Bob Uram returned to his private law practice.

Secretary Babbitt turned to one of Interior's experienced managers—Associate Solicitor Kay Henry—to lead OSM until a new director could be named and confirmed. Relying on her experience in mining law, Henry was able to keep OSM on track until the arrival of a new Director.

Sworn in on August 4, 1997, Kathy Karpan was the first OSM Director from a western state. In her first year, Karpan traveled throughout the coal fields to meet with citizens and stakeholders and observe mining and reclamation first-hand. She came away with a determination to make OSM a model agency—one that offered better protection of people and the environment, and better program operations.

Karpan launched a multi-agency effort to promote reforestation during reclamation, and was a tireless advocate for additional AML funding. While her goal of full funding was not realized, Karpan galvanized public and private sector forces that support full funding, and AML funding was increased. By the time she left OSM in April 2000 to become a Deputy Assistant Secretary for Land and Minerals Management, Kathy Karpan had set the stage for full funding of reclamation of all abandoned mine lands nationwide.

After Karpan's promotion, Secretary Babbitt brought Associate Solicitor Kay Henry back to OSM to serve as Acting Director for the remainder of the Clinton Administration. During the months following Henry's return to OSM on April 17, 2000, she worked to finish key regulatory actions begun by her predecessors.

Policy and Program Initiatives

Partnership with States and Indian Tribes

Under the Surface Mining Act, primacy states have direct responsibility for permitting, inspection and enforcement under approved regulatory programs. They also decide which abandoned mines are to be reclaimed with AML funds and then award contracts for the reclamation work. Early in the history of the program, as states were developing the expertise and capability to effectively operate regulatory and AML programs, OSM's oversight focused on the processes and procedures states used in making those decisions. By the early 1990's almost all state programs had matured to the point where OSM could focus oversight reviews on measuring on-the-ground reclamation success.

The National Performance Review recommended that OSM, in consultation with the states, develop national standards of excellence and establish goals and performance standards for regulatory and abandoned mine land reclamation programs. A team of OSM and state employees devised a new results-oriented oversight strategy that emphasized cooperative problem-solving, tailoring evaluations to state-specific conditions, and the development of performance agreements between each state and OSM. State program oversight now reports on environmental impacts that occur outside of permit areas to better protect the public, property and the environment from all adverse impacts of mining and reclamation activities. For their work, the federal and state team that developed this policy were presented with Vice President Gore's Hammer Award.

Helping to Meet Interior's Indian Trust Responsibilities

During the 1990s, OSM identified a need to provide training to staff members on agency trust responsibilities to American Indian tribes. OSM worked with other Interior Department bureaus to educate staff on the Department's trust responsibilities, ensure that cooperating agencies know their responsibilities and are operating from a common understanding, and develop a resource handbook to be used as a desk reference manual.

While primacy is authorized for states, Indian tribal authority under the Surface Mining Act is limited to administering AML programs. However, the Energy Policy Act of 1992 gave authority to provide grants to tribes to assist in developing regulatory programs, create tribal regulations and policies, and work with OSM in the inspection and enforcement of coal mining on Indian lands. In addition to developing draft legislation that would authorize tribal primacy, OSM prepared an action plan and provided grants to the Crow, Hopi, Navajo, and Northern Cheyenne tribes to help them prepare to assume regulatory authority should Congress authorize tribal primacy.

Mining in the Mountains

In the late 1990s, numerous lawsuits were filed to stop West Virginia mountaintop mining operations and the valley fills that mountaintop mining creates. OSM and other federal and state agencies performed an extensive environmental impact study on the effects of mountaintop

mining. OSM also completed a report that clarified the requirements of the Surface Mining Act and OSM's regulations on post mining land use for mountaintop mining operations

Bonding

The Handbook for Calculation of Reclamation Bond Amounts is the guide used by OSM staff to determine the amount of bond needed for each permitted site in cases where OSM is the regulatory authority. The Handbook also serves as the instruction manual in OSM's technical training course on bond calculations, and as a reference guide for states, industry and other agencies. OSM revised and updated the Handbook to address, in particular, the adequacy of bond amounts in the event of bond forfeiture.

Hydrology Policy and Guidance

Protecting water quality and quantity are central to successful implementation of the Surface Mining Act. In 1997, OSM prepared an Acid Mine Drainage Policy statement, which detailed OSM's goals, objectives, and strategies for correcting, preventing, and controlling acid mine drainage at coal mine sites.

In 1999, OSM developed a formal and comprehensive framework for current and future actions and activities related to hydrology issues in the regulatory program, including acid mine drainage, bonding and bond forfeiture. Among numerous hydrology-related initiatives and activities, OSM updated and revised its guidance on Probable Hydrologic Consequence determinations and Cumulative Hydrologic Impact Assessments. This technical guidance helps states and the coal industry to meet their responsibilities to identify hydrologic issues and ensure they are adequately addressed in the permitting process.

Acid Drainage Technology Initiative

The Acid Drainage Technology Initiative is a partnership of OSM, the coal industry, states, academia, other government agencies, and public and private groups designed to identify, evaluate and develop "best science" practices to prevent acid mine drainage (AMD) and eliminate existing sources of pollution. Located at the National Mine Land Reclamation Center of the University of West Virginia, participants include the Interstate Mining Compact Commission (representing eastern coal-producing states), the National Mining Association (representing the U.S. coal industry) and the Eastern Mine Drainage Federal Consortium (coordinating federal participation).

While the initial focus of the initiative was on the coal fields of Appalachia, the initiative has expanded to include western states. In 1999, the Metal Mining Sector Work Group was formed to address western non-coal mining issues. Also in 1999, the Remediation Work Group's *AMD Remediation Handbook—A Users Manual on AMD Remediation Methods*, was published. In 2000, the handbook *Review of Mine Drainage Prediction Methods* was published to address overburden testing, sampling, and field validation issues.

Electronic Permitting

Electronic permitting, the ability to share electronic information in the mine permitting process, is a long-term OSM initiative to save time and money and achieve more complete and up-to-date permitting records. Permit reviewers use computer-based tools to access electronic documents, maps and data; to perform environmental analyses; and to share electronic data with field personnel, other agencies, and the public. With developmental assistance from OSM, many primacy states are actively permitting electronically.

Improving AML Reclamation

Simplified grant funding of state abandoned mine land programs started in 1994. This grant application process eliminates the requirement for separate advance approval of each reclamation project before a grant is awarded to the state. States now receive amounts based on appropriated spending levels and are held accountable for using those funds in accordance with their approved abandoned mine land reclamation plan. OSM is no longer involved in cumbersome and detailed pre-award scrutiny of state grant applications based on individual projects.

Appalachian Clean Streams Initiative

Launched by OSM in the fall of 1994, the Appalachian Clean Streams Initiative supports local efforts to eliminate the environmental and economic impacts of acid mine drainage from abandoned coal mines. The Initiative supports and coordinates the efforts of citizen groups, university researchers, the coal industry, corporations, the environmental community, and local, state, and federal agencies to clean up polluted streams. In distributing millions of dollars to states for stream clean-up at more than fifty sites, OSM has provided a considerable incentive for others to contribute to the projects.

Watershed Projects

As part of the Appalachian Clean Streams Initiative, and in cooperation with local organizations, OSM funded watershed-based acid mine drainage reclamation projects. These funds provide money to complete projects designed to improve water quality. The watershed projects were funded through cooperative agreements to assist as many groups as possible in beginning actual construction projects to clean polluted streams. In 1999, the first year of the projects, eleven watershed cooperative agreements were awarded.

Summer Watershed Internship Program

Also starting in 1999, ten summer interns working in five states inaugurated the first summer season for a new watershed assistance initiative. Each intern was sponsored and hosted by a local watershed group working on acid mine drainage. OSM provided a portion of the funding for the cooperative agreements with non-profit watershed organizations, including stipend dollars and some expenses for each intern. OSM set standards for the interns and then worked with each watershed group to develop and define individual summer projects that would leave the watershed group stronger, the water cleaner, and the intern better educated.

Reforestation

OSM's reforestation initiative, begun in 1998, launched multi-agency efforts to promote the planting of trees during reclamation of mined lands. There are multiple benefits to reforestation, including restoration of clean water and air, prevention of erosion, creation of wildlife habitat and recreational opportunities, promotion of commercial forestry, and enhancement of other economic opportunities due to the increased availability of forest products. In addition to hosting interactive forums on reforestation, OSM conducted an evaluation of its own programs and regulations to determine where reforestation could be promoted under the Surface Mining Act.

Defining Valid Existing Rights

The Surface Mining Act prohibits surface coal mining operations on certain lands unless the operation existed when the Act was passed in 1977, or a person had valid existing rights (VER) to conduct such operations. Protected lands include units of the National Park System, wildlife refuges, wilderness areas, historic sites, federal lands in national forests, and buffer zones for roads, public parks, public buildings, occupied dwellings, and cemeteries. Because the Act does not define valid existing rights, OSM attempted to do so in regulations. Since 1978, four attempts to define valid existing rights were successfully challenged in court. In 1999, following full public notice and an exhaustive review of public comments, OSM issued a comprehensive final rule defining valid existing rights.

Declaring Lands Unsuitable for Mining

Under section 522(a) of the Surface Mining Act, mining can be prohibited in certain environmentally sensitive areas if the mining could result in significant damage to important esthetic values and natural systems. The Clinton Administration made two important unsuitability designations in Tennessee, a state where OSM has direct regulatory authority. On September 13, 1996, Fern Lake was declared unsuitable for surface coal mining operations. On June 17, 2000, Secretary Babbitt designated selected watersheds within Fall Creek Falls State Park as unsuitable for coal mining. These two designations provide the greatest level of protection afforded by the Surface Mining Act.

Improving the Abandoned Mine Land Inventory System

Under the Surface Mining Act, OSM maintains an inventory of high priority abandoned coal mine lands. Using the Abandoned Mine Land Inventory System (AMLIS), OSM creates reports on abandoned mine land accomplishments and problems that still require reclamation. Beginning in 1995, states and Indian tribes managed their own data, entering it electronically into the system. As of September 30, 1999, the system contained information for over 15,000 problem areas at abandoned mines.

While the AML program is one of the nation's most successful environmental restoration programs, with over \$1.2 billion worth of coal-related high priority problems reclaimed, many projects have yet to be funded. The inventory of unfunded coal-related problems is reduced each year by state, Indian tribe, and federal reclamation projects. Unfortunately, new problems are

discovered as development expands into old coal mining areas. Through AMLIS, the federal government now has the capability to identify the extent and scope of AML problems nationwide.

Using Coal Combustion By-products in Mine Reclamation

In the 1990s, the use of coal combustion by-products (CCBs) in mine reclamation became increasingly beneficial for new mining and in abandoned mine reclamation. Beyond just being disposable waste, CCBs can be recycled and used to help control acid mine drainage and in the prevention of underground mine subsidence. OSM worked with other agencies to find economical and environmentally safe ways to dispose of CCBs, including hosting a series of interactive forums that provided the opportunity for agencies to assess the impacts of their programs and options for using CCBs in reclamation. OSM also worked with EPA to jointly address common concerns about how to treat the disposal of CCBs in cases involving hazardous elements.

Prime Farmland

Successful reclamation of prime farmland is a priority of operators and citizens in the Midwest. In 1998, OSM and other agencies sponsored a Prime Farmland Forum to present the latest research findings and successful reclamation techniques to the public, mine operators, and state and federal officials. Proceedings from the Forum were published, and a follow-up workshop was held to highlight reclamation techniques.

Technical Training Program

During the 1990s, OSM stepped up its national technical training program. By 1999, the program was offering twenty-nine technical courses to state and tribal partners to enhance skills in regulatory and reclamation staff. All aspects of the training program, from identification of training needs to course development and presentation, are cooperative efforts of states, tribes, and OSM.

National and Regional Coal Symposia

To keep pace with constantly changing mining and reclamation technologies, OSM has sponsored several events during the Clinton Administration to bring people together to find new approaches to problem-solving and work collaboratively to achieve better results. Through OSM's widely attended National Coal Symposium in 1998 and a series of regional symposia that followed, OSM developed more effective working relationships and shared technical information with other government agencies with coal-related missions, including the Departments of Energy and Agriculture, the Labor Department's Mine Safety and Health Administration, the Environmental Protection Agency, and other bureaus within Interior.

Small Operator Assistance Program

Under the Small Operator Assistance Program (SOAP), OSM provides technical assistance to help owners of small mining operations obtain technical data needed for permit applications.

As a result of amendments to the Surface Mining Act in 1990 and 1992, additional technical requirements can be paid for with SOAP funds, and more small operators became eligible for assistance under the program. Despite these increased authorities, additional SOAP funding was not provided by Congress. By the 1990s, small operators were in jeopardy of losing the valuable technical services the program provided. Following an intense effort by OSM to heighten public and Congressional awareness of the benefits of the program, stop-gap funding was authorized by Congress enabling SOAP to continue offering assistance to small operators that have difficulty meeting all the complex technical permitting requirements of the Act.

Applicant Violator System (AVS)

The Surface Mining Act prohibits the issuance of new permits to applicants who are responsible for outstanding violations until those violations are corrected. To identify those responsible for such violations, OSM created the Applicant Violator System (AVS)—a centrally-maintained database of violation records and ownership and control information. State and federal officials check the system in evaluating applicant eligibility for new permits and in determining eligibility to receive Abandoned Mine Land reclamation contracts. Due to permit-blocks in AVS, OSM has collected tens of millions of dollars in delinquent AML fees and civil penalties from those with outstanding violations.

In 1994, OSM opened AVS to the general public. This public access has helped to correct violations prior to the permitting process and avoid unnecessary disruptions of mining operations. It also enables other federal, state and local agencies, as well as coal companies, to check the violation status of companies with which they do business.

In 1997, following a court decision that invalidated regulations governing the AVS, OSM and its state partners faced considerable uncertainty about how to meet the basic permit-blocking requirement in the Surface Mining Act. To remove this uncertainty and to bring OSM's program into compliance with the court decision, OSM published interim emergency regulations on April 21, 1997, and committed to propose new regulations with full opportunity for public comment. Following extensive outreach, public meetings, and opportunities for public comment, OSM proposed new regulations on December 21, 1998, and those rules were prepared for final adoption at the end of 2000.

Abandoned Mine Land (AML) Fee Collections

The Surface Mining Act requires OSM to ensure that active coal operators pay AML reclamation fees in full. During the seven-year period 1993-1999, average AML fee collections exceeded \$250 million per year. In 1999, the compliance rate for tonnage reporting and fee payment peaked at 99 percent. To achieve this rate of success, it is necessary for OSM to track all mines that have the potential of producing coal, provide coal mine operators with the information and assistance needed to comply, and conduct a comprehensive audit program.

A 1997 Office of Inspector General report on OSM's fee compliance program, including both the fee collection and audit functions, concluded that the activities were conducted in a highly efficient and effective manner and in accordance with the Surface Mining Act. Those

conclusions reflect OSM's emphasis on the best possible execution of this vital program that provides the funding for state, tribal, and federal AML reclamation throughout the country.

Assistance to the Republic of Indonesia

In many countries, mining has been practiced for centuries without regulation or noticeable concern for health, safety or the environment. The successful implementation of the Surface Mining Act in the United States has become a model for nations facing the challenge of producing coal and protecting the environment. In recent years, several governments have requested assistance from OSM in developing or improving mining and reclamation programs. Most noteworthy among these is the Republic of Indonesia.

Beginning in 1995, OSM has provided technical assistance to Indonesia to improve the country's capacity to regulate surface coal mining and reclaim mined lands. In the first project, fully funded by the World Bank, OSM and state personnel traveled to Indonesia to provide training, on-site assistance with inspection practices, permit processing, and program management. By the conclusion of the project in 1998, Indonesia had developed requirements and issued guidelines for carrying its regulatory program.

In early 1998, Indonesia again asked OSM for help, this time to combat wildfires that had been ravaging dense forests for months. Suppressing these fires had been made more difficult by dozens of outcrops of exposed coal that re-ignited the forests long after the wildfires had been brought under control. For the next two years, with full funding from the U.S. Agency for International Development (AID), OSM and state regulatory specialists provided training and technical assistance in coal fire suppression to Indonesian firefighters. Key to the success of this program was the transfer of fire-fighting know-how from U.S. technicians to Indonesians. As a result, Indonesia now has a comprehensive coal fire suppression program, and has successfully extinguished dozens of coal fires using the training and equipment provided by OSM. Among the successes of this program was the eradication of fires that threatened the Wanariset Nature Preserve, a release area for endangered orangutans rescued and rehabilitated following the forest fires which swept East Kalimantan in 1997.

By early 2000, OSM had embarked on a third technical assistance agreement with Indonesia and AID to guide Indonesia in decentralizing the regulation of mining and reclamation based on the federal-state model used in the U.S. under the Surface Mining Act.

The Surface Mining Act in the 21st Century

In 1999, to prepare to meet the challenges of the next century, OSM developed a new training course—The Surface Mining Act in the 21st Century. The course was designed to meet the needs of OSM and its state and tribal partners in developing and evaluating on-the-ground performance measures for future coal mining and reclamation. The course also sought to build outreach skills and increase the effectiveness of regulatory and reclamation programs through sharing of information on emerging technologies.

During the Clinton Administration at OSM, the foundation has been laid for a national surface mining reclamation program. OSM and the states and tribes have a better working relationship than ever before, and together have developed one of the most effective environmental protection programs in government.

MINERALS MANAGEMENT SERVICE (MMS)

In 1995, President Clinton announced proposals to reduce the size and expense of the federal government. One of the proposals announced was abolishing the MMS by dispersing its functions to other agencies.

After several months of meetings with industry, Congressional, state, and tribal leaders, the proposal to devolve MMS was abandoned. It was agreed that key functions of MMS could not be easily transferred or readily accomplished by other agencies.

MMS survived the federal downsizing but realized that it was to remain viable in a slimmed-down modern federal government, it would have to become a model agency. MMS became successful enough in achieving that goal to win several awards from the National Performance Review, the same initiative that appeared to signal its demise seven years earlier.

The Role of MMS

The federal government manages a vast amount of land, both onshore and offshore. These lands are managed for various purposes, including mineral production. Offshore lands are known as “OCS” or “outer continental shelf” lands, and are located beyond state coastal waters. Federal offshore lands begin three miles off coastal shorelines and extend 200 miles out to sea.

Several laws govern the leasing, development, and production of minerals on federal lands. These laws require that environmental standards be maintained, and that the government receive a fair monetary return for the public resources it leases. Federal law also requires that a portion of the monies received by the government from mineral production be shared with states, and that all revenue collected from mineral production on Indian lands be given to the tribes or individual Indian landowners.

The agency’s role is to help carry out these federal laws by ensuring that all revenues (about \$4 billion annually) derived from mineral leasing are collected, and distributed properly. MMS leases offshore lands, regulates development activities, protects the coastal and marine environment, and collects and accounts for OCS revenues.

MMS is a relatively small organization with about 1,800 employees. To be successful, it must monitor a rapidly changing industry and improve and its operations frequently. The agency operates through two programs: Offshore Minerals Management (OMM), and Minerals Revenue Management (MRM).

Offshore Minerals Management (OMM)

MMS’s Offshore Minerals Management program manages the exploration and development of oil and gas, and other minerals, on the OCS, currently more than 44 million leased acres. OMM’s oversight helps to ensure safe exploration and development, environmental protection and impact mitigation, and receipt of fair market value for mineral development.

About 27 percent of domestic natural gas and 20 percent of domestic oil production occurs on the nation's Outer Continental Shelf (OCS). The OCS covers about 1.5 billion acres in waters ranging from a few feet to thousands of feet deep along the U.S. coastline. The majority of OCS exploration and development occurs in the Gulf of Mexico, the Pacific Ocean and off the coast of Alaska.

The pace of exploration and development in the deepwater (areas deeper than 1,000 feet) has accelerated rapidly in the last few years. In deepwater, the use of conventional, bottom-founded platforms quickly becomes uneconomic. As new discoveries are made in progressively deeper water, technologies continue to evolve to meet technical, environmental and economic needs of deepwater development.

Minerals Revenue Management (MRM)

Minerals Revenue Management collects and disburses the revenues generated from America's mineral resources on federal lands, and those revenues are the major source of funding for land purchases for national parks, wildlife refuges, wilderness and recreation areas. The revenues collected also help states to fund recreation facilities. About \$4-\$6 billion per year in mineral revenues are collected from more than 80,000 onshore and offshore leases. MRM accomplishes this through state-of-the-art computer equipment processing over 7 million reporting transactions annually. Approximately 61 percent (\$2-\$3 billion) of the money collected is sent to the U.S. Treasury; 24 percent is sent to special purpose funds, such as the Land and Water Conservation fund; 12 percent is sent to states, and 3 percent is sent to American Indians. MRM collects and disburses the money within one month of receipt.

MRM also conducts a comprehensive compliance effort to ensure that royalty payments from lessees are on time and accurate. Because of the nature of business transactions in the oil and gas industry, this is a complex and challenging assignment. Production is frequently traded within and between companies rather than sold in an open market, so determining the correct value on which to base royalty payments can be difficult. To meet the challenge maintaining a high level of accuracy and efficiency, MRM retooled and reengineered its entire organization during the late 1990s.

MMS Pays

Federal *onshore* and *offshore* (or Outer Continental Shelf) mineral leases generate over \$4 billion annually and are one of the federal government's greatest sources of non-tax revenue. About \$3.5 billion per year, on average, is collected and distributed by MMS from bonuses, rents, and royalties from *offshore* (OCS) mineral leases. This provides \$2.5 billion per year to the federal treasury and to state treasuries, \$900 million per year to the Land and Water Conservation Fund and \$150 million to the National Historic Preservation Fund.

Federal Onshore and Offshore Mineral Leases

Under the Mineral Leasing Act (MLA), states whose boundaries encompass federal mineral leases are entitled to receive a portion of the revenues generated. The amount a state receives can vary by land category. Generally, states receive half of all bonuses, rents and royalties

collected from public lands located within their respective borders, except for the State of Alaska, which receives 90 percent of all such revenue. Further, Alaska receives 50 percent of all mineral revenues generated from the National Petroleum Reserve.

MLA monies are used as the states deem necessary, without federal restrictions. The monies are often used for schools, roads, public buildings, or general operations. In FY 1998, MMS distributed \$550 million to the states in shared onshore mineral receipts. Historically, MMS has distributed about \$8.2 billion in shared onshore mineral receipts to the states. The U.S. Treasury's General Fund receives 10 percent of the receipts and the Reclamation Fund receives 40 percent for Bureau of Reclamation water-related projects.

About \$1 billion per year, on average, is collected and distributed by MMS from bonuses, rents, and royalties from federal *onshore* mineral leases, of which about \$500 million is distributed to the states. The remainder is distributed to the federal treasury and the Reclamation Fund. In Fiscal Year (FY) 1998, MMS distributed a total of nearly \$6 billion (\$4.6 billion from OCS activities and \$1.4 billion from federal *onshore* and Indian activities).

Tribal and individual Indian minerals owners benefit from a range of MMS programs. MMS, along with the Bureau of Indian Affairs (BIA) and the Bureau of Land Management (BLM), provides services that help fulfill the Secretary's trust responsibility to the Indian minerals community. MMS collects, verifies, and distributes mineral revenues and supporting data to Native American mineral lessors from almost 7,700 Indian leases. From 1937 through 1998, MMS has distributed over \$3.6 billion to about forty-five Indian tribes and over 20,000 individual Indian mineral owners.

In 1997, MMS instituted an Indian Royalty Internship Program. The goal of this program and other efforts is to help the tribes better prepare to assume royalty management services. MMS staffs four service-oriented Offices of Indian Royalty Assistance near Indian tribes and allottees. These offices are in Farmington, New Mexico; Oklahoma City, Oklahoma; Muskogee, Oklahoma; and Denver, Colorado. To improve service to Indian customers, the functions of MMS, BLM, and BIA are combined under one office in Farmington, N.M. This arrangement enables the federal government to be more responsive, effective, and accountable to Navajo mineral owners—by providing outreach, inspection and enforcement, lease administration, and royalty compliance activities.

Indian tribes are actively involved in MMS royalty collection activities. MMS contracts with tribes to help it audit Indian mineral leases. Participating Indian tribes include: Blackfeet, Jicarilla Apache, Navajo Nation, Shoshone and Arapaho, Southern Ute, Ute, and Ute Mountain Ute. In FY1998, MMS spent over \$1.8 million to fund these cooperative audit efforts.

Meeting the Challenge

In 1999, MMS celebrated its first seventeen years as a bureau within the Department of the Interior and the Department celebrated its 150th birthday. During its relatively short lifespan as an agency, MMS experienced dramatic and profound changes, responding to a need to continuously improve in rapidly changing business, energy and governmental climates. The

most dramatic changes were made in response to external forces challenging MMS to keep pace, such as evolving offshore technology, changing energy markets, emerging global markets, compelling safety and environmental issues, transforming legislation, increasingly sophisticated constituencies, advancing information technology, and innovative governmental initiatives.

In responding to the forces and the challenges they presented, MMS displayed its commitment to operate in the collective best interest of its many customers, including U.S. taxpayers, states, Indian tribes and mineral owners, and the energy industry. The agency set the standard for other resource management agencies—that is, to be “the best in the business.”

Improvement Initiatives

Because of MMS’s effort to be the best, it can point to significant achievements, particularly during the mid-1990s:

- 1993: Finalist Federal Quality Institute’s Quality Improvement Prototype Award
- 1994: Finalist Federal Quality Institute’s Quality Improvement Prototype Award
- 1994: Federal Environmental Quality Award
- 1995: Vice President’s Hammer Award
- 1996: Federal Environmental Quality Award
- 1997: Vice President’s Hammer Award
- 1997: Department of the Interior’s Steve Kelman Award for Procurement Franchising
- 1998: Outstanding Partnership Award (BLM/NPRA)

These awards were in recognition of numerous achievements that not only changed the way MMS conducts business but also the way the government conducts business. For example, the Vice Presidential Hammer Award, given to MMS in 1995, was for using plain English in government documents. Government regulations and everyday correspondence had the reputation of being unintelligible. MMS introduced the idea of writing regulations in simple English. The idea was accepted by senior management in the Department of the Interior and then began to spread throughout the federal government.

Approximately four years later, on June 1, 1998, the President directed, in a Memorandum for the Heads of Executive Departments and Agencies, that the “federal government’s writing must be in plain language.” This directive included all new documents, other than regulations, and the re-issuance in plain language of documents created before October 1, 1998. All proposed and final regulations were required to use plain language by January 1, 1999.

It took a couple of years of training, education and practice to perfect its plain language regulatory writing style, but since 1997 most MMS regulations have been published in a new and easier to read style. Other directives to the public, such as Offshore’s “Notices to Lessees and Operators” (NTLs) were subsequently written in plain language.

The Vice President’s Hammer Award in 1997 was given to MMS in recognition of its Innovative Achievements Program, which was an agency-wide, staff-driven initiative that included a long list of projects aimed at improving the operations and procedures of the agency. The first improvement initiative, directed towards streamlining the royalty and production reporting

system, was announced in September 1995. At the time MMS was awarded the Hammer Award in October 1997, it had announced and implemented twenty-two innovations. The effort continued well into the later part of 1998 with innovations transforming many of the major operating and policy procedures of the agency.

Leadership

Thomas A. Fry (July 1993 - November 1994)

Thomas A. Fry was MMS director from July 1993 to November 1994. He guided MMS through significant changes in the Outer Continental Shelf leasing program, safety and environmental operations, deepwater operations and financial responsibilities stemming from the Oil Pollution Act of 1990.

Secretary Babbitt designated Cynthia Quarterman Deputy Director of the Minerals Management Service on September 1, 1993. She assisted Director Tom Fry until his departure from MMS, then became Acting Director and was appointed Director in March 1995.

Serving from March 1995 to February 1999, Director Quarterman led MMS during the period the Administration sought to dissolve the bureau, and presided over its major initiatives to reinvent itself. She oversaw the rewriting of royalty oil valuation regulations and closely monitored negotiated agreements to settle billions of dollars in claims on leases subject to moratoria offshore Alaska and Florida.

Walt Rosenbusch has directed MMS since Quarterman's departure. Completion of the reengineering of the Royalty Management Program into the Minerals Revenue Management Program was one of his top priorities, as was Royalty-in Kind (RIK) pilot projects which had the potential to improve royalty collection and increase the net benefit of a government program to taxpayers. He worked with MMS stakeholders to develop new deepwater royalty relief regulations for properties that might otherwise be considered uneconomic to develop.

Implementing Major Legislation

During the 1990s MMS operated under the following key legislation:

Oil Pollution Act

Congress enacted The Oil Pollution Act of 1990 (OPA 90) in the wake of the *Exxon Valdez* oil spill in pristine Alaska waters. The Act combined various oil spill response mechanisms from other legislation, such as the Outer Continental Shelf Lands Act. The Act also addressed oil discharges into navigable waters and onto shorelines. It required emergency response plans, raises liability limits in cases involving gross negligence or willful misconduct and expands cleanup and economic damage collections. The act created an Oil Spill Liability Trust Fund to pay for removal costs and damages if the government is unable to collect cleanup costs from the liable party.

The Act created several new responsibilities for MMS, including expanded research and oil spill prevention and response authority (including state offshore waters). Interior's OPA 90 responsibilities were assigned to the Secretary by Presidential Executive Order 12777.

Because certain aspects of OPA 90 were unclear, MMS worked with Congress, industry and state representatives to revise sections of the legislation before implementation of new regulations could be accomplished. In September 1996, proposed changes to the oil spill financial responsibility requirements in OPA 90 for offshore facilities were passed by the House and Senate. These changes were incorporated in S. 1004, the Coast Guard Authorization Act of 1996.

Deepwater Royalty Relief Act

The Deep Water Royalty Relief Act of 1995 encouraged development in deepwater areas of the Gulf of Mexico, including the entire central and western gulf areas and a small portion of the eastern gulf offshore Alabama. Under the Act, all new leases issued within five years of enactment must be offered with a provision suspending royalties on a specified volume of production, depending on water depth. Operators on existing leases are able to apply for royalty relief on set amounts of oil and natural gas produced from tracts in specified depths.

MMS issued interim regulations for the Act in May of 1996, and followed with final regulations in February of 1997. These regulations described the application process for requesting royalty relief, including the content of the submission materials

The Act was extremely successful in serving as an incentive for bidders in the deepwater portions of the central and western Gulf of Mexico. During the first four-and-a-half years of leasing with royalty suspension, 3,307 tracts eligible for royalty relief were leased (1,836 in five sales in the central Gulf of Mexico and 1,471 in four sales in the western Gulf of Mexico). Those tracts received high bids of \$3 billion

Federal Oil and Gas Royalty Simplification & Fairness Act

President Clinton signed the Federal Oil and Gas Royalty Simplification & Fairness Act (RSFA) on August 13, 1996, to improve the management of revenues from Outer Continental Shelf (OCS) and federal onshore mineral leases. This law amended the Federal Oil and Gas Royalty Management Act of 1982 (FOGRMA), the Outer Continental Shelf Lands Act (OCSLA), and the Mineral Leasing Act of 1920 (MLA).

RSFA introduced a variety of new requirements, including delegation of certain additional MRM functions to interested states; specific royalty reporting standards for federal oil and gas leases and pooling agreements; payment liability standards and a new statute of limitations for federal oil and gas leases; reporting options for marginal oil and gas properties; payment of interest on all federal oil and gas overpayments; and, statutory deadlines for administrative appeals of orders issued to royalty payers.

MMS conducted over twenty outreach workshops with state and industry representatives and issued several federal regulations to implement the different parts of RSFA. Published final

rules included a rule addressing the delegation of royalty management functions to the states; appeals and self-bonding rule; a rule requiring electronic reporting of certain royalty and production forms; and, a rule addressing payment responsibility between lessees and designees.

To meet the new requirements of the law MMS implemented numerous automated computer systems enhancements. MMS resolved over 14,500 pre-RSFA and production volume exceptions within the two-year period prescribed by RSFA. Between August 1996 and August 1998, MMS closed nearly 50,000 cases, collecting an additional \$54.4 million in royalties.

Better Relationships with MMS Customers

Improved Services to the Indian Community

Although Indian mineral revenues historically have represented only a small portion of total annual collections (about 3 percent), MMS dedicates approximately 20 percent of its budget to manage Indian revenue. This disparity is due in part to some of the unique provisions in Indian leases and to the emphasis MMS has historically placed on Indian leases, including priority processing of Indian workloads and enhanced automated accounting systems and verification processes.

MMS has always taken special measures to serve the interests of its Indian constituents. Two key organizations established solely to handle Indian affairs are the Office of Indian Royalty Assistance, and the Indian Minerals Steering Committee.

Indian Minerals Steering Committee

The MMS Office of Indian Royalty Assistance (OIRA) is responsible for coordinating and communicating with the nearly 20,000 individual Indian mineral owners throughout Indian country. MMS reaches out to the Indian community through many other sources including the Indian Minerals Steering Committee (IMSC), which was chartered by the Department in late 1994. The Steering Committee is composed of members from the five Department bureaus that manage American Indian mineral leases, as well as members from the Offices of the Secretary and the Assistant Secretaries. MMS provides the executive secretary to the IMSC and is represented by the Deputy Associate Director of the Royalty Management Program, the Office of Indian Royalty Assistance (OIRA) Chief, and the Policy and Management Improvement Division Chief in Denver.

The IMSC members conduct regular meetings which address important lease management issues, such as fractionation, a problem involving multiple owners with increasingly smaller ownership percentages in allotted mineral leases as a result of lease heirship; pre-leasing processes and requirements, including drainage of American Indian lands; and, post-leasing problems, including off-lease measurement.

The IMSC members also address management and operational issues of a jointly staffed office by representatives from BIA, BLM, and MMS at a single location under one MMS manager in Farmington, New Mexico. The joint operation evolved from a National Performance Review initiative to test new techniques to manage American Indian allottee minerals and to improve

services and Departmental cooperation. The pilot program provides assistance and resolves problems for only the Navajo lessors of allotted leases.

Links to the Communities

As it entered the 1990s, MMS began looking for opportunities to strengthen relationships with states where offshore oil and gas activities take place, and to improve the credibility and use of environmental research conducted by outside parties for the agency. These connections to the community occur in many forms including workshops, public hearings, and structured organizations such as advisory boards or committees.

Coastal Marine Institute

In the Coastal Marine Institute (CMI) initiative, scientists and students work on numerous research projects in areas affected by offshore oil development to determine the social and environmental aspects of this development.

The agency has formed partnerships with the University of California at Santa Barbara, Louisiana State University, and the University of Alaska, strengthening relationships with the university community and the states.

By matching funds with the states, CMI has been able to carry out important research, including oceanographic studies from deepwater areas to the continental shelf, and social and economic studies designed to answer questions about potential impacts from oil and gas and marine mineral extraction activities.

Minerals Management Advisory Board

MMS has numerous links with the private sector. Its formal link with industry and the scientific sector is the Minerals Management Advisory Board. Comprised of four committees, the board offers MMS stakeholders a direct line of communication to the Secretary of the Interior and MMS senior managers. It consists of four committees, chartered under the provisions of the Federal Advisory Committee Act: OCS Policy Committee, Scientific and Alaska Committees, and the Royalty Policy Committee. Each committee provides advice to the Secretary of the Interior or other officials on mineral leasing, revenue collection, environmental impact, and safety issues. These committees, with representatives from state and local governments, Indian tribes, and industry and environmental interests, meet twice a year.

State Initiatives

MMS has extensive working relationships and partnerships with most of the coastal states covering a wide range of projects. One initiative during the 1990s identified sand deposits in the OCS that were suitable for beach restoration. The OCS Land Act was amended in 1994 permitting sands on the OCS to be dispersed under a negotiated agreement process rather than a competitive bidding process. This permitted MMS to provide OCS sand to state and local governments for beach nourishment and wetlands restoration projects.

MMS established cooperative programs with Alabama, Delaware, Florida, Maryland, New Jersey, North Carolina, South Carolina, Virginia, and Louisiana to identify OCS sources of beach nourishment sand for potential use in shore protection projects. These partnerships rely primarily on State Geological Surveys—in cooperation with other state and federal agencies—to identify the state’s needs and to propose suitable offshore areas for study. When warranted, and when funds are available, environmental studies are developed and conducted within the identified sites. Both types of studies provide the information base needed to negotiate sand access agreements between MMS and respective state and local governments.

The information gathered through state cooperative partnerships and environmental studies has enabled MMS to enter into negotiated agreements for the use of OCS sand resources for beach renourishment projects in Florida, South Carolina, Maryland and Virginia. From 1995 through mid-2000 six shore protection projects used over 7.9 million cubic yards of OCS sand resources identified by these joint MMS/state cooperative programs. Discussions continue with several state and local governments; within the next three years, upwards of 17.7 million cubic yards of OCS sand resources may be employed in shore protection projects.

The Need for Creative Management

Sustainable Development

In the spring of 1999, MMS formed a task group to “outline the concept of a sustainable offshore oil and gas industry” and “determine how Offshore Minerals Management’s goals, policies, and objectives support the findings of the President’s Council on Sustainable Development.” The charge to the task group underlined a determination to make MMS a leader among federal bureaus in implementing actions supporting sustainable development.

Royalty-in-Kind (RIK)

In 1997, an MMS feasibility study concluded that, under the right conditions, royalty-in-kind (RIK) programs could generate additional revenues and be more efficient for both government and industry. The study led to a series of pilot projects by MMS.

In 1998, MMS and the State of Wyoming initiated the first RIK Pilot Project, an onshore pilot for crude oil from federal leases in the Powder River and Big Horn Basins of Wyoming. This pilot was eventually converted to an operational project. MMS and Wyoming are expanding joint competitive open-market sales of RIK crude oil from those properties and monitoring the cost-effectiveness of the RIK approach to crude oil sales.

The second RIK Pilot Project, also initiated in 1998, was for natural gas from federal leases in the Texas 8(g) zone (roughly 10-13 miles off the coast) of the Gulf of Mexico. MMS entered into a partnership with the Texas General Land Office to explore ways to cost-effectively market federal RIK gas from the 8(g) zone and state natural gas production to additional purchasers. Some 8(g) gas was also delivered to the General Services Administration (GSA) for sale to federal facilities.

A third RIK Pilot Project, initiated in 1999, for natural gas from federal properties in the Gulf of Mexico, was larger and more comprehensive than the other two. In addition to selling the gas competitively to the public, a portion of the gas was also transferred to GSA for sale to federal agencies.

In 2000 a fourth RIK Pilot Project was initiated to address the feasibility of taking royalty crude oil from federal properties in the Gulf of Mexico. This offshore oil pilot makes the federal royalty crude available, under public competitive sales, to a broad range of qualified bidders, without limitation to those eligible under the Small Refiner RIK Program.

Globalization

During the Clinton Administration, MMS has increased its international activities and become a world leader in offshore regulatory and management practices. With emerging oil interests in several countries, the agency is frequently called upon for its expertise.

MMS regulates the U.S. offshore activities of an international industry. The character of international standardization has changed dramatically in the 1990s in response to, among other things, the creation of the European Union (EU). The EU moved to impose a single set of standards in order to achieve regulatory harmony across borders, the removal of trade barriers, and related ends.

Because of MMS interest in promoting safe operations, it is increasingly being called upon to assist and participate in international forums and projects. The agency assisted the Caspian Basin states in their development of new regulatory regimes to govern their oil and gas resources. It partnered with Turkmenistan, Georgia, and Kazakhstan in their efforts to establish new rules in accordance with international standards. It joined with the Norwegian Petroleum Directorate to assist the Russians in reforming their offshore oil and natural gas regulatory system, and it shared its regulatory policies with representatives from China.

International Standards

Many offshore oil and gas producing nations are considering what role developed standards should play in their overall regulatory regime. MMS is actively participating in the International Standards Organization's (ISO) efforts towards greater standardization of oil and gas operations. The standards developed by various technical committees of the ISO will impact the oil and gas industry for years to come.

MMS has promoted the participation of regulators from other countries and encouraged U.S. companies to contribute their resources and support the work of the ISO. MMS believes open communication and data sharing between regulators, industry, and the Standards Developing Organizations (SDOs) will enhance participation in standards development at both the domestic and international levels.

Electronic (E-)Commerce

In early 1998, the MMS Director Quarterman announced a goal of 100 percent electronic reporting to reduce both the government and industry reporting costs in the royalty collection program. This announcement was implemented in a final rule published on July 15, 1999. Increased automation permits more efficient processing of business transactions, drastically reducing the amount of paper and eliminating non-value-adding tasks common to traditional workflow processes.

The number of MRM reporters using electronic reporting increases each month by approximately 100 reporters. MRM awarded a contract to Harbinger Corporation on April 30, 1999 to develop, implement and operate a Commercial-Off-The Shelf (COTS) electronic reporting system, and the COTS system began operation in January 2000. It will provide all MRM reporters with secured data reporting and electronic transmission of royalty and production reports. MRM receives prompt delivery of reporter data in the Electronic Data Interchange ANSI ASC X12 format. As of July 15, 2000, Harbinger Corporation had converted over 650 MRM reporters. All MRM reporters are scheduled for completion by October 1, 2001.

MRM established one of the first electronic FOIA systems in the Department, with the ability to scan, fax, index, store and retrieve documents electronically. Frequently requested data (with indexes) are published on an Internet Web page to provide external customers access. MRM completed work on the first phase of an "Instant Information" Internet site to provide the public data on collections, disbursements, state mineral summaries, sales volumes and values, and MRM operations and program activities for the period of 1993 through 1999. Enhancements are added to the system as required. A CD-ROM is available at no cost to constituents who do not have Internet access.

MRM also automated the Solid Minerals Lease history folders to provide end-users access either through a desktop tool or Web interface. The system also permits end-users to add documents directly into electronic folders by utilizing their desktop scanners. MRM has also implemented an Intranet user-based access to all MRM source documents which allows MRM users fast access to documents without having to load an application on their desktop.

Franchising Services

As efforts increased to reduce the size of government certain functions in government became candidates for consolidation or outsourcing to other organizations. Early on, MMS saw an opportunity to provide first-class personnel and procurement services to other organizations on a reimbursable basis. It began its Human Resources Franchising initiative in 1995 with an agreement to provide services to the Department of the Interior's Office the Secretary. Under this agreement, MMS provided personnel services to over 600 employees in various Interior offices throughout the country. By mid-2000 it was providing service to Interior's Office of the Special Trustee and five other organizations outside of Interior, with the list of potential clients growing.

Rather than downsize its acquisition staff, the MMS decided to pursue as those agencies experiencing acquisition support delays as clients. The MMS acquisition team developed a very

robust, aggressive and business-like approach to contracting, maximizing the opportunities presented by changes to the Federal Acquisition Regulations.

Concurrent with the development of this entrepreneurial effort in 1996, MMS sought and was delegated franchise status under the Interior Franchise Fund. The acquisition franchise delegation provided the MMS with the capability of receiving and holding annual appropriations without regard to fiscal year. This feature, added to the business-oriented contracting approach established, is attractive to other federal agencies as the fiscal year ends.

In 1997 MMS awarded contracts totaling \$33 million on behalf of other agencies. Contract awards for FY 2000 totaled over \$142 million. From an initial client base of one agency the franchise now provides support to over 150 clients. MMS serves its client agencies by providing acquisition support to include negotiation, award, administration, and closeout of contracts. MMS obtains all necessary internal approvals required for each contract action and provides an experienced project manager to help with technical direction. In return for this support, MMS collects an administrative fee. The exact fee is negotiated with each client and differs with project complexity and term.

Although human resources and procurement services are the main franchising activities, MMS is pursuing other opportunities. For example, based on MMS's extensive audit and royalty collection experience, the Bureau of Indian Affairs contracted with MMS to provide audit services for its Office of Special Trustee for American Indians.

Performance Based Management: Safety and the Environment

Since the early 1990s, MMS has been incorporating recommendations put forward by the Marine Board of the National Academy of Sciences and other scientific studies by emphasizing performance and safety management systems. In making these changes, MMS has had to consider the diversity of its operators—from the international giant to the small independent—and the uniqueness of the different OCS regions where operations are conducted.

In 1991, MMS introduced the Safety and Environmental Management Program (SEMP) to industry. SEMP encouraged the industry to voluntarily develop, document, and implement a structured, systems-level safety management program. In response to SEMP, the American Petroleum Institute (API) developed *API Recommended Practice 75* (API RP75), a guide that assists companies in developing safety management programs.

The American Petroleum Institute, with participation from MMS, developed another API guide, *Design and Hazards Analysis for Offshore Production Facilities*. API issued these two documents in 1993 and, in cooperation with the Offshore Operators Committee (OOC) and MMS, conducted a series of workshops for companies and encouraged API members to adopt the practices voluntarily.

In 1994, 80 percent of companies operating in the Gulf of Mexico were developing safety and environmental management programs. By 1995, 95 percent of operators were developing programs. In 1996, a work group of seventeen companies, the major industry associations, MMS and the Coast Guard developed a series of generic industry performance measures that would

permit a company to compare its internal measures to the industry average and range for each measure. In 1997, API initiated a revision of API RP75, which included additional detail on contractor relationships and the consideration of human factors.

The Joint Industry-MMS Performance Measures work group completed a final report in November 1997, covering eighteen performance measures in ten different operational areas. The report is available on the MMS Web site at www.mms.gov.

Annual Performance Reviews

Another essential component of emphasizing performance over process is the institution of annual performance reviews in 1997. These reviews are conducted on an operator's entire portfolio of activities in a region. For the largest operator in the Gulf of Mexico, this can encompass activity on 651 facilities. This annual review provides large companies an opportunity to discuss the performance of a number of different business units with different operational managers. This helps ensure a corporate focus on safety management.

Disqualifying Operators

During the Clinton Administration, MMS developed a process for disqualifying operators with a clear record of poor performance. Previously the ability to operate on the OCS was tied strictly to financial capability. The intent of the poor performance initiative is to develop criteria tied to performance that could lead to a hierarchy of prohibitions—from being banned from operating on a specific facility, to a region-wide ban, to a national ban, to being prohibited from acquiring any new leases

Just as steps are being taken to punish poor performers, MMS will continue to recognize the good performers through its SAFE (Safety Award for Excellence) program. This program has been expanded to include three award categories: majors, independents, and contractors. MMS is also willing to work with outstanding operators on alternative compliance programs.

Valuation

One of MMS's responsibilities is to assure that the American people receive fair market value for their resources. It starts with determining the best way to develop OCS property and ends with making sure proper royalties have been paid on the sale of minerals. MMS is constantly evaluating the way the marketplace completes transactions and consequently how it determines value. This quest is complicated by contentious debates among MMS customers and stakeholders.

During the 1990s, the agency spent considerable time revising its regulations covering oil and gas valuation on federal and Indian properties.

Indian Gas Valuation Negotiated Rulemaking Committee

MMS published a Notice in the *Federal Register* on February 7, 1995, to establish the Indian Gas Valuation Negotiated Rulemaking Committee (Indian Committee). The goal of the Indian

Committee was to publish regulations that would maximize royalty revenues for tribes and individual American Indian mineral owners consistent with the Secretary's discretion to establish value. The regulations would further satisfy industry concerns by clarifying and reducing information requirements, thus providing for the computation of royalties in an accurate, timely manner.

The Indian Committee included representatives from MMS, the Bureau of Indian Affairs, Indian mineral tribes, and the oil and gas industry. The representatives met thirteen times and concluded negotiations in May 1996. The negotiations focused on improving gas valuation under the following circumstances: gas sold under arm's-length and non-arm's-length contracts subject to the major portion requirements of American Indian lease terms; and gas processed and subject to the dual accounting requirements of American Indian lease terms.

The term "major portion" denotes the highest price paid or offered at the time of production for the major portion of oil or gas production from a given field. Dual accounting is the comparison of two values of gas: 1) the value prior to processing at a gas plant, and 2) the value after processing. Royalty payments are based on the higher of the two values. The Indian Committee agreed on a formula to value gas produced from American Indian lands using available public "spot market" index prices and a factor for transportation.

MMS published a proposed rule in the *Federal Register* on September 23, 1996. A final rule was published in August 1999 with an effective date of January 1, 2000. MMS conducted eighteen American Indian gas-valuation training sessions in FY 2000, attended by approximately 350 participants representing industry, tribes, and the MMS audit staff. A Web site was also set up to assist the Indian community.

Federal Oil Valuation Rule

In December 1995, MMS began an effort to revise the regulations covering the valuation of oil. Historically, there had been a reliance on prices posted by oil producers. MMS prepared numerous drafts of the revised rule in response to public comment and published the initial proposed rule on January 24, 1997, followed by a supplemental proposed rule on July 3, 1997. MMS reopened the public comment period on September 22, 1997, to solicit comments on several alternative valuation procedures suggested by constituents. MMS published a second supplemental proposed rulemaking on February 6, 1998. Before MMS could consider comments on the revised proposal and publish a final rule, a rider was added to a FY 1998 emergency supplemental spending measure in April 1998 that barred MMS from implementing the rule until October 1, 1998.

MMS reopened the public comment period from July 9-31, 1998, in response to a request from several U.S. Senators and a review of all comments received throughout the rulemaking process. A further supplemental proposed rule was published on July 16, 1998, in response to meetings with members of Congress and other interested parties. The General Accounting Office provided a positive report on MMS rulemaking efforts on August 19, 1998. However, language in Conference Report H.R. 4328 prevented MMS from finalizing the rule until October 1999, or until a negotiated agreement was reached.

On March 13, 1999, MMS once again reopened the public comment period on the proposed rule. MMS conducted additional public workshops seeking new ideas, not discussed in previous workshops, to help move the rulemaking process forward, while ensuring the public received fair value for its resources. The comment period closed on April 27, 1999.

The Department's FY 2000 appropriation bill included language extending the moratorium on publication of a final rule until March 15, 2000. On December 30, 1999, MMS published a further supplementary proposed rule addressing some of the comments received during the public comment period that ended April 27, 1999. In January 2000, MMS conducted three additional workshops. MMS reviewed comments addressing the supplementary proposal and revised the rule further.

MMS published the final rule for valuing crude oil produced on federal lands in the March 15, 2000 *Federal Register*. The rule became effective June 1, 2000.

The final rule balances the legitimate interests of the oil and gas industry and the government's absolute obligation to assure a fair return for the public's mineral resources.

The rule applies spot market pricing to the transactions of the major integrated oil companies, doing away with the traditional reliance on posted prices for non-arm's-length contracts-crude oil sales between divisions of a single, integrated company. These posted prices, which reflected internal prices set by producers selling to affiliated refiners, consistently understated the real or market value of crude oil produced from federal lands. Spot market pricing-the price paid for oil on the open market-is the best indicator of crude oil's true value.

With respect to arms-length crude oil sales between non-affiliated producers and refiners, the new rule does the following:

- The MMS will continue to accept prices under arm's-length contracts as it did under the 1988 rules. Small independent producers that sell under arm's-length contracts to non-affiliated companies will not be affected.
- The rule includes language affirming that MMS will not second-guess producers' marketing decisions.

For non-arms-length crude oil sales contracts between affiliated producers and refiners the new rule:

- Uses market-based spot pricing in most situations.
- Provides tailored valuation methods to fit different marketing areas of the country.
- Allows options to fit federal lessees' unique marketing situations.
- Provides for location and quality adjustments between the lease and market center when using spot-market pricing.
- Allows for actual costs of transportation.
- Allows the first purchaser of a pipeline to begin a new depreciation schedule based on the price they paid for the pipeline.
- Allows for a minimum return on fully depreciated pipelines.

- Spells out new and clearer criteria for determining company affiliation.
- Provides for binding value determinations.

The new rule does not:

- Allow marketing costs as a deduction from royalty.
- Use comparable sales or tendering at the lease, other than in the Rocky Mountain region.
- Allow FERC tariffs for non-arm's-length transportation.

MMS estimates that \$67.3 million per year in increased royalty revenues will accrue to the government under the new rule. Approximately \$2.4 million of this revenue will be shared with the states where federally-owned oil resources are located: California, Wyoming, New Mexico, Louisiana, North Dakota, Texas, Montana, Colorado and Utah.

About 90 percent of the additional revenue will come from the major integrated oil companies. Smaller, independent operators who buy and sell crude on the open market will be largely unaffected. Because the new rule streamlines royalty valuation procedures, MMS estimates that administrative efficiencies under the new rule will save industry a net \$63.5 million.

In April 2000, the Independent Petroleum Association of America (IPAA), later joined by the American Petroleum Institute (API), sued the Department over the rule and its "duty to market" provisions. Industry had consistently objected to these provisions. The rule went into effect on June 1, 2000. The lawsuit is still pending.

Impact of FERC Order 636 on Transportation and Gas Marketing

The Federal Energy Regulatory Commission (FERC) issued Order 636 in April 1992 to enhance competition among suppliers and improve the industry's ability to compete effectively for new markets. The Order mandated that interstate pipelines separate their sales and transportation services, negating the advantage that a particular pipeline company would have in the sale of its own gas as opposed to the gas of other suppliers. Pipelines were required to provide open access transportation services equal in quality, whether the gas was purchased directly from the pipeline company or from another source. Each pipeline was required to complete restructuring of its services by November 1, 1993.

The FERC Order had an impact on MMS valuation regulations. MMS published a final regulation in the *Federal Register* on December 16, 1997, to clarify royalty implications of FERC Order 636. The regulation identified which cost components or other charges were deductible, or related to transportation, and which costs were not deductible, or related to marketing. Deductible transportation costs included firm demand charges, commodity charges, banking fees, parking fees, and wheeling costs. Nondeductible marketing costs included long-term storage, aggregator fees, and intra-hub title transfer fees. The final rule became effective on February 1, 1998.

The IPAA and API filed suit against the Department in March 1998. The suits alleged that the rule was illegal because it required lessees to pay royalties based on more than the value of the

gas at the wellhead and unilaterally changed the terms of the oil and gas lease. Motion and cross motion summary judgments were filed in September and December 1998. Final simultaneous reply briefs were submitted February 11, 1999. On March 28, 2000, Federal District Court Judge Royce Lamberth (District of Columbia) ruled in favor of IPAA and API.

American Indian Oil Valuation Rule

In 1997, MMS elected to develop an independent rule for valuing oil produced from American Indian leases. This decision was prompted by consideration of MMS trust responsibilities and the unique lease terms contained in American Indian leases, particularly major portion provisions. MMS convened a diverse group of American Indian representatives to solicit their views before drafting the rule then published a proposed rule in the *Federal Register* on February 12, 1998.

Public hearings were conducted in Albuquerque and Denver in March and April 1998. The comment period for the rule closed on May 13, 1998. Meetings were held with various American Indian representatives in December 1998 and January 1999 to discuss comments received and to obtain their feedback on potential changes to the rule.

The language in Conference Report H.R. 4328, that prevented MMS from finalizing the federal oil rule until October 1, 1999, also applied to the American Indian oil valuation rule. The subsequent extension of the moratorium to March 15, 2000 again applied to both the federal and American Indian rules.

MMS published a supplementary proposed rule on January 5, 2000, in response to earlier comments received. The supplementary proposal included changes to the way index prices would be applied and transportation allowances would be calculated. The supplementary proposal further included changes to the information collection associated with this rulemaking. MMS conducted an additional public workshop on February 8, 2000. The comment period on the supplementary proposed rule ended on March 20, 2000. A final rule was scheduled for publication before the end of 2000.

Deepwater Strategy

When exploration reaches water depths beyond 1,000 feet, oil producers are in “deepwater,” according to industry terminology. Advanced technology is digging deep to explore ways to enhance the nation’s energy resources and economy.

In the early 1990s, some industry experts considered the Gulf of Mexico a “dead sea” when it came to offshore oil production. Most of the early indicators pointed to an oil and natural gas basin nearing the end of its productivity. Many thought the Gulf would only attract the small investor. There appeared to be little potential for new discoveries. The new deepwater drilling technologies changed all that, and the Gulf reemerged as a major source of the nation’s energy.

Today there are approximately 7600 active leases in the Gulf of Mexico, 48 percent of which are in deep water. In 1992 only about 27 percent of the 5600 active leases were in deepwater regions. By the end of 1999, there were thirty producing fields, up 30 percent in twelve months.

New technology coupled with discoveries of high production-rate wells have lowered the cost of finding, extracting and delivering deepwater oil and natural gas to energy markets. Areas of the Gulf of Mexico once thought beyond reach, that is, depths beyond 5,000 feet, are now being explored and developed successfully. A new generation of drill ships and techniques allows drilling in water depths down to 10,000 feet.

In 1990 about 4 percent of the oil and less than 1 percent of the natural gas produced on the Gulf's outer continental shelf was from deepwater. By the end of 1999, more than 50 percent of the Gulf's oil production and 20 percent of its natural gas was from that area. This represents a 1,770 percent increase in oil produced from those depths during the 1990s and a 2,630 percent increase in natural gas production from deepwater. In the early part of the 1990s, Gulf of Mexico oil production hovered around 300 to 315 million barrels per year, but has since skyrocketed, reaching almost 500 million barrels in 1999.

Reengineering the Mineral Revenue Collection System

Enactment of the Federal Oil and Gas Royalty Simplification and Fairness Act (RSFA) in August 1996 materially changed many historic MMS operating assumptions as well as some fundamental federal oil and gas financial activities. Although immediate changes in processes and systems needed to be made to implement the law, it was apparent that long-term strategies, business processes, and aging systems had to be addressed for MMS to be cost-effective and responsive to customer requirements.

MMS announced on April 1, 1997, that the effort would expand beyond compliance reengineering to a comprehensive reengineering of the Royalty Management Program. A Program Reengineering office was established to manage and coordinate the initiative.

The initial redesign work, including prototype development and testing, was completed through a multi-disciplinary team of MMS, state, and tribal representatives, with technical contract assistance. MMS also worked with its industry partners to pilot new approaches. Consultations with customers were critical in better defining future business approaches and processes.

The principal objective of the expanded initiative was to design, develop, and implement new core business processes with supporting systems for the 21st century. Goals in the development of new business practices were 1) to provide revenue recipients with access to their funds within twenty-four hours of the due date and, 2) assure compliance with applicable laws, lease terms, and regulations for all leases in the shortest possible time, but no later than three years from the due date.

In March 1998, the MMS Reengineering Team issued the *Preliminary Design Concepts for the RMP of the 21st Century*. The document presented the findings and preliminary design concepts for future MMS royalty management processes and support systems. The concepts were based on extensive technical and analytical studies performed or commissioned as part of the reengineering initiative, past studies and recommendations prepared within the MMS, and studies and recommendations presented to the MMS by the Royalty Policy Committee (RPC), the Office of the Inspector General, and other organizations. The recommendations served as the

foundation for further work performed in technology prototyping, process modeling, and implementation planning.

RMP's business implementation plan, the *Road Map to the 21st Century*, was published November 1998. The *Road Map* placed RMP on a three-year path for implementation of new business processes, realignment of organizational structure, and development of supporting automated systems. Implementation of the *Road Map* proceeded on schedule during FY 1999 and the reengineered Royalty Management Program became the Minerals Revenue Management (MRM) organization effective October 1, 2000.

During the Clinton Administration, MMS became a more modern, efficient and responsive agency focused on its vision to be the best in the business.

CHAPTER THREE: WATER AND SCIENCE

BUREAU OF RECLAMATION

Changing Times, New Approaches

Between 1993 and 2001, the Bureau of Reclamation underwent the most dramatic change in its history. The change resulted from President Clinton's federal government reinvention initiative, as well as in response to the evolving nature of water resources management.

In the seventeen Western states where Reclamation operates, rapid population growth has created greater competition for water among all interests—agricultural and urban areas, recreational and power interests, Native American tribes and the natural environment. There is also a greater awareness that the environmental impacts and financial costs of water development projects must be addressed.

Interior Secretary Bruce Babbitt addressed the need for change in the reclamation program when he took office. "The era of the large reclamation project is winding down to conclusion," he said. "The water supplies that have been developed over the past century of reclamation are truly impressive, and they should be sufficient for the next century . . . the big task of the coming century will be to restore rivers, wetlands and fisheries."

In response to these contemporary challenges, Reclamation changed its primary program focus from water resource *development* to water resource *management*. The evolution was a profound one. Created by the Reclamation Act of 1902, the agency had long focused its formidable engineering skills on building dams and other works to harness the West's rivers and "reclaim" its arid lands through irrigation, to help support settlement and to promote economic development. Over time, Congress authorized Reclamation projects to provide municipal and industrial water, flood control, hydroelectric power generation, recreation, and fish and wildlife enhancement.

The Reclamation program has been very successful. Today, Reclamation projects can store 245 million acre-feet of water, or nearly 80 trillion gallons. The projects deliver 10 trillion gallons of water each year to more than 31 million Westerners, including irrigators, towns and cities, and Indian tribes. One of every five Western farms receives water from a Reclamation project, irrigating about 10 million acres of land that produces 60 percent of the nation's vegetables and 25 percent of its fruits and nuts. Fifty-eight hydroelectric power plants on these projects generate more than 40 billion kilowatt-hours of energy each year, serve six million homes and contribute nearly \$1 billion dollars in revenue to the economy. Reclamation projects also include more than 300 recreation sites, many fully accessible to people with disabilities, which are visited by more than 90 million people a year. In addition to creating recreation opportunities, projects provide water to support wildlife refuges, migratory waterfowl, fish, and threatened and endangered species. Moreover, Reclamation projects have prevented more than \$9 billion in flood damages since 1950, and have reduced the impacts of drought throughout much of the West.

Changing times call for new approaches, and, in 1993, Reclamation began a significant transition toward a new mission. Water conservation, more efficient and flexible project operation, environmental protection and restoration, water transfers and more efficient water use defined the new focus. In addition, efforts were initiated to develop stronger working relationships with all stakeholders, to better meet trust responsibilities to Indian tribes, and to create a more diversified workforce.

Reinvention: A Challenge Met

In March 1993, Vice President Gore challenged federal agencies to reinvent themselves by cutting red tape, putting customers first, empowering employees to get results, and getting back to basics—creating a government that *works better and costs less*. Reclamation accepted the challenge.

In November 1993, Reclamation issued its *Blueprint for Reform*. The *Blueprint* established contemporary program priorities and organization-wide functional realignments, delegated decision-making responsibility to the lowest practical organizational level, reduced the number of organizational layers and supervisors, streamlined regulations, and revised and changed program and budget execution processes.

By October 1994, Reclamation had completed a top-to-bottom reorganization. Prior to this, Reclamation was characterized by top-down, centralized management and an excess of organizational layers. Its operations were governed by extensive, detailed internal regulations and subjected to numerous levels of review and approval. The reorganization simplified these processes, transferred greater program management authority to the field offices, reduced the role of headquarters offices in day-to-day operations and eliminated two layers of management. Most importantly, it empowered managers and employees to develop and implement innovative program improvements and solutions to contemporary water issues.

The reorganization eliminated nearly 6,500 pages (58 percent) of regulatory provisions, and reduced review and approval requirements to the minimum level necessary for effective quality control. It also reduced Reclamation's workforce by approximately 2,000 employees (25 percent), and reduced the agency's annual budget by about \$100 million (12 percent).

For its historic and groundbreaking efforts, Reclamation was recognized as a reinvention leader in the federal government. In 1995, the agency received a "Hammer Award" from the Vice-President and an "Innovation in American Government" award from the Ford Foundation and Harvard University's John F. Kennedy School of Government. Reclamation was recognized for involving its employees in implementing its reinvention initiatives, and received a \$100,000 Ford Foundation grant in conjunction with the award. The grant was used to develop an Innovations Resource Center, and to fund three one-day conferences at which Reclamation disseminated information about its successful initiatives, and shared its experiences with other local, state and federal agencies addressing reform issues.

Assessing Evolving Needs

The reorganization did not end Reclamation's effort to assess its role in helping resolve contemporary water needs and serve the public cost-efficiently and effectively. Reclamation continued to ask itself, as well as its customers and stakeholders, what functions it should or should not perform, what type of employees it needed, and who should perform the work. This questioning led to a staffing increase in environmental specialists, biologists, hydrologists, water contract specialists, negotiation/mediation experts, and management analysts. It also led to a greater emphasis on innovation, communication, coordination, and negotiation skills in all disciplines.

Even though its construction and engineering role would be significantly reduced, Reclamation recognized it needed to maintain a high level of engineering design and construction management expertise to address the needs of an aging infrastructure, as well as accomplish environmental restoration and other programs. As a result, Commissioner Eluid L. Martinez established a Reclamation Design and Construction Coordination Team to ensure this expertise was maintained.

Reclamation also formed a team to develop a process for evaluating its current and future workforce capabilities in various professional technical disciplines, and to match that information with the future workload and mission on a corporate level. A process has been institutionalized whereby each major office will annually analyze its funding needs, potential loss of capability and additional capability needs, and the amount and type of work to be done by others, then implement an action plan to address these needs.

Reducing Federal Expenditures

To help meet the National Performance Review goal of reducing the cost of government, Reclamation initiated a "facilities title transfer" program in 1995. The program goal is to transfer ownership of appropriate facilities from the federal government to qualified non-federal entities such as water districts, states or local governmental entities. Many of these facilities—storage dams and reservoirs, canals and other conveyance and distribution facilities—are already operated and maintained by local water districts, but few districts actually hold title to them. Transferring title to facilities, or parts of facilities, that are not of national significance may allow the projects to be operated more efficiently and cost-effectively. It also relieves these titleholders of administrative obligations such as compliance with the Reclamation Reform Act, federal permits for easements and land crossings and other paperwork, and ongoing administrative requirements that only apply to federal facilities.

Before initiating any title transfer, Reclamation comprehensively analyzed the issues associated with the process, including environmental compliance, and consulted with stakeholders and project beneficiaries. At the end of Fiscal Year (FY) 2000, seven title transfers had been accomplished, with Congress having authorized the transfer of eight more—most of which should be completed in FY 2001. In addition, approximately nine other title transfers were being negotiated.

Reclamation also helped reduce federal costs by negotiating funding agreements with some of the entities that receive power benefits.

In the Pacific Northwest Region, for example, where hydroelectric power in excess of project needs is marketed by the Bonneville Power Administration (BPA), hydroelectric facility repair and maintenance costs were historically funded through Reclamation's budget process, then repaid a year later from BPA revenues.

Because of concerns about the potential vulnerability of appropriations during deficit periods, Reclamation and BPA began exploring alternatives to the budget process, with the objectives of securing greater budget certainty, increasing management flexibility, and providing cost savings for the ratepayers. In 1992, through a Memorandum of Understanding, BPA began advancing funding for additions, replacements and improvement of the Pacific Northwest Region's power facilities. In 1996, BPA and Reclamation signed a Direct Funding Agreement through which BPA directly funds the annual operation and maintenance (O&M) costs allocated to power at the Region's facilities. The agreement significantly changed business practices for both agencies in the budget process and O&M areas, and reduced Reclamation's annual budget request by about \$70 million in FY 2000.

A similar agreement was developed for the Parker-Davis Project on the lower Colorado River. Here, the Bureau of Reclamation, Western Area Power Administration (Western) and project power contractors entered into an Advance of Funds agreement. Through this agreement, each contractor advances to Reclamation and Western, the power marketing agency, its proportionate share of the annual O&M costs and costs of capital improvements to the project's generating facilities.

This agreement, which reduced Reclamation's budget request by about \$8 million in FY 2000, ensures the continued availability, reliability and cost-effectiveness of the project's power. Just as important, it gave the power customers a new voice in the decision-making process for operating, maintaining and improving the facilities, as they work in partnership with Reclamation and Western to develop O&M plans and budgets. This helps all the parties more effectively plan for current and future needs.

Increasing Customer Service/Stakeholder Involvement

In accordance with President Clinton's Executive Order 12862, "Setting Customer Standards," Reclamation embarked on a systematic, multi-pronged effort to improve its responsiveness to and maintain the confidence of its traditional customers, while earning the respect of new customers.

Following the Administration's lead, Reclamation also began to focus greater attention on its stakeholders, interested parties—such as the Congress, local and national interest groups, taxpayers, states and Indian tribes, who are involved in Reclamation's businesses and services but do not receive direct services.

Patricia Beneke, Assistant Secretary for Water and Science from 1995 to early 2000, explained the approach the Administration and Department of the Interior would use to involve these entities in efforts to resolve natural resource issues:

“[We] have developed a new model for grappling with these issues,” Beneke said, “a model of regional cooperation and consensus among stakeholders, a model styled on bringing all interested parties together. We seek the flexibility to reconcile conflicting regulatory requirements and to achieve consensus, so all affected parties can benefit.”

Reclamation’s stakeholders and customers were involved in development of the agency’s initial Strategic Plan, which covered fiscal years 1997-2002. Developed to meet the requirements of the 1993 Government Performance and Results Act (GPRA), and updated every three years, the Strategic Plan lays out the agency’s mission, long-term goals covering five or more years, and strategies for achieving those goals. GPRA is considered the cornerstone of a series of federal initiatives that are intended to provide a comprehensive framework for integrating program, cost and budget information.

Reclamation’s first Customer Service Plan was published in 1994. It established customer service principles and values, and spelled out the agency’s commitment to work with its customers, employees, partners, and stakeholders in setting service standards. With input from employees and customers, each Reclamation office for its geographic area developed similar plans. Numerous information-gathering processes—questionnaires, comment cards, phone surveys, and focus groups—were established to ensure this process would continue in future years.

One of Reclamation’s first actions was to initiate monthly stakeholder meetings in Washington, D.C., to discuss a variety of topics, including budget requests and appropriations, legislation status, and proposed rules and actions. Through this process, customers and stakeholders became involved in Reclamation’s budget formulation process and in development of the Strategic Plan. Meetings or other communications were held with federal, state and local agencies, water and power users, Indian tribes, conservationists, academics and others. Each person or organization that provided written comments received a letter from the Commissioner and was personally contacted by a Strategic Plan team member to discuss the process used for revising the plan.

In 1998, more than 3,000 customers were surveyed to gauge their satisfaction with Reclamation’s services. (A similar survey of Reclamation employees was conducted in 1999.) The survey helped identify areas that needed improvement, and established a baseline against which improvements and progress could be measured. To address the areas identified as needing the most attention, benchmarking was done with U.S. Department of Agriculture Service Centers in ten western states, the Hoover Dam Engineering and Operations Committee, and two Reclamation area offices. From this, twenty-one recommendations were developed which have been or are being implemented. Reclamation continues to identify potential customer service improvements.

One significant improvement was the development of an Internet-based, multi-user Customer Information System, which consolidated more than forty-five mailing list systems with 35,000

listings into one 20,000-listing database. Incorporated with other business processes, this system will ensure Reclamation has the necessary data, in accordance with applicable laws, to solicit input from its customers, stakeholders, and partners on issues in which they are interested or which affect them.

Reclamation also is using the Internet to strengthen customer relations and create more employee awareness of customer service. An external Web site <<http://www.usbr.gov/custserv/>> includes a point-of-contact access list to Reclamation offices by state, city, office, address, phone or fax. Employees can use a similar, internal site to find a list for Reclamation-wide services; this list, with 214 subject areas, facilitates responses to customer inquiries. Reclamation staffs also have received guidelines for generating customer-friendly documents and “Best in the Business” customer service training.

Improving Business Approaches

Making “government work better” was also a key goal of the National Performance Review. Again, Reclamation was up to the challenge.

In 1994, Reclamation initiated a benchmarking program to measure its performance against that of other federal and private entities, to learn from them, and to measure and improve its own services and performance.

The hydroelectric power program has undergone a major benchmarking effort. Now institutionalized, the benchmarking program has improved the reliability of Reclamation’s fifty-eight hydroelectric power plants and provided its customers better financial accountability on plant operation and maintenance costs. The benchmarking program shows that Reclamation is among the best in the nation in producing electric power at the lowest cost. In FY 1999, Reclamation was in the top 25 percent of lowest-cost producers.

Since 1994, the forced outage rate (the percentage of operating time lost to unscheduled shut down of a generating unit or other facility for emergency or other unforeseen reasons) at Reclamation powerplants has been reduced from about 3 percent, the hydroelectric industry average, to about 1.1 percent, significantly lower than the industry average. This improvement results from incorporating various performance data into an electronic database, developing benchmarks that give a trend analysis of power plant performance, making data on generating unit availability and reliability accessible to plant managers, and continuing to upgrade hydroelectric program performance. The success of this effort is demonstrated by the fact that U.S. and international electric utilities use Reclamation’s benchmarks, which are incorporated into an annual data book, as a model of how to do hydroelectric benchmarking.

In FY 2000, Reclamation also initiated an effort to benchmark its water resources operation and maintenance costs against state, municipal and private water management organizations. Results from this effort will be used to improve project management effectiveness.

Peer reviews are also used to meet National Performance Review goals and provide more effective and efficient quality control of Reclamation’s programs and products.

In May 1996, Commissioner Martinez determined Reclamation should set the standard for responsible dam ownership and stewardship, and he initiated a peer review of the dam safety program, the first since the mid-1970s. The review was conducted by a team from the Association of State Dam Safety Officials, which included state, federal, public utility, private sector, academia, and Department of the Interior staff with expertise and experience in dam safety.

The review determined Reclamation has an effective dam safety program, with state-of-the-art technical standards and expertise throughout the agency, and a competent, dedicated staff committed to the program and capable of responding to emergency situations. It also recommended that Reclamation take a number of specified actions to ensure the continued success and improvement of its program.

As a result, Reclamation now requires each Regional Director to prepare annual reports and establish goals under the Government Performance and Results Act to track performance on dam safety recommendations, completion of facility reviews, and modifications. A Dam Safety Officer was hired to provide program oversight and to ensure continued program emphasis, and, in 1998, an ongoing dam safety peer review process was initiated to reduce the expense and organizational disruption associated with periodic reviews. External peer reviews continue to be conducted when a facility failure could potentially cause flooding or pose a threat to public safety.

Alternative Dispute Resolution (ADR)

Alternative Dispute Resolution (ADR) involves the use of innovative techniques to more effectively deal with conflict. ADR has been institutionalized as a way for Reclamation to prevent, manage or resolve internal and external disputes and conflicts. As a result of Commissioner Martinez's 1999 Conflict Management and Alternative Dispute Resolution policy directive, ADR is now a standard business practice within Reclamation.

The policy directive established the Conflict Management Service, which focuses on education and training. The use of ADR has reduced the amount of time needed to resolve issues, with greater acceptance from all involved parties, and less litigation. Reclamation has used ADR in about 150 instances, and one or more of the issues in dispute were resolved 75 percent of the time. In 1998, Reclamation's Service Center in Denver received a National Performance Review "Hammer Award" for its partnership activities. Reclamation also received an award from the Office of Personnel Management in 1998 for its ADR program, and for the Conflict Management Guidebook it developed as a reference document for managers and staff.

Reclamation's ADR resources now include a Bureau Dispute Resolution Specialist, an ADR Program Manager, a Natural Resources Dispute Resolution Program Manager, and sixteen collateral-duty ADR advisors who provide agency-wide assistance with dispute resolution. Representing all of Reclamation's offices, and with a diverse set of experiences and areas of expertise, this group helps identify and implement appropriate dispute resolution techniques, serves as a source of mediators and facilitators, and helps select external ADR professionals to assist Reclamation when necessary. Reclamation also established Conflict Resolution (CORE) Specialists to support Department of the Interior programs to mediate and resolve workplace

disputes, and has a comprehensive Internet site and a newsletter that address conflict resolution topics of interest to its employees.

A Changing Work Force

“We are a federal agency serving the American public. It is simply good policy that a public agency’s workforce should strive to reflect the diversity of the citizenry from which it derives support and for which it exists to serve.”

— *Commissioner Eluid Martinez*

Reclamation made substantial strides in its diversity effort during the Clinton Administration.

Between 1993 and 2000, Reclamation established educational partnerships with five Minority Serving Institutions: Southwestern Indian Polytechnic Institute; Langston University; Southern University; New Mexico Highlands University; and California State-San Bernardino. Through assistance agreements, these multi-year partnerships provided an average of \$110,000 per year to each institution to: establish outreach programs designed to attract K-12 students in minority communities to the natural sciences; develop natural resources and water curriculums and accreditation for a targeted engineering program; and support scholarships, internships and student employment opportunities with Reclamation that would introduce minority students to federal careers in water and natural resources. By re-engineering the traditional pipeline to federal employment, Reclamation established a model for other federal land management agencies interested in making a difference in the development and employment of minorities in natural resources management.

Under the leadership of its first Presidentially-appointed Hispanic Commissioner, Reclamation also selected one of the most diverse Senior Executive Service policy management teams ever assembled by the agency and within the Interior Department. More than half of the thirteen permanent SES positions were filled by women and minorities.

Reclamation also developed a Strategic Workforce Diversity Implementation Plan to institutionalize diversity within the agency, and enhanced diversity initiatives by creating Diversity Management Councils within each field office with delegated personnel authority. A policy directive addressing under-representation of African Americans, a directive unique within the Department of the Interior, provides specific guidance and direction for field office implementation of existing recruitment initiatives to improve representation of African Americans within Reclamation’s workforce.

Minority and disabled communities are made aware of the programs and employment opportunities within Reclamation through a corporate approach to outreach and recruitment efforts. Reclamation has established and maintains relationships with more than nineteen organizations in this effort, including the American Indian Science and Engineering Society, Hispanic Association of Colleges and Universities, Society of Mexican American Engineers and Scientists, National Society of Black Engineers, and Society of Women Engineers. Reclamation also supported the Clinton Administration’s efforts to make federal employment more desirable

by actively supporting work-life programs such as family-friendly leave policies, telecommuting, alternative work schedules, wellness programs, and job sharing.

Reclamation is also a recognized leader, within Interior as well as among other federal agencies, for its corporate approach to providing recreational and employment opportunities for people with disabilities. As part of its commitment to serving America's diverse populations, Reclamation has developed an agency-wide plan of action with clear goals and assigned accountability for meeting responsibilities, and an Accessibility Data Management System (ADMS), a computerized system for managing and tracking accessibility actions. A ten-year plan—defining assessment goals, action plans and the long-term scheduling of workplace retrofits—enables Reclamation to carefully plan and manage for accessibility.

Reclamation's system was adopted by Interior as its accessibility management tool, providing other Interior bureaus with a similar means to manage accessibility programs. Reclamation was also recognized by the President's Committee on Employment of People with Disabilities for its use of technology in the workplace, acknowledging the role played by ADMS in improving access for people with disabilities. The National Performance Review's Government Information Technology Committee also recognized ADMS as a significant innovation in technology, providing a sizable grant for continued improvement of the system.

Evolving Approaches to Water Resources Management

Water supply needs have historically been met by building storage dams and delivery facilities. In 1993, Secretary Babbitt outlined a new approach for managing water resources:

“In the coming century, water policy must be made in the context of the entire watershed. Water is a natural resource with no fixed address; any water use inevitably affects many other uses, both upstream and downstream. That means all stakeholders have a stake in every decision, and that in turn requires that they be included in the decision-making process.”

Since 1993, Reclamation has practiced, and institutionalized, a problem-solving approach that involves all interested parties in seeking broad-based, consensus solutions to water resource management issues.

The Snake River Resources Review is but one example of the successful use of this “basin-wide” approach. Changing societal values, a growing population, and listings of threatened and endangered species in the Pacific Northwest have created new and growing pressures on water and other natural resources in the Snake River basin, which extends over 72,000 square miles in Wyoming, Idaho, Utah, Nevada, and Oregon.

In 1995, the Administration initiated the Snake River Resources Review, commonly known as “SR³.” It is a comprehensive, first-of-its-kind effort to integrate existing tools, models, customer values and databases to analyze the basin's many complex resource issues. The Review required Reclamation to build relationships, form partnerships, and establish a communications network with customers, stakeholders, state agencies, universities, and Indian tribes to gather information and help identify issues. The result is the Snake River Decision Support System, a computer

modeling program that gives decision makers the information they need to make sound, broadly-based resource decisions.

New “Water Holes”

Secretary Babbitt also suggested more use of existing “water holes,” his term for available sources of water that go unused under inefficient or outmoded resource management plans. The Secretary recommended three principal water holes—water conservation, water transfers, and underground storage—as timely and effective devices for accommodating the West’s growing water needs without harming the environment or building more dams.

Reclamation has long encouraged water conservation. In 1997, the Administration established the Water Conservation Field Services Program (WCFSP) to encourage the efficient use of water on federal water projects and, in cooperation with states and other entities, to provide a non-regulatory, incentive-based approach to help water districts develop and implement effective water conservation plans.

In July 1998, Reclamation initiated a “Bridging-the-Headgate” conservation partnership with the Department of Agriculture’s Natural Resources Conservation Service, the National Association of State Conservation Agencies, and the National Association of Conservation Districts as part of the WCFSP. A headgate is a mechanism for controlling the flow of water from a common source into a local irrigation system. Reclamation’s endeavor to “bridge the headgate” encourages local soil and conservation districts to collaborate with local irrigation districts on water conservation planning, thereby creating a synergy between traditional “on-farm” and “off-farm” conservation assistance programs at the local level. “Bridging-the-Headgate” conservation partnerships advance the Administration’s broader program of engaging federal, state, and local water agencies and organizations in a concerted effort to promote the sustainable and efficient use of western agricultural water supplies.

Through the WCFSP, water districts receive assistance and non-binding guidance in water management planning, conservation education, conservation technologies, and effective conservation implementation measures. Water districts and other stakeholders see the WCFSP as Reclamation’s appropriate vehicle for encouraging water conservation on federal and non-federal water projects, and for fostering improved water management on a watershed, statewide and regional basis. Watershed-based management enables Reclamation and its partners to make the best, most efficient, and most equitable use of the limited water supplies available.

In FY 1999, more than 240 irrigation districts received help in developing plans; more than 250 received assistance with water conservation education efforts; more than 160 received water conservation technology demonstrations; and more than 350 received help to implement fundamental water management measures. Since the WCFSP was initiated, more than 80 percent of the districts required to have water conservation plans either have them in place or have submitted draft plans, and 300 irrigation districts are committed to updating or developing plans. More than four million acres of irrigated agricultural lands are covered by current water conservation plans.

This Administration has also worked to overcome institutional barriers to water transfers, and to facilitate water transfer agreements between willing sellers and willing buyers.

Reclamation has long been and continues to be supportive of voluntary water transfers between established users, and of the conversion of existing resources to new uses. To institutionalize this support, Commissioner Martinez directed that new policy guidelines be developed to supplement existing procedures and to implement a consistent, agency-wide approach to voluntary transfers and conversions. Reclamation worked with its customers and stakeholders to develop the guidelines: (1) Reclamation should facilitate, not mandate, transfers unless required by legislation or judicial decision; (2) transfers of project water would be voluntary transactions between willing buyers and willing sellers; (3) primacy in water allocation and management decisions rests principally with the states; and (4) transfers from one user to another and conversions to new uses must be in accordance with applicable federal laws and contracts.

Under this new policy, water transfer efforts have been very successful. The Department helped facilitate the development of what will be the largest water transfer in western U.S. history—moving up to 200,000 acre-feet of conserved agricultural water from the Imperial Irrigation District in southern California to the San Diego area. With strong Administration support, Reclamation also developed and implemented the December 1999 “Rule for Offstream Storage of Colorado River Water and Development and Release of Intentionally Created Unused Apportionment in the Lower Division States.” For the first time in history, this rule allows Colorado River water to be transferred between the lower basin states of Nevada, California and Arizona to help those states meet growing and changing water needs.

Administration support also helped develop a successful water transfer process that could assure El Paso, TX, a long-term municipal water supply in the face of dwindling groundwater reserves. With a combined population exceeding two million people, both El Paso and Ciudad Juarez, Mexico, are drawing municipal water from the same aquifer, which some estimate will be depleted by 2020. Under an umbrella contract with the El Paso County Water Improvement District No. 1, water from Reclamation’s Rio Grande Project will be converted from agricultural to municipal use to help resolve the groundwater overdraft.

Groundwater storage, a third “water hole”, is being used by several entities to increase their available water supplies. Arizona and Nevada, for example, use surplus Colorado River water to recharge depleted groundwater basins. This stored groundwater can then be used at some future time to help meet their water needs.

Stakeholder Partnerships

During the Clinton Administration, Reclamation made great strides in working with its stakeholders to address and implement new and innovative solutions to water resource management problems.

One innovation involves the use of National Fish and Wildlife Foundation (NFWF) Challenge Grants to promote resource stewardship. Through challenge grants—where recipients match funds from many sources to conduct beneficial, cost-effective, on-the-ground restoration

projects—this program encourages partnerships among federal agencies, tribes, state and/or local governments, non-profit organizations and individual landowners.

Since 1994, grants have been awarded for projects to recover or conserve endangered or sensitive fish, plant and wildlife species; restore riverine, wetland, riparian or upland habitats; improve water quality; and control noxious weeds. All projects receiving Reclamation funds must be connected to the waters or lands Reclamation administers.

In FY 1999, Reclamation and NFWF, along with other partners, awarded thirty-six grants, with matching funds averaging about 3.3 non-federal dollars for every federal dollar.

The Hackberry Flat Wetland Restoration Program is an excellent example of this partnership effort. Heavily used by waterfowl before it was developed in 1903, Hackberry Flat was farmed until 1993, when the State of Oklahoma began acquiring the lands. Through a challenge grant program—involving Reclamation, the Oklahoma Department of Wildlife Conservation, the U.S. Fish and Wildlife Service and other contributors from industry, special interest groups, local governments and municipalities—a pipeline was built to transfer more than 2,500 acre-feet of water to the Flat from Reclamation's Tom Steed Reservoir. This water provides permanent wetland habitat for about 250,000 migratory waterfowl. Shorebirds, bald eagles, peregrine falcons—even whooping cranes—are also expected to use the newly created wetlands as migratory habitat.

Addressing Recreation Needs

Throughout the United States, eleven federal agencies manage 1,782 federally created lakes. These lakes receive more than 900 million visits a year, generating more than \$44 billion in revenue. Use of these lakes is growing by about two percent a year, creating additional pressure for recreation facilities and exposing the shortcomings of an \$800 million maintenance backlog.

In 1996, President Clinton established the National Recreation Lakes Study Commission to review and recommend opportunities to enhance recreation at these lakes. The Commission recommended several actions to help address problems such as inadequate facilities, conflicting uses, and the lakes' compromised health. On July 25, 2000, Vice President Gore signed a charter designating the Federal Lakes Recreation Demonstration Program as a National Performance Review laboratory.

A reinvention laboratory is a government office in which a team of workers develops new and better ways of doing the public's business. Through the Federal Lakes Recreation Demonstration Program, "pilot lakes" are being established to develop and implement innovative ideas to reduce barriers to the public use of lakes, provide better recreation opportunities and improve the safety and condition of existing facilities. The program also will co-sponsor workshops, training sessions and seminars on policies and procedures to improve recreation opportunities at these facilities.

Working with Indian Tribes

Reclamation promulgated several new policies, procedures and other types of guidance to help achieve the Administration's twin goals of supporting self-sufficiency for Indian tribes and improving government-to-government relationships between tribes and the United States.

Key among these was a February 1998 policy that committed Reclamation to comply with both the letter and the spirit of federal laws and policies relating to Indians and to actively seek partnerships with tribes to ensure they have the opportunity to participate fully in Reclamation's program as they develop and manage their water and related resources. The policy also acknowledged and affirmed the special relationship between the United States and federally-recognized tribes.

To support the implementation of Presidential Memoranda and Executive Orders, protocol guidelines for consulting with and maintaining government-to-government relations with tribal governments were issued, and the Indian Self-Determination and Education Assistance Act (PL 93-638) was embraced as one vehicle to improve working relationships, coordination and communication with tribes. In 1996, Reclamation forged the first non-BIA Self-Governance agreement under Title IV of PL 93-638, giving the Gila River Indian Community control of the construction of its \$400 million distribution system for the Central Arizona Water Project.

Reclamation also signed Memoranda of Agreement with the Navajo Nation and the Mni Sose Indian Coalition to provide technical assistance and support for continued water resources management and development; provided \$1.3 million to fund a Water Resources Technology curriculum at the Southwestern Indian Polytechnic Institute in Albuquerque, NM; and provided educational funding assistance to Indian students in Arizona State University's College of Law Indian Legal Program and in Central Washington University's resource management program.

Assisting Others

Long recognized as a worldwide leader in water resources development, Reclamation increased the scope of its international program under President Clinton's administration to include broader water policy and water resource management programs. Reimbursable technical assistance and training programs were provided to Brazil, China, Egypt, Mexico, Saudi Arabia, South Africa, Spain, Taiwan, and Turkey. Reclamation also provided technical assistance to help establish the Middle East Desalination Research Center, assisting the State Department on issues associated with the Middle East peace process.

Under the auspices of the U.S.-South Africa Binational Commission, a series of exchanges focused on water conservation and water law were conducted with the South African Ministry of Water Affairs and Forestry. Senior Interior Department water lawyers also helped the Ministry draft a new national water law, which was enacted in 1998. Water conservation staff members from the Ministry also were trained in how to develop implementing regulations for water conservation guidelines, and were provided an overview of U.S. experiences in river basin management.

A cooperative program with Spain's Centro de Estudios y Experimentacion de Obras Publicas, reinvigorated during the Clinton Administration, is a good example of how water management "lessons learned" can be shared. Spain received assistance in promulgating a new national water law, as well as in addressing several water quality issues in that country.

During this Administration, Reclamation also helped alleviate human suffering and third-world conditions in areas known as "*colonias*" along the U.S.-Mexico border. Rural, unincorporated subdivisions lacking either basic water supply or distribution systems or wastewater collection and treatment systems, the *colonias* emerged haphazardly as landowners subdivided previously irrigated agricultural lands into small housing tracts. Because no basic infrastructure or indoor plumbing exists, sewage from the *colonias* generally empties into agricultural drains.

Through an Administration-supported emergency declaration in 1994, Reclamation installed 2,000 linear feet of buried drainpipe in an agricultural drain adjacent to the Las Pampas *Colonia* to help isolate its residents from the highly contaminated drainage water. Between 1995 and 1998, Reclamation helped local authorities improve an additional twenty-five miles of agricultural drains identified as potentially having a health or safety impact on area residents. Concurrently, Reclamation initiated an aggressive Spanish and English language education program to teach children about the health risks associated with the untreated water, and the hazards of playing around open water delivery systems.

Evolving Environmental Issues

Protecting, preserving or restoring environmental resources is a major challenge facing today's water resource managers. In recent years, Reclamation has successfully addressed several very difficult environmental issues.

Columbia/Snake River Fish Recovery

The Administration provided significant funding to support Reclamation's efforts to protect salmon and steelhead species during a period when Reclamation was adjusting the operation of many of its projects to continue to fulfill authorized project purposes and contractual obligations in the Pacific Northwest. As a result of Endangered Species Act consultations, Reclamation has, since 1991, augmented annual flows from its upper Snake River projects by 427,000 acre-feet. To do this, Reclamation initiated an unprecedented program to acquire permanent and temporary water from uncontracted supplies and from willing sellers. With Secretary Babbitt's personal commitment, Reclamation also successfully secured the legal authorities required by the State of Idaho to meet the augmentation requirements.

Rio Grande Silvery Minnow

The Clinton Administration also led an effort to list, study, and preserve the Rio Grande Silvery Minnow, which historically occurred throughout the Rio Grande Basin in New Mexico and Texas, and which has been at risk for many years. Listed as endangered in 1994, the fish is now restricted to about 163 miles of the Middle Rio Grande Valley (less than 10 percent of its former range). In this area located within Reclamation's Middle Rio Grande Project, where water is particularly scarce, it has been a challenge to provide water to comply with the Endangered

Species Act, while concurrently meeting water user's needs and satisfying interstate compact provisions.

In 1992, Reclamation began working with other stakeholders in the Rio Grande Basin on short- and long-term efforts to sustain the minnow's habitat and ensure its survival. Reclamation committed to adopting a more environmentally sensitive approach to maintenance of the Rio Grande channel and associated project features, and to improving the system's ecological health.

In 1997, the year after a reach of the river dried up and numerous minnows were lost, Reclamation began leasing water from San Juan-Chama Project contractors and delivering it to the Middle Rio Grande Conservancy District (MRGCD) as a supplemental irrigation supply. This allows Reclamation to forego tapping natural Rio Grande flows for agricultural uses, thereby benefiting endangered species threatened by low flow, and improving the overall condition of the river. In August 2000, Reclamation committed to continue its leadership efforts to secure water from willing lessors to supplement the Middle Rio Grande Valley water supply for the minnow's benefit, and to expand efforts to pump water into the river channel near Socorro, NM. In addition, structural alternatives to the San Acacia Diversion Dam, which impedes upstream passage of the minnow, are being pursued, in collaboration with the MRGCD and other parties, and potential means of preventing minnows from being entrained in irrigation and conveyance channels are being investigated.

Salton Sea

The Salton Sea is another long-standing environmental challenge the Clinton Administration tackled. Located in extreme south-central California, the Salton Sea was formed in 1905 when Colorado River flood flows were accidentally diverted into the Salton Sink. Since then, the Sea has been largely sustained by agricultural drainage. Through the years, it has been a major recreation area, wildlife refuge, and sport fishery, but deteriorating conditions have adversely affected its migratory birds, fishery and other uses. Because of evaporation, it is 25 percent saltier than the ocean.

In December 1997, Secretary Babbitt designated Reclamation the lead federal agency to work in partnership with the Salton Sea Authority and other entities to conduct environmental, feasibility, and scientific studies for a draft Environmental Impact Statement/Environmental Impact Report. The document was released for public review and comment in January 2000. Following an analysis of the more than 1,700 comments received during this process, the document was revised and supplemented. The supplement reformulates of the initial alternatives, analyzes a number of additional alternatives, and presents a preferred alternative. Some initial restoration efforts—a shoreline cleanup program, a fish harvesting program, and an integrated wildlife disease study—were also initiated, as was a pilot/demonstration project to test enhanced evaporation systems and solar ponds, two methods of reducing salinity.

Addressing Mission Critical Issues

Dam Safety

Although Reclamation's mission focus is now on water resources management, Commissioner Martinez determined the agency must also address activities that will always be critical to the program's successful continuation. These include facility safety and security, protecting the safety and security of employees and residents downstream of Reclamation facilities, and meeting contractual water and power delivery requirements.

The Safety of Dams program ensures the continued structural integrity and operational reliability of Reclamation's water and power facilities, some of which are part of the National Critical Infrastructure and are considered essential to national security.

Community Safety

In early 1995, Reclamation learned that only ten percent of the communities downstream of its dams had dam-specific evacuation plans. An initiative was subsequently launched to help downstream communities develop such plans, which could be implemented in the event of a dam failure or, more likely, in the event of high operational water releases. Through this initiative, Reclamation helped develop 245 emergency action plans. The plans are periodically tested through various exercises that involve all participating agencies in simulated but very realistic disaster scenarios to ensure they will function as designed should a real emergency occur.

Site Security

With Administration support, Reclamation significantly upgraded and improved its site security program. For example, a Security Officer position was established and filled to provide agency-wide direction, and a comprehensive, agency-wide site security assessment was completed. As a result of the assessment, site-specific security improvements were implemented at water and power facilities, communication sites, office buildings and other locations. In addition, Reclamation developed a Crime Witness Program in cooperation with the Bonneville Power Administration.

Reclamation was the first Interior agency to conduct a comprehensive review of its information technology (IT) systems to determine their vulnerability to compromise by external or internal entities. Sandia National Laboratory conducted the assessment to identify potential vulnerabilities and recommend appropriate actions Reclamation could implement to prevent compromise of any of its IT systems. Implementation of several recommendations began in 2000.

Working with the Interior Department, Reclamation sought legislation to clarify its authority to enter into agreements with other federal agencies or with local/state law enforcement agencies to enforce federal laws on its lands and facilities. This authority currently exists only at Hoover Dam. A significant network of contacts with other federal agencies was developed to effectively share information and resources relative to federal security initiatives. Of particular note is the Interagency Forum for Infrastructure Protection, which involves Reclamation, the Corps of

Engineers, Tennessee Valley Authority, Bonneville Power Administration, Federal Bureau of Investigation, and notable national research laboratories in an effort to improve security assessment criteria.

Contract Renewal

Reclamation is required by law to have formal contractual arrangements for delivery of project water and power, and ensuring the delivery of these products to customers who have contracts for them is an especially critical function. Many of Reclamation's water service contracts date from the 1940's and 1950's, and were up for renewal in the 1990s, with more to follow early in the 21st century.

This situation provided the Administration an opportunity to review laws and policies to determine if the contracting process could be better managed to support contemporary water resource management needs and objectives. As a result of this review, Reclamation's historic contracting practices were changed. Where repayment and water service contracts were once negotiated primarily between Reclamation and the project beneficiary, the process was expanded to involve interested stakeholders, whose comments are solicited and considered before any contract is executed.

In the 1940's and 1950's, contract issues revolved around providing water, repayment of the appropriate share of capital costs, and recovering project operation and maintenance costs. Today, when renegotiating contracts, Reclamation also must consider potential impacts on the environment, interstate compacts and agreements, and international treaties, while conforming to requirements of general federal regulatory statutes such as the Clean Water Act, National Environmental Policy Act, and Endangered Species Act, as well as to state laws.

To provide more operational flexibility and improved project efficiency, the maximum contract term was reduced from forty to twenty-five years, unless a contractor could commit to measures that would demonstrably improve project efficiency and/or operational flexibility over a longer period. Between 1994 and 2000, eight water contractors received longer-term contracts after committing to terms that provide for water conservation or more operational flexibility. In addition, more than 160 contracts were executed to ensure the continuation of water deliveries, and thirteen contracts were executed for dam safety activities. Contracting authorities also were used to address water needs for endangered species protection in California, Arizona, the Pacific Northwest, and New Mexico.

The Republican River Basin of Nebraska and Kansas is a case study in the use of the new contracting process this Administration implemented. When the Republican River contract renewal process began in the early 1990s, Reclamation began a basin-wide resource management assessment to assemble scientific and biological data for the basin. Because of the scope of the issues, impacts and potential public interest in the renewals, Reclamation also decided to do an Environmental Impact Statement. Since this could not be completed before the contracts expired, the Administration helped pass legislation that extended the existing contracts to the end of 2000.

Because of the intensity and scope of the negotiations, and the widely varying interests of the involved parties, it took nearly eight years to enter new contracts. Negotiations were completed and the contracts signed in July 2000, five months ahead of the completion deadline. The success of this contract renewal process proved that water service contracts can have innovative terms, which protect the rights of water users while providing other important benefits, and thereby help assure a project's long-term integrity.

Drought Assistance

In the past decade, drought impacted most of the United States to one degree or another, causing economic losses estimated in the billions of dollars. During this period, the Administration provided more than \$61 million for emergency assistance and drought planning.

The 1991 Reclamation States Drought Relief Act authorized Reclamation to undertake emergency activities to minimize or mitigate drought damages or losses, and to implement activities to help reduce the impact of future droughts. Before 1992, assistance was primarily provided after the fact; the program now takes a more pro-active, future-oriented approach. Assistance focuses primarily on helping localities develop plans that prepare them to mitigate future drought impacts. Reclamation's program is the only federal program that provides this type of assistance.

From 1992 through 2000, drought assistance was provided in California, Kansas, New Mexico, Idaho, Utah, Nebraska, Montana, Colorado, Oklahoma, Arizona, Texas and Hawaii. Indian tribes receiving drought assistance during this period included the San Carlos Apache, Hopi, Kaibab-Paiute, and Zuni Pueblo Tribes, and the Hualapai and Navajo Nations. The funding was used for drought monitoring and forecasting; pond construction; water purchases; constructing wetland dikes; creating, protecting or restoring habitat; drilling or rehabilitating wells; and helping develop, modify, or update drought contingency plans or water management plans. Many of the projects were for fish and wildlife restoration or mitigation. Reclamation also sponsored seven drought contingency planning workshops between May 1997 and July 1999, including a U.S.-Mexico Border States Drought Workshop in cooperation with the International Boundary and Water Commission and the Western Governors Association.

Complex Natural Resource Issues

“Every natural resources manager faces a host of complex and controversial issues. Every one of us ponders how to deal with them.... So what do you do when (you see) no pathway to resolution of even one of the major issues confronting you? My strategy is to maximize the possibility that small problems can be resolved and to see if any progress can be made toward setting the stage for resolution of some of the bigger ones.”

— *Betsy Rieke, the Administration's first
Assistant Secretary for Water and Science*

During the Clinton Administration, the Bureau of Reclamation successfully completed an unparalleled transition in its program focus and scope, and initiated or completed some very successful water resource management efforts. Many of these accomplishments paralleled

Assistant Secretary Rieke's strategy—they were accomplished in steps, they involved the building of relationships and encouraging new leadership, they promoted substantial information sharing, and they sought resolutions that provided gains for everyone.

The Lower Colorado River

Secretary Babbitt has emphasized addressing and resolving long-standing water supply and use issues in the Colorado River Basin. The river is vitally important to the economic health of the entire Southwest, providing water for more than 27 million people and irrigation of more than four million acres of land in the United States and Mexico.

In 1990, the three lower basin states—Arizona, California and Nevada—reached full use of their Colorado River water apportionment. This threatened California's continued use of more than its basic apportionment, and raised concern among the other basin states (Arizona, Nevada, Colorado, New Mexico, Wyoming and Utah) about the availability of their future Colorado River water apportionments. In 1994, Reclamation undertook to address this issue.

In 1996, Secretary Babbitt warned California it could not continue to depend on surplus and unused Colorado River water to meet its needs, and he suggested the State develop a plan by which it could reduce its use to its basic apportionment. Through collaboration and negotiation and the avoidance of litigation, Secretary Babbitt, Deputy Secretary David Hayes and Reclamation staff helped the State develop a draft plan that was released for public review in 1999, and released for final review in 2000.

In concert with and in support of this plan, the Administration took a number of important steps forward by: (1) implementing an offstream storage rule that will allow the voluntary transfer of Colorado River water among Arizona, California and Nevada to help meet future water needs in the lower basin; (2) supporting a plan for the transfer of conserved agricultural water from the Imperial Irrigation District to the San Diego area; and (3), implementing interim surplus guidelines to help California reduce its Colorado River water use while protecting the availability of water for the other basin states.

These accomplishments should ensure more efficient and effective use of the river well into the 21st century.

Adaptive Management

Another major Reclamation accomplishment was implementation of the Glen Canyon Adaptive Management Program, which forever changed management of Glen Canyon Dam and the Colorado River through the Grand Canyon.

On October 9, 1996, Secretary Babbitt signed a Record of Decision implementing the program. He called it "a sea-change in the way we view the operation of large dams," noting the program demonstrates that dams can be operated for environmental purposes as well as for water storage and power generation.

Adaptive management of Glen Canyon Dam required instituting a program of long-term monitoring to track the status of natural resources in Glen and Grand Canyons. This careful assembly of data establishes a firm scientific basis for ecologically sound management of the dam. Building on an ever-growing body of research, scientists can design experiments which test the effects of new dam operating procedures on downstream habitats and wildlife, and on the general condition of Grand Canyon National Park.

The Glen Canyon plan is considered a bellwether adaptive management approach to resource management and is being copied around the world. A key component of the plan was the 1996 test of beach/habitat-building flows. With a national television audience watching, Secretary Babbitt triggered a 46,000 cubic-foot-per-second artificial “flood” through Glen and Grand Canyons from Glen Canyon Dam. This flood was designed to test the ability of such operations to move and redeposit sediment and rejuvenate critical backwaters used by endangered fish species. These are the sort of benefits naturally occurring floods provided before the dam was built. The test was deemed a significant success.

A second experiment conducted under the Adaptive Management Plan in FY 2000 was designed to test the benefits of more natural flows for endangered fish, especially during low-water-supply periods. This experiment included brief, very high flows in the spring; low, steady flows in the summer; and a spike flow in the fall. The high spring and fall flows were designed to create specific habitat conditions for the endangered fish, and displace the small-bodied non-native fish that prey on them.

Glen Canyon Dam’s monthly, day-to-day, and hour-to-hour operation also changed significantly after Secretary Babbitt signed the Record of Decision. Water release patterns, previously driven by a combination of yearly and seasonal hydrologic conditions coupled with the market demand for hydroelectric power, were changed to better protect natural and cultural resources downstream of the dam.

Animas-La Plata and Indian Water Needs

The Animas-La Plata Project in southwest Colorado has been the subject of public interest and environmental review since it was incorporated into the Colorado Ute Indian Water Rights Settlement Act of 1988. Although the subject of environmental compliance documents in 1980, 1992 and 1996, it continued to generate controversy.

When a new structural and non-structural project alternative—developed through a process convened by then-Colorado Governor Roy Romer and Lt. Governor Gail Schoettler—failed to gather consensus support from either project supporters or opponents, Secretary Babbitt presented Governor Romer, Tribal officials, and non-Indian participants with a proposal to implement the Settlement Act. The proposal called for an off-stream reservoir, as did the original project, but it would be downsized to supply only the project’s municipal and industrial requirements. The Colorado Ute tribes would receive most of the water, along with \$40 million to enable them to buy the remaining water rights they were owed. A water supply would also be made available for the Navajo Nation; Durango, CO; and Farmington, NM, areas.

In January 2000, Reclamation released a Draft Supplemental Environmental Impact Statement for the project. This document refined the Administration proposal into a preferred alternative: a slightly larger reservoir to address water quality concerns and the addition of a municipal pipeline to deliver water to the Navajo Nation community of Shiprock. A final Supplemental EIS retaining this preferred alternative was filed with the Environmental Protection Agency in July 2000, and a Record of Decision was signed in September 2000.

Upper Colorado Recovery Implementation Program

This Administration was also an active participant in efforts to develop a long-term funding strategy for the “Recovery Implementation Program for Endangered Fish Species in the Upper Colorado River Basin.” This support helped move the program to an unprecedented level of success.

The program was developed in 1988 by federal and state agencies, water and power user groups, and environmental organizations in Colorado, Utah, and Wyoming. One of the oldest basin-wide recovery efforts, the project’s purpose is to re-establish self-sustaining populations of the endangered Colorado pikeminnow, humpback chub, bonytail, and razorback sucker, and to allow current and future water development in the Colorado River’s upper basin.

As part of the program, Reclamation modified operations at its mainstem dams in the upper basin to re-create more natural flow patterns to improve endangered fish habitat, and, in 1996, constructed a fish ladder at Redlands Diversion Dam on the Gunnison River that has allowed Colorado pikeminnow and other native fish to migrate upstream of the dam for the first time since it was built.

Lower Colorado River Multi-Species Conservation Program

To meet municipal and agricultural water needs in the region, the lower Colorado River has been repeatedly dammed, straightened, deepened, and riprapped, modifications that drastically changed the river’s natural ecosystem, threatening numerous species dependent upon the river and its environment. In response to this situation, the Lower Colorado River Multi-Species Conservation Program was initiated in August 1995 through a Memorandum of Agreement between the Department of the Interior and the states of Arizona, Nevada, and California.

The program is a partnership of federal agencies, state and local agencies, Indian tribes, and other non-federal participants. It is a coordinated, comprehensive, fifty-year approach to conserving habitat, recovering threatened and endangered species, reducing the likelihood of additional species listings under the Endangered Species Act, accommodating current water diversions and power production, and optimizing opportunities for future water and power development. The program covers the mainstream of the lower Colorado River from south of Glen Canyon Dam to the southerly international boundary with Mexico, including the 100-year flood plain and area reservoirs to full-pool elevations.

The program will address conservation needs for more than 100 federal- or state-listed, candidate and sensitive species and their associated habitats. While conservation measures will focus on the lower Colorado River from Lake Mead to the international boundary, other cooperative

conservation efforts also may be considered. Interim measures to benefit the endangered razorback sucker, bonytail chub and southwestern willow flycatcher were implemented early in the program's development to address the immediate critical needs of these species.

Salinity

Addressing the Colorado River's high salinity—an effect of agricultural run-off into the river—was one of the most important challenges faced by this Administration. Excessive salinity hurts crops irrigated by river water, and degrades municipal water systems in the region. The river's high salinity causes between \$500 million and \$750 million in damages per year in the United States alone, and could exceed \$1.5 billion per year if future salinity increases are not controlled. Salinity control is also a topic of high interest to the Republic of Mexico.

To provide better program management in a more cost efficient manner, the Administration proposed major changes to the twenty-year old Colorado River Basin Salinity Control Program. In 1995, President Clinton signed PL104-20, which directed Reclamation to conduct a \$75 million test of a pilot program to award grants on a competitive-bid basis for salinity control projects. Twenty-four projects with a total cost of \$109 million were accepted into the program between 1995 and 2000. This was \$200 million less than these programs would have cost prior to 1995.

Central to the success of this program is the concept of local ownership of the proposal and product. New salinity control projects primarily involve installation of pressurized pipelines and sprinkler systems to improve efficiency and reduce salt leaching from irrigated fields. Funded by a one-time grant that is limited to the sponsor's competitive bid, the facilities, once constructed, are owned, operated, maintained, and replaced by the sponsors at their own expense. If a project fails in any way, the sponsor may not be able to deliver water to its customers, so there is a powerful business incentive to build a quality product.

Costs are controlled by the competitive bid and award process. Federal costs are limited by agreement to the amount bid by the project's sponsor. If unforeseen problems do occur, the sponsor can terminate the project, cover any overruns with its own funds, borrow funds from state programs, or reformulate the project costs and re-submit the project for fresh consideration.

New Opportunities For the 21st Century

When the Reclamation program was authorized in 1902, the assumption was that Western water resource projects would harness unlimited amounts of water to serve human purposes in a manner uncomplicated by environmental considerations.

Although the program has been very successful, managing water has become an increasingly complicated process. Regulating natural water flow for one purpose often creates an unintended set of new problems, as regulation can affect instream flow needs, water quality, and wetlands, or create drainage problems on the lands the water serves. Water resources program managers must address these changes while also meeting water demands for agricultural and urban use, power generation, environmental use, Indian tribes, and recreation, and addressing flood control and drought planning issues.

From 1993 through 2000, Reclamation changed significantly to (in the words of Commissioner Martinez) “bring a balanced and sensitive approach to resolving the important water issues of the West.”

During the Clinton Administration, Reclamation created more flexibility in its project operations, created new partnerships with stakeholders to develop innovative, consensus-based, sustainable solutions to water resource problems, and maintained a core of top-notch engineering and research skills.

U.S. GEOLOGICAL SURVEY

Introduction

The Clinton Administration marked an increased commitment to solving the nation's environmental, natural-hazard, and natural-resource problems through strong partnerships and through integration of scientific disciplines to address real-world issues.

During the Clinton years, geospatial data technologies became more widely available and user friendly. As a result, great strides were made in geospatial data collection, processing, archiving, and distribution. Use of the World Wide Web expanded dramatically, and the USGS responded by ensuring that much of its vast storehouse of scientific data, monitoring, and interpretation is available on the Web.

During the past eight years, the USGS has maintained its high standard of scientific excellence while broadening its range of expertise through the addition of the former National Biological Service and part of the former Bureau of Mines. These added capabilities have allowed the USGS to provide integrated science to address the needs of customers on issues such as the alarming increase in deformed amphibians, the spread of invasive species of plants and animals, and the presence of pesticides and other contaminants in the nation's water supply.

At the same time, the USGS maintained its commitment to ongoing basic research about the fundamental structure of the Earth and the processes that shape the landscape—and our future.

USGS Leadership

Gordon P. Eaton

As Director of the USGS from 1994 to 1997, Dr. Gordon P. Eaton overcame attempts to abolish the USGS while leading the bureau through a significant downsizing and restructuring. Establishing an integrated approach to science, he oversaw the incorporation into the USGS of the former National Biological Service and part of the former Bureau of Mines, and established the first Strategic Plan for the USGS.

Charles G. Groat

Dr. Groat's leadership from 1998-2000 brought a strong commitment to streamlining the business practices and management functions of the USGS to encourage integrated science responsive to the needs of USGS customers and partners. He strengthened the regional application of USGS science while maintaining a national focus in real-time monitoring of hazards, including earthquakes, volcanoes, and river levels, and assessing the quality of the nation's water supply.

Contributions to Major Interior Department Initiatives

California Desert

USGS initiated a Mojave Desert Ecosystem Science Program, as part of its Place-Based Studies Program, to improve scientific understanding of desert ecosystem processes and apply that understanding to land management needs. This program supports land managers by developing maps and data bases describing vulnerability and recoverability of the land, and using these to identify methods that will monitor vital signs of ecosystem health.

Starting with baseline data, much of which has been assembled by the Department of Defense Legacy Program, local studies by USGS researchers aim at gaining a deeper understanding of how surface processes interact with the biota. A key is to examine natural and human-induced variations, both locally and across the region, using remote sensing and GIS analytical tools.

Elwha River Ecosystem

The formerly free-flowing Elwha River was famous for the diversity and size of its salmon runs; it produced an estimated 380,000 migrating salmon and trout and supported ten runs of anadromous salmonids, including chinook that exceeded 100 pounds (National Park Service, 1996). After the construction of the Elwha Dam (1912) and the Glines Canyon Dam (1927), more than seventy miles of mainstem river and tributary habitat were lost to anadromous fish production. This loss resulted in a precipitous decline in the native populations of all ten runs of Elwha salmon and sea-going trout.

After Congress enacted a 1992 law to restore the river ecosystem and its salmon and steelhead runs, Secretary Babbitt determined that the best way to restore the river was to remove the dams. But no one could predict with confidence how the accumulated sediment, which had formed deltas at the upper ends of the lakes behind the dams, would react to the change in the river.

In preparation, a 1994 drawdown experiment at Lake Mills behind Glines Canyon Dam was conducted to see how the sediment and the river would react to the change. The results of that experiment were published in a 1999 report of the U.S. Geological Survey (Childers, 1999).

An earlier 1999 USGS study that dealt with the issue of removing the dams concluded that restoring salmon runs to the Elwha River system will greatly benefit the ecosystem (Munn, 1999). New runs of spawning salmon will likely contribute huge new quantities of nutrients from their decaying bodies. Thanks to the restored instream habitat, the nutrients should be retained long enough to nourish the next generations of salmon so that their numbers and sizes will increase.

Grand Canyon

River runners and other observers in the Grand Canyon of the Colorado River noticed a decline in the number and size of sandbars used as campsites—a decline attributed to Glen Canyon Dam, which controls the flow of the Colorado through the canyon. The U.S. Bureau of Reclamation,

which operates the dam, released an unusually high flow of water in spring 1996 to see if it could rebuild camping beaches and restore other habitats that have deteriorated since the dam's completion in 1963.

Scientists from the Bureau of Reclamation, the U.S. Geological Survey and other federal and state agencies and academic institutions studied the effects of the test flow, which was expected to rebuild sandbars that provide campsites and clean silt out of backwater channels used by native fish.

Several USGS scientists studied the redistribution of sand by the controlled flood. Their results will be used to test the validity of theoretical models that USGS hydrologists have developed to predict what will happen to sediment in the river at different flow rates. These models may eventually be used by the Bureau of Reclamation to regulate the flow of water from Glen Canyon Dam.

Established by the Department of the Interior in 1995, the USGS Grand Canyon Monitoring and Research Center (GCMRC) is the cornerstone of the Glen Canyon Dam Adaptive Management Program, which was created in November of 1996. The Adaptive Management Program is a multi-agency, multi-stakeholder, interdisciplinary program that was initiated by the Bureau of Reclamation. The GCMRC has been called, "a science-policy experiment of local, regional, national, and international importance," by the National Academy of Sciences.

Endangered Species

USGS Species at Risk projects have led to conservation options and actions that have reduced the need for listing species as threatened or endangered. Through this program, established in 1995, USGS develops biological information to assist federal, state, and private land and resource managers in their decisions regarding the protection of sensitive species and their habitats.

Species at Risk projects focus on species for which there is concern over possible endangerment, but for which there is insufficient information regarding their status-abundance, distribution and habitat relationships—and therefore no scientific basis to list, de-list, or take positive management actions. Species at Risk projects are often conducted by investigators who have identified small but critical gaps in our biological knowledge. The program aims to fill these gaps by providing resource managers, regulators, and private landowners with definable scientific information from which prudent decisions can be made regarding the nation's biological resources.

The results of a plant species survey on two geologic formations in the area of the new Grand Staircase/Escalante National Monument are assisting the Bureau of Land Management (BLM) in managing natural resources in the Monument. During a Species at Risk study of fourteen rare plants of the northern islands within the Channel Islands National Park, four of the plants came under consideration by the FWS for listing as endangered and other critical data needed by FWS to make informed decisions were made available. The U.S. Fish and Wildlife Service recently made a "not warranted" finding on the listing of the redband trout in Oregon based on a Species

at Risk survey conducted by the USFWS and the Oregon Department of Fish and Wildlife of redband trout in 1999.

Status of Migratory Bird Populations; Status of Wetlands

USGS is an international leader in developing and delivering research information for the conservation and management of migratory birds, and its many contributions in this area over the past eight years can only be summarily described in this brief history. USGS research related to bird conservation is especially prominent in understanding the ecological relationships between bird populations and the habitats upon which they depend, measuring and tracking the long-term population trends of more than 500 species, and developing innovative scientific solutions to problems associated with endangered and declining species. At any given time during the past eight years, the USGS has had more than 500 active research projects investigating migratory birds.

One highlight of the migratory bird research program is USGS re-engineering of its National Bird Banding Laboratory at Patuxent Wildlife Research Center in Laurel, Maryland. The re-engineering incorporated new technologies into the Center's data processing, management, and delivery systems. Bird banding allows USGS to track migratory birds and is a critical tool for scientific studies of bird populations and how birds use habitats. The U.S. Fish and Wildlife Service and the states use USGS bird banding data to manage migratory waterfowl populations. This information is indispensable to the U.S. Fish and Wildlife Service in establishing annual hunting regulations.

Starting in 1993, USGS scientists have made major contributions to the development and implementation of Adaptive Harvest Management (AHM), the system now in use by the U.S. Fish and Wildlife Service and the Waterfowl Flyway Councils for analysis and identification of optimal waterfowl harvest regulations. AHM is a cooperative effort between USGS, FWS, and the states to integrate science and information into the analysis and management of waterfowl harvests. The AHM approach has greatly improved cooperation among federal and state partners, and has led to scientifically defensible harvest strategies that are broadly accepted by the conservation community.

The USGS is responsible for coordination of the Breeding Bird Survey, which has monitored bird populations since 1966. When the BBS indicated significant declines in grassland, forest, and shrubland birds, such as eastern meadowlarks, grasshopper sparrows, yellow-breasted chats, and wood thrushes, USGS scientists began looking at potential causes. The long-term population information provided by the BBS has formed the foundation for many bird conservation efforts throughout the Western Hemisphere.

Wildlife disease specialists from USGS' National Wildlife Health Center in Madison, Wisconsin, have been in the forefront of the current West Nile Virus investigations, as well as investigations into other die-offs involving migratory birds. West Nile virus causes encephalitis in humans; seven people died from the virus in fall 1999 in the New York City area. Wild birds can serve as hosts for West Nile Virus and provide the early warning signals for areas where outbreaks may occur, putting people at risk. USGS scientists helped establish a bird surveillance

network along the Atlantic and Gulf Coasts that provided an early warning system when the virus re-emerged in the spring of 2000.

In the desert Southwest, USGS scientists conducted important landscape assessments of riparian, or streamside, areas. These studies support conservation planning for rare and endangered species such as least Bell's vireos, willow flycatchers, pygmy owls, and other species. The scientific information that USGS provides in the Southwest and elsewhere is crucial for conservation management of rare and endangered species by the U.S. Fish and Wildlife Service, and for land-use planning by USGS' other partner agencies within Interior.

USGS developed a decision-support system that assists biologists in the management of trumpeter swans on national wildlife refuges along the Pacific Flyway. USGS scientists also have actively investigated predation by waterbirds on Pacific salmon smolt, which is contributing to the resolution of complex ecological issues in the Pacific Northwest.

Coral Reef Initiative

The U.S. Geological Survey was a key scientific agency of the Coral Reef Task Force, a government-wide effort to protect and restore coral reefs in U.S., commonwealth and territorial waters and to work in partnership with other nations to conserve and protect coral reefs worldwide. With research centers and field stations in south Florida, the U.S. Virgin Islands, Hawaii, and elsewhere across the nation, USGS focused its coral reef research efforts on: mapping and characterization, geologic growth and development, sedimentary and hydrologic processes, effects of water quality, effects of fishing on coral reef resources, and development of monitoring techniques.

Working within national park units, USGS scientists documented the status of coral reefs and the impacts of some of these stresses. One new method of status documentation uses a digital video camera to film the corals, algae, and other reef organisms that can cover reefs. Designed for use in U.S. national parks, the technique is now in use in a number of Caribbean nations.

USGS geologists and coral biologists also collaborated to determine the relationship between global warming, deposition of dust and Caribbean-wide outbreaks of coral diseases.

Amphibians

At least 230 species of frogs and salamanders make up the amphibian fauna of the continental United States. Focused research in local areas over the past ten years has indicated dramatic declines in some amphibians, though the exact extent of losses remains unknown. Reports of malformed frogs, toads, and salamanders are increasing. In May 1998, a meeting of international experts concluded that significant amphibian declines have occurred, even in protected areas not subject to obvious changes in habitat, such as national parks, wildlife refuges, and wilderness areas.

In partnership with other bureaus in the Department of the Interior, the USGS is leading a national program to determine the status of amphibians and to investigate potential factors

causing their declines and malformations. Preliminary findings indicate that these environmental insults, acting alone or in combination, may be contributing to widespread amphibian declines and/or malformations.

The President and the Secretary of the Interior instructed USGS to launch a nationwide Amphibian Research and Monitoring Initiative (ARMI) in 2000 to determine the depth and breadth of the problem and to investigate potential causal factors. Under ARMI, USGS is collecting status and trend information and assessing habitat conditions for amphibian populations throughout the U.S. USGS is preparing a national amphibian atlas with current and historical range maps. ARMI is supporting focused research projects investigating various factors that may be responsible for widespread amphibian declines or malformations. All ARMI data will be provided to a central clearinghouse maintained by the USGS, where it will be analyzed, synthesized, and the products and other information made available through the World Wide Web for use by resource managers, stakeholders and the general public.

Invasive Species

In February 1999, the Administration issued an Executive Order on Invasive Species in recognition of the need for a national response to the rapidly increasing ecological and economic impacts posed by these exotic invaders. USGS, along with other agencies, directed studies to combat invasive species in natural and semi-natural areas. Early detection of newly established exotics and monitoring of invading populations, along with improved understanding of the ecology of invaders and factors in the resistance of habitats to invasion, have led to the development and testing of alternative management and control approaches. USGS has also led the way in facilitating the availability and integration of information on invasive species.

Dam Effects

In 1996, the U.S. Geological Survey produced the report, *Dams and Rivers: Primer on the Downstream Effects of Dams*, outlining the role of science in restoring or otherwise altering the downstream effects of dams. Research provides hard data on environmental changes that might occur if water releases are altered. By using computer modeling, management plans can be developed that best balance needs of users with concerns for the environment. Monitoring and long-term data sets of streamflow trends can help in the development of better predictions of the movement of water and sediment below dams. As the number of dams being considered for removal increased, the USGS undertook more research on dams and the sediments behind them. This research proved to be crucial for decision-makers involved in “dam-breaking” events.

The USGS was instrumental in designing a fish-passage system for anadromous fishes, including American shad, which was installed in March 2000 on the Little Falls Dam on the Potomac River. In 2000, the USGS conducted a study of predation on juvenile salmonids in the lower Snake River, where breaching of four dams has been proposed. The study, funded by the Army Corps of Engineers, was part of a large regional effort to examine the biological, economic, and cultural impacts (positive and negative) of dam breaching in the lower Snake River.

Clean Water Action Plan

The Clean Water Action Plan calls for the U.S. Geological Survey (USGS) to assist the National Park Service (NPS) in meeting critical water-quality protection and management responsibilities in national parks, monuments, recreation areas, and scenic riverways. More than thirty monitoring and assessment projects, which were designed collaboratively by the USGS and NPS in direct support of NPS Resource Management Plans, have been initiated. The projects will help ensure safer swimming beaches and drinking water, enhance baseline monitoring and assessments and assess the effects of changing atmospheric deposition on lake chemistry.

Energy Research: Oil & Gas Reserves

In 1995 and 2000, new estimates of undiscovered oil and gas reserves were released by the USGS. Both reports showed larger reserves than previously thought, reflecting a refinement and enhancement of scientific estimation techniques, and an ability to more precisely calculate the world's remaining energy base. In 2000, the USGS' latest assessment of global undiscovered oil and gas resources reported an increase in energy resources, with a 20 percent increase in undiscovered oil and a slight decrease in undiscovered natural gas. This assessment estimates the volume of oil and gas, exclusive of the U.S., that may be added to the world's reserves in the next thirty years.

Measuring Petroleum Potential in the Arctic National Wildlife Refuge

The Alaska National Interest Lands Conservation Act (1980) established the Arctic National Wildlife Refuge (ANWR). In section 1002 of that act, Congress deferred a decision regarding future management of the 1.5-million-acre coastal plain ("1002 area") in recognition of the area's potentially enormous oil and gas resources and its importance as wildlife habitat. A report on the resources (including petroleum) of the 1002 area was submitted in 1987 to Congress by the Department of the Interior.

In 1998, the USGS completed a reassessment of the petroleum potential of the ANWR 1002 area. This was a comprehensive study by a team of USGS scientists in collaboration on technical issues with colleagues in other agencies and universities. The study incorporated all available public data and included new field and analytic work as well as the reevaluation of all previous work.

The amounts of in-place oil estimated in 1998 for the 1002 area were larger than previous USGS estimates, but were found in numerous smaller reservoirs rather than a few very large ones. The increased estimate resulted in large part from improved resolution of reprocessed seismic data and geologic analogs provided by recent nearby oil discoveries.

Water Research

Major Reports on Pesticides and Nutrients

In the years 1992-2000, the USGS conducted many critical investigations to inform scientists and the public of the state of the nation's water availability and quality. For example, the *National Water Summary on Wetland Resources* (1996) gave a broad overview of wetland resources and included discussions of the scientific basis for understanding wetland functions and values. *The Quality of Our Nation's Waters* (1999) was the first-ever national synthesis of information on pesticides and nutrients in surface-water and groundwater resources across the country.

Methyl Tert-Butyl Ether (MTBE)

The blending of methyl tert-butyl ether (MTBE) in gasoline in the United States to reduce air pollution has increased markedly since its first use in the late 1970s. As MTBE has become one of the largest-volume organic chemicals produced in the United States, the large-scale use of MTBE-containing gasoline inadvertently has resulted in its introduction to some surface and ground waters. MTBE is of concern to drinking water utilities because of its low taste and odor threshold and possible human-health effects. The release of MTBE-containing gasoline from storage tanks, pipelines, and other point sources has caused the concentration of MTBE in some ground water to exceed the U.S. Environmental Protection Agency (USEPA) advisory limits for MTBE. As a result, some domestic and community water supply wells have been abandoned, and, in other cases, it has become necessary treat ground water prior to use for drinking purposes. Through a combination of monitoring and research, the U.S. Geological Survey (USGS) is attempting to answer several important questions about MTBE contamination of water resources in the United States.

A study from the U.S. Geological Survey and the Oregon Graduate Institute released in March 2000 showed that as many as 9,000 community water wells in thirty-one states may be affected by contamination from MTBE due to their proximity to leaking underground storage tanks. Shortly afterward, the Environmental Protection Agency announced it would begin phasing out the use of MTBE in gasoline. But because it is persistent in the environment, even if the use of MTBE were to be completely banned immediately, it will be with us for at least a decade, according to the study's authors.

Water Use Analysis

An analysis of water use in the United States that is conducted by the USGS at regular five-year intervals (published 1995 and 2000) shows that although population is increasing, people are using less water. The nation is using water more efficiently and conservation programs in many communities have cut water use. Improved irrigation techniques and more efficient use of water by industry are additional contributors to the trend.

Ecosystems Research

USGS Ecosystem Program

The USGS Ecosystem Program was established in 1995 to enable the USGS to enhance its scientific assistance to resource managers who require an improved scientific information base to resolve or prevent complex resource conflicts or environmental problems in specific ecosystem sites. The Ecosystem Program initially focused on two ecosystems: San Francisco Bay and South Florida. The Chesapeake Bay was added in FY 1996. Through three-to-five-year efforts in each ecosystem site, USGS intensifies its provision of scientific information tailored to the specific management needs of that ecosystem. The information is designed to have a direct, significant, and immediate impact on management and policy decisions. The sites may have as their focus such issues as water quality or water supply, environmental effects of mineral or energy use or extraction, effects of alterations in land use or land cover.

South Florida

The USGS South Florida Ecosystem Program, begun in 1995, supplies resource-management agencies with information that will enable them to reestablish the water regime and to manage and maintain the components of the hydrologic system so that natural ecosystem functions can recover. The USGS provides multidisciplinary hydrologic, cartographic, and geologic data that relates to the mainland of south Florida, the Florida Bay, and the Florida Keys and Reef ecosystems.

The USGS supplies agencies involved in South Florida restoration efforts with accurate information on such specialized scientific topics as water flows into Florida Bay and the Atlantic Ocean, evapotranspiration measurement and modeling, high-resolution elevation data, historical water and fire conditions, and ecological yardsticks to measure the success of the restoration.

Chesapeake Bay

The USGS Chesapeake Bay Ecosystem Program, begun in May 1996, is a five-year effort to carry out an integrated coring, sedimentological, environmental, and ecological investigation of the bay's ecosystem. The USGS also conducts studies on the response of biological resources of the bay to natural and anthropogenic changes at several time scales. Through the Ecosystem Program, USGS brings together a team of investigators from relevant complementary disciplines, a team that includes members of more than twelve programs within the USGS, and other scientists and resource managers within the Chesapeake Bay Program.

The Ecosystem Program has prepared detailed spatial coverages of the bay watershed for land characteristics (topography, hydrography, drainage divides, physiography, land cover, and soil), subsurface characteristics (geology and lithochemistry), and estuarine characteristics (bathymetry and shoreline changes). A new satellite-image mosaic of the watershed has been prepared using data developed by ongoing efforts of the USGS and other agency programs. Additionally, a temporal land-use change study is designed to show the influence that

agricultural, urban, and forest land-use change over the past 200 years has had in the Chesapeake Bay area.

Modeling of Nutrient Sources and Transport in Chesapeake Bay Watershed

USGS has developed a set of spatially referenced regression models for the evaluation of nutrient loading in the Chesapeake Bay watershed. The information, recently released in a USGS Water-Resources Investigations Report (99-4054), is being used by the Chesapeake Bay Program to target nutrient-reduction areas and to design nutrient-load reduction plans that are specific to each tributary.

Platte River

The central Platte River Valley in Nebraska is an internationally significant staging area for migratory water birds of the Central Flyway and is best known for the one-half million sandhill cranes and the several million other waterfowl that migrate annually through the valley. Nine endangered species use the central Platte River Valley for habitat, including the whooping crane, piping plover, and least tern. With changes in the hydrology of the river and the structure of riparian habitats, the sustainability of migratory and resident birds and other biota have been brought into question.

In 1995, a memorandum of agreement was signed by the Secretary of the Interior and the governors of the states of Colorado, Wyoming, and Nebraska to begin developing a basin-wide habitat recovery program for the Platte River. This agreement was implemented by the Platte River Endangered Species Partnership (PRESP) beginning in 1997. Major aspects of the program call for the acquisition and restoration of habitat areas, design and implementation of water augmentation and conservation measures, and development of an overall monitoring and research plan to determine the effectiveness of an adaptive management plan.

Developing successful strategies to sustain or rehabilitate the riparian ecosystem of the central Platte River requires an understanding of the linkages between hydrology, river morphology, biological communities, and ecosystem processes. The U.S. Geological Survey (USGS) Platte River Place-Based Study Program has used resources from its four discipline areas—biology, geology, mapping and water—to build an understanding of these physical and biological linkages.

Greater Yellowstone area

Yellowstone National Park has drawn worldwide attention for over 100 years, largely due to its spectacular landscape and wildlife. However, the Yellowstone landscape extends far outside the park boundary and includes humans as part of the ecosystem. As the human influence over land-cover patterns evolves and intensifies, the potential for impacts increases. Historical studies of land-use and land-cover change are one way to explore the effects of human activities on our environment and can be used to predict future landscapes.

The objective of the Greater Yellowstone Ecosystem Initiative is to provide integrated natural resource science information for use by land-resource managers and policy makers. Information will be provided through three activities: (1) development of consistent geographic data bases, (2) research into the factors that control habitat use by humans and by wildlife, and (3) decision support capabilities and services. The unique role and objective of USGS is to provide information that is consistent across boundaries of management units.

CALFED

In August 2000, the CALFED Bay-Delta Program, sometimes hailed as the world's largest water management effort, announced the assignment of Dr. Samuel N. Luoma, a research hydrologist with USGS, as the Interim Science Leader of the CALFED Science Program.

The USGS long-term monitoring and research programs in San Francisco Bay provide needed data, information, interpretations, and assessments that contribute to the work of other federal and state agencies.

Landscape restoration

The USGS Abandoned Mine Lands (AML) Initiative began in 1997 and will continue through 2001 in two pilot watersheds—the Boulder River basin in southwestern Montana and the upper Animas River basin in southwestern Colorado. USGS ecologists, geologists, water quality experts, hydrologists, geochemists, and mapping and digital data collection experts are collaborating to provide the scientific knowledge needed for an effective cleanup of AMLs.

Metal concentrations in fish and invertebrates in the two pilot watersheds were found to be higher than in the surrounding water and bottom sediments. These measurements show that metals (some of which are toxic) are accumulating in the local food chain. Researchers have also determined how these metals (such as cadmium, copper, lead, and zinc) move downstream to settle and accumulate in the bottom sediment of rivers and streams. In other cases, water quality near AMLs was affected by the natural weathering of mineral deposits before mining occurred. Because of this, scientists are working to determine the environmental conditions that existed before mining began in order to establish realistic cleanup goals for an area.

USGS AML Initiative activities will conclude in the year 2001 with a summary of lessons learned for successful implementation of a watershed approach to characterize contamination from AML. Land managers will then be able to apply these lessons to remediate AML sites in other watersheds.

The USGS-Department of Defense Environmental Conservation (DODEC) Program has carried out scientific and technical studies related to environmental contamination issues of concern to Department of Defense (DOD) agencies since 1988. The purpose of the program is to provide scientific and technical data and interpretations needed to characterize hazardous waste sites, provide data to support evaluation of plausible remedial alternatives, and search for new technologies to improve cost effectiveness of DOD efforts. These activities support the DOD Restoration Program, designed to address issues of contamination resulting from activities of the

past, and the Environmental Compliance Program, designed to address issues of contamination resulting from current operations.

The DODEC program has conducted activities at more than 100 military installations in forty-six states, Puerto Rico, and two foreign countries, including facilities of the Air Force, Army, Navy, Marine Corps, Air National Guard, Army National Guard, and Defense Logistics Agency. Major investigation issues have been the characterization of local geologic frameworks through which ground water moves; the levels and environmental interactions of chlorinated hydrocarbon compounds (trichloroethene, dichloroethene, vinyl chloride), constituents of fuels (benzene, toluene, xylenes), and trace metals (lead); and the documentation of contaminant toxicity to local biota.

USGS researchers have been leaders in the development of innovative media sampling techniques to lower costs of environmental projects and in the development of innovative geophysical techniques to refine documentation of local geologic frameworks. The USGS has also been in the forefront of identifying the processes affecting natural attenuation and phytoremediation of contaminants in ground water and soil.

Downsizing and Reorganizing

During the eight-year Clinton Administration, reorganization and reinvention initiatives resulted in a reduction of about 500 employees of the USGS. Employees of the former National Biological Service were also affected when NBS was into the U.S. Geological Survey.

The National Biological Service

The National Biological Service (NBS) was formed in 1993 from the research and related activities of seven Department of the Interior bureaus, with the largest components coming from the U.S. Fish and Wildlife Service and the National Park Service. Smaller units came from the Bureau of Land Management, the Bureau of Reclamation, the U.S. Geological Survey, the Minerals Management Service, and the Office of Surface Mining. All of these units were engaged in scientific activities tied to the missions and responsibilities of their parent organizations.

Secretary Babbitt said of the new agency, “the National Biological Service will help provide the scientific knowledge America needs to balance the compatible goals of ecosystem protection and economic progress. Just as the U.S. Geological Survey gave us an understanding of America’s geography and earth science resources in 1879, the National Biological Service will unlock information about how we protect ecosystems and plan for the future.”

In October 1996, Congressional action forced the integration of NBS into the U.S. Geological Survey (USGS) as its Biological Resources Division. This move added an important living resources dimension to the USGS earth sciences orientation, making it possible for the bureau to bring physical plus biological science to natural resource management problems

Streamlining and Improving Management

The 1996 *Strategic Plan for the U.S. Geological Survey, 1996 to 2005* was designed to provide a statement of direction for the USGS as an organization. Refocused in 1997, this plan recognized that powerful forces in the world such as changing federal government functions, new technologies, demographic changes, and global interdependence will shape the future of the nation, the needs of the public, and the roles of federal agencies. The strategic vision of the USGS is that the agency will be a world leader in the natural sciences through its scientific excellence and responsiveness to society's needs. The USGS mission is to serve the nation by providing reliable scientific information to: describe and understand the Earth; minimize loss of life and property from natural disasters; manage water, biological, energy and mineral resources; and enhance and protect our quality of life.

To achieve the vision of “one Bureau, one Mission, one Message,” in 2000 the USGS restructured its traditional organizational emphasis from divisions based on four scientific disciplines to a new style of regional management of programs in order to focus more directly on regional customers, science, and information needs.

In response to the Clinton Administration's “Customer-Focused Government” initiative, the U.S. Geological Survey increased its emphasis on customer service. This strategic emphasis resulted in some changes to USGS business practices, enabling the USGS to make continuous improvements to the service, information, and products it provides to its customers.

In 1997, USGS set its first customer service goals and has actively tracked its progress in meeting those goals. Annual customer service reports, “Reports to Our Customers for 1997, 1998 and 1999,” are available online at www.usgs.gov/customer/. In 1998, USGS established its first customer service policy which policy reaffirmed the USGS pledge to serve its customers with excellence and outlined the USGS responsibility to work with its customers. This policy has served as a model for a customer service policy written for the U.S. Department of the Interior in 2000.

“Our Living Resources” / “Status and Trends of the Nation's Biological Resources”

The 1995 report *Our Living Resources* was the first product of the Status and Trends Program in the former National Biological Service. The report compiled information on many species and the ecosystems on which they depend, making these facts available to scientists, managers, and the lay public. An initial first step toward a consistent, large-scale understanding of the status and trends of these resources, this report brought together for the first time a host of information about the nation's biological wealth, highlighting causes for both concern and hope. The report provided valuable information about causes for the decline of some species and habitats and also gave insight into successful management strategies that have resulted in recovery of others.

A 1999 USGS publication, *Status and Trends of the Nation's Biological Resources*, detailed the first large-scale assessment of the health, status, and trends of our plants, animals, and

ecosystems. The USGS produced the two-volume report with contributions from nearly 200 experts from the federal Government, academic, and non-governmental communities. The report synthesized current information on the status and trends of biological resources with an historical perspective of ecosystems across the country to assess how the nation's resources are changing. It also described major factors that affect biological resources nationwide.

Federal Geographic Data Committee & National Biological Information Infrastructure

The Federal Geographic Data Committee (FGDC), an interagency committee that promotes the coordinated development, use, sharing, and dissemination of geospatial data on a national basis, was established by the Office of Management and Budget (OMB) in its 1990 revision of Circular A-16, *Coordination of Surveying, Mapping, and Related Spatial Data Activities*.

Circular A-16 defined specific coordination responsibilities for the FGDC to include promoting the development of distributed databases of geospatial data that are national in scope. Currently, Secretary Babbitt chairs the FGDC.

To extend the scope of Circular A-16 in support of the National Information Infrastructure, President Clinton in 1994 issued Executive Order 12906, *Coordinating Geographic Data Acquisition and Access: The National Spatial Data Infrastructure (NSDI)*. NSDI encompasses the technology, policies, standards and human resources necessary to acquire, process, store, distribute, and improve the use of geospatial data. The FGDC committees and working groups provide the basic structure for institutions and individuals to come together to discuss and work on various aspects of the implementation of the NSDI. In recent years the FGDC has sponsored national forums on geospatial data and instituted a grant program to support cooperative agreements for development with participants from state and local governments and academia.

The National Biological Information Infrastructure (NBII) is a broad and collaborative initiative to develop a distributed, Internet-based federation of biological and ecological information that links scientific information sources across the United States and throughout the world. Though administered by the U.S. Geological Survey, the program depends on the active participation of many agencies, organizations, and individuals.

Development of the NBII began in 1994, under the direction of the former National Biological Service (NBS) as one of its primary mission responsibilities. The need for this "national biotic resource information system" was specifically highlighted as a key recommendation in the 1993 report of the National Research Council: *A Biological Survey for the Nation*.

The USGS works closely with several other federal agencies, state agencies, academic institutions, and non-government organizations to help plan the development of the NBII. The NBII program has been a key participant in several inter-governmental activities including the Interamerican Biodiversity Information Network, North American Biodiversity Information Network, Global Biodiversity Information Facility, Species 2000, and the Clearinghouse Mechanism of the Convention on Biological Diversity.

In the years 1995-2000, the NBII was regularly highlighted as a key component of the Administration's activities to improve government delivery of information and services through the innovative use of information technology. Recommendations on strengthening the NBII were included in the 1997 report from the Vice President and the National Performance Review entitled *Access America: Reengineering Through Information Technology*. In 1998, the Integrated Taxonomic Information System, which is a key component of the NBII network, was recognized with a Hammer Award from the Vice President, for significantly advancing the Web-based delivery of scientific information on the names and classifications of all U.S. plant and animal species. Also in 1998, the President's Committee of Advisors in Science and Technology released the report *Teaming with Life: Investing in Science to Understand and Use America's Living Capital* which highlighted the importance of the current NBII program and recommended the launching of a "next generation" of the NBII.

Since its inception in 1994, the NBII program has received a 1999 Government Technology Leadership award; has been selected as one of the "Best Feds on the Web" for 1999 by *Government Executive* magazine, and has twice received a Certificate of Environmental Achievement from Renew America and the National Awards Council for Environmental Sustainability.

Natural Hazards

During the 1990s, it became increasingly clear that the costs of natural disasters, in both human and economic terms, were rising at an alarming rate. The old response-and-recovery approach to these natural extremes—floods, earthquakes, wildfires, landslides, hurricanes, and so forth—was not solving the problem. A new model was needed, one that included strong partnerships among government agencies and with the private sector, and one that focused on learning how to live safely on our planet. The USGS embraced this new way of dealing with natural hazards by combining its traditional emphasis on building a strong scientific understanding of the natural forces that shape our planet with a new commitment to sharing information with partners and the public.

Floods

Floods were the number-one natural disaster in the United States during the 20th century, in lives lost and property damage. As of 2000, the USGS maintained a network of more than 7,000 stream-gauging stations throughout the United States, Puerto Rico, and the Virgin Islands that monitor streamflow and provide data to various federal, State, and local cooperating agencies as well as the general public. In addition to providing critical information on flood heights and discharges, these stations provide data used in the effective management of water-supply and water-quality needs, protection of aquatic habitat, recreation, and water-resources research. The most damaging floods of the century were the Midwest floods of the 1993, along the Mississippi and Missouri Rivers. During these floods, USGS furnished continuous information on streamflow and other related topics to the National Weather Service, the U.S. Army Corps of Engineers, the Federal Emergency Management Agency, and many state and local agencies.

USGS provided leadership for the Scientific Assessment and Strategy Team, which was created by a White House Directive in November 1993 to provide decision-makers with scientific advice on flood recovery and future management of the floodplain. The California and south-central U.S. floods of 1995, the North Dakota flood of 1997, and the devastating impact of Hurricane Floyd along the East Coast in 1999 were also costly natural disasters. However, thanks to improved warning systems and close cooperation among responsible agencies, the loss of life from flooding declined while economic costs have risen. USGS also provided significant aid to Central American countries in the wake of Hurricane Mitch.

Earthquakes

The costliest single natural disaster to strike the United States during the 1990s was the Northridge earthquake of 1994. Thousands of buildings were damaged; fifty-seven people lost their lives and thousands were injured. USGS scientists responded quickly to the earthquake, investigating and reporting on both geological and societal effects. In the months following the earthquake, USGS personnel focused on monitoring the ongoing seismic activity (the region experienced thousands of aftershocks) and providing information about seismic hazards to local government, media, and the public; and collecting data on seismic hazards in southern California to help mitigate damage from future earthquakes.

In 2000, USGS is implementing a new Advanced National Seismic System, a nation-wide network of at least 7,000 seismic monitors that will make it possible to provide emergency response personnel with real-time earthquake information, so they know where the worst damage is likely to be. The system provides engineers with information about building and site response, so they can design safer buildings for future earthquakes, and scientists with high-quality data to help them understand earthquake processes and the structure and dynamics of the Earth. The new instruments allow development of early-warning systems that will detect and broadcast the location and magnitude of large earthquakes immediately and can, under certain circumstances, transmit warning signals to regions farther away before the damaging waves arrive. Such warnings can give utilities, railroads, hospitals, and schools the precious seconds needed to take life-saving actions before the most intense shaking begins.

Urban Growth

The growth of urban and suburban populations is not new, but a growing urban population that enjoys high per capita consumption of resources has made the concept of sustainable development a staple of political discussion. Through its program of Urban Dynamics, the USGS is studying the effects of humans on the landscape; charting the growth of our cities in the past and predicting future growth; mapping the location of crucial natural resources, such as aggregates; and monitoring the availability and quality of water in order to help decision makers understand how growth may affect the basic environmental condition of the region under study.

The National Atlas of the United States

Begun in 1997, the new electronic National Atlas <<http://www.nationalatlas.gov/>> replaces a traditional collection of maps that was published under the same title in 1971. The original

bound volume characterized the America of the mid-1960s through hundreds of unchanging paper maps that were dated before their printing. The new National Atlas exploits digital mapping technologies developed in the past thirty years. With its content growing each month, its maps will always include the latest government information available.

The interactive National Atlas includes products that are more adaptable, interesting, and useful than any book of paper maps. It offers multimedia articles and maps that illuminate natural and manmade processes or illustrate change over time, such as the rapid spread of an invasive species. Authoritative and documented digital maps are also provided. These integrated map layers and data tables can be downloaded for use in desktop mapping and data base management systems. Yet no special software beyond a Web browser is needed to use the National Atlas.

The National Atlas delivers the first online national geographic information system (GIS), promoting both increased geographic literacy and national self-awareness. In August 2000, the National Atlas Web site was responding to more than 3.6 million requests for information by more than 86,000 individuals; more than 1,900 other Web sites were linked to nationalatlas.gov.

USGS in the 21st Century

The complex problems our society faces in the 21st century are inherently multidimensional, and their solution requires the integration of scientific excellence in many fields. USGS science provides the essential understanding of the natural forces of change that underlie human influences on our planet, and is critical for forecasting the consequences of possible decisions. Sound science, clearly communicated to those who need the information, allows policy makers and managers to make the best choices for today and tomorrow to ensure stronger, safer communities and healthy, thriving landscapes for our children and grandchildren.

CHAPTER FOUR: INDIAN AFFAIRS

BUREAU OF INDIAN AFFAIRS

Introduction

The Bureau of Indian Affairs (BIA) is the primary federal agency charged with carrying out the United States' trust responsibility to American Indian and Alaska Native people and maintaining the federal government-to-government relationship with federally recognized Indian tribes

The BIA was established on March 11, 1824 under the War Department and was transferred in 1849 to the Department of the Interior. Through most of its history, the BIA has been responsible for implementing federal laws, policies, and programs intended to break up tribes and assimilate their members into American society. Gradually, such intentions were abandoned, and in the 1970s Congress enacted several important pieces of legislation, most notably the Indian Self-Determination and Education Assistance Act of 1975, to give tribes greater say in how the BIA and the Indian Health Service (IHS) conducted their programs for Indian people. During the 1980s, tribal governments began to forcefully assert their sovereignty in matters of self-governance and economic self-sufficiency. This trend was reflected in the increasing number of tribes who contracted with the BIA to assume direct control of schools and programs.

In 1993, President Clinton signaled an aggressive new direction for Indian affairs with two announcements: the Initiative to Streamline Government, announced on March 3, and his May 11 nomination of Ada E. Deer for Assistant Secretary - Indian Affairs, the first woman to serve in that position. Through these and subsequent actions, the Administration raised the standard in federal-tribal relations.

Strengthening Indian Policy & Services

Tribal Sovereignty

President Clinton's Memorandum on Government-to-Government Relations With Native American Tribal Governments (April 29, 1994) and Executive Order No. 13084 (May 14, 1998), subsequently updated and replaced by Executive Order No. 13175, Consultation and Coordination With Indian Tribal Governments (November 6, 2000), expressly acknowledges the "unique legal relationship" of the United States with federally recognized tribes and the rights of tribes to exercise inherent sovereign powers over their members and lands.

The Memorandum makes the head of each executive department and agency responsible for ensuring that his or her department or agency "operates within a government-to-government relationship with federally recognized tribal governments." It directs them to "assess the impact of Federal Government plans, projects, programs, and activities on tribal trust resources and assure that tribal government rights and concerns are considered during the development of such

plans, projects, programs, and activities.” Together, the Memorandum and Executive Order introduced departments and agencies outside of the BIA to the concepts of tribal consultation, the trust responsibility, and the government-to-government relationship that have been the backbone of BIA-tribal relations for years.

The Administration actively supported tribal self-determination by providing tribal governments with more opportunities to directly administer programs that the BIA, as well as other federal departments and agencies, have managed for them in the past. For example, under the Indian Employment, Training and Related Services Demonstration Act of 1992, tribes can integrate several employment and training services into a single program and submit only one annual report. Since 1994, over 200 federally recognized tribes have participated under the Act.

One of the ways sovereignty is enhanced is the Tribal Priority Allocation system (TPA), the portion of BIA’s budget that provides a stable, recurring base of funds for the 556 federally recognized tribes and Alaska Native villages. The TPA funding base represents a vital core of financing for tribes and the flexibility they need to allocate TPA funds to meet their most critical needs.

In the last twenty-five years, federal appropriations have not kept pace with fast-growing tribal populations. In July 1999, the BIA completed a TPA analysis to identify unmet tribal funding needs. The study, *Report on Tribal Priority Allocations*, was undertaken by a partnership of the BIA, tribal leaders, Indian organizations such as the National Congress of American Indians (NCAI), and legal experts. The study identified an enormous gap between current funding levels and the tribes’ unmet needs.

The BIA has diligently carried out the President’s Executive Order No. 13175 on tribal consultation. The document, titled *Bureau of Indian Affairs Government-to-Government Consultation Policy*, requires federal agencies to establish regular and meaningful consultation and collaboration with tribal officials in developing federal policies that have tribal implications, and is the work product of a BIA-NCAI Tribal Leaders Workgroup on Government-to-Government Consultation.

Indian Trust Assets and Resources

The fractionation of Indian allotted lands has created almost insurmountable problems with management, record keeping and distribution of proceeds derived from Indian trust and restricted lands. Fractionated ownership of Indian lands, by rendering the lands idle, has negative economic impact on Indian landowners.

The fractionation problem is rooted in a 1887 law, the General Allotment Act. This Act directed that tribal lands be divided into small parcels and given, or “allotted,” to individual Indians. The intent was to accelerate the assimilation of Indian people into American society by making them private landowners and open Indian land to non-Indian settlement. Ultimately, many Indian people were forced to sell their allotments, but few assimilated into surrounding non-Indian communities. The result was widespread homelessness and the impoverishment of numerous individuals and families.

Allotted property descended to heirs as undivided “fractional” interests, not parcels of land separately assigned to specific owners. As “fractions” have grown smaller and more numerous over time, they have little or no economic value to their owners. The BIA spends approximately 80 percent of its annual real estate services budget on attempting to administer fractionalized allotments, which total less than 20 percent of the lands under its jurisdiction.

In October 1994, the Administration opened consultations with tribal leaders and individual Indian landowners to discuss proposed solutions to the fractionated ownership problem. Public meetings were held from December 1994 through March 1995 and were attended by over 10,000 people. To solicit additional comments, questionnaires were sent to more than 500 Indian tribes and 100,000 individual Indian landowners. Sixty-five percent of the respondents agreed that legislation was needed to end fractionation of Indian lands.

From 1995 through 1997 the Administration continued to seek solutions to the problems caused by fractionated ownership, advancing a package of legislative proposals. Following additional meetings and consultations with Congressional staff and Indian groups, the Administration’s proposed legislation was introduced in 1999 as S. 1586, the Indian Land Consolidation Act, followed by Administration testimony in a joint hearing on the bill held by the House Resources Committee and the Senate Committee on Indian Affairs. As a result of the Administration’s commitment, the bill was passed by Congress. On November 7, 2000, President Clinton signed the Indian Land Consolidation Act Amendments of 2000, an historic step toward resolving the issue of fractionated ownership of Indian trust and restricted lands.

Self-Determination and Self-Governance

Over the past eight years, there has been a dramatic increase in tribal self-governance, an integral part of tribal self-determination and the government-to-government relationship. The Clinton Administration actively worked with tribes to secure passage of the Tribal Self-Governance Act of 1994 (PL 103-413), which made permanent the Department’s Tribal Self-Governance Demonstration Project. Now called the Office of Tribal Self-Governance (OSG), the office is responsible for administering tribal self-governance as it relates to BIA programs and advocating the “transfer of federal programmatic authorities and resources to Tribal Governments in accordance with Tribal Self-Governance statutes and policies.”

Under self-governance, tribes have the authority to reallocate the funds they receive from the BIA and redesign or consolidate programs, services, functions or activities they directly administer to better address conditions unique to their reservations. In 1993, there were eighteen annual self-governance funding agreements totaling \$60.7 million and covering fifty-three federally recognized tribes. By 2000, that number had increased to seventy-five annual funding agreements totaling an estimated \$240 million covering 218 federally recognized tribes—about 40 percent of all federally recognized tribes nationwide.

The Clinton Administration further demonstrated its commitment to self-governance by forming an advisory committee made up of leaders from self-governance tribes and embarking on a five-

year negotiated rulemaking process. As a result, new self-governance rules were in place by December 2000.

Economic and Infrastructure Development

The Clinton Administration has vigorously supported economic and infrastructure development in Indian Country with a variety of legislative, policy, and regulatory initiatives carried out by Departments of Agriculture, Housing and Urban Development, Interior, Justice, Treasury and the Internal Revenue Service.

In addition to appointing the Assistant Secretary - Indian Affairs to the Community Development Advisory Board, established under the Community Development and Regulatory Improvement Act of 1994, the Administration has directed significant attention and federal resources to tribes to assist them with economic development. At the White House Conference on Building Economic Self Determination in Indian Communities in August 1998, President Clinton outlined his ideas and goals for helping to build strong tribal economies and developing tribal infrastructures, and released an Executive Memorandum on Economic Development in American Indian and Alaska Native Communities (August 6, 1998). In it he directed the Secretaries of the Interior and Commerce Departments, and the Administrator of the Small Business Administration to coordinate existing economic development initiatives for Native American and Alaska Native communities, including initiatives involving the private sector.

In addition to working cooperatively with other departments and agencies on tribal economic development, BIA provides direct loans, grants, and technical assistance to federally recognized Indian tribes and individuals. The BIA remains the only agency with a funding mechanism that can assist all 556 federally recognized tribes.

The BIA's Office of Economic Development provides financial assistance to American Indian tribes, tribal organizations and individuals to establish, acquire or expand a business on or near reservations through the Indian Loan Guaranty Program. Loans made by private lenders are guaranteed to 90 percent. A subsidy to reduce interest costs for the borrower down to the Treasury rate is also authorized.

Over the past eight years, the loan guaranty program experienced a sharp performance decline followed by a dramatic increase. Before 1993, over \$65.1 million in loan guarantees and \$2 million in technical assistance funds were available for tribal businesses. When technical assistance funds were abolished in 1996, the amount of loan guarantees declined to their lowest level, \$10.3 million. In 1997, only 55 percent of the \$34.6 million available was used. This increased to 77 percent of the \$34.6 million available in 1998. During the past two years, available program funding has increased to \$59.7 million, and in both years 100 percent of available funds were allocated. In FY 2000, the loan guaranty funds were expended before the end of the third quarter. Jobs created or sustained have increased to an average of over 1,100 per year.

Intra-governmental Coordination

The Clinton Administration established the Working Group on American Indian and Alaska Natives as part of the White House Domestic Policy Council. Chaired by Interior Secretary Babbitt, the Working Group met on a quarterly basis and provided a government-wide forum for to discuss and address federal government responsibilities to American Indians and Alaska Natives.

The Working Group consisted of high level representatives from Interior, the White House, the Departments of Agriculture, Health and Human Services, Education, Justice, Commerce, Defense, Energy, Labor, and Treasury, as well as numerous federal offices and bureaus. Subgroups worked in specific areas of concern, including education, Indian youth, environment and natural resources, and Freedom of Information Act issues.

Statutory and Regulatory Reform

The BIA has undertaken major efforts to improve its management of trust assets and resources, as well as the administration of programs and services for which it is responsible. These efforts, which are in keeping with Administration policy directives on the trust responsibility, tribal consultation and the government-to-government relationship, have focused on specific areas needing reform.

Trust Management Regulations

Historically, proper management of Indian trust assets has been hampered by a lack of comprehensive, consistent and up-to-date regulations, policies and procedures covering the entire trust cycle. Prior to the Clinton Administration, many trust administration regulations had not been updated in four decades. Over the years, the BIA in particular had adopted many internal procedures that affected property and monies owned by individual Indians and Indian tribes without the benefit of formal rulemaking.

Due to the enormous scope of work to be done in this area, it was necessary to develop a plan that addressed the most critical issues first. In November 1999, four priority areas were identified for regulatory revision during the year 2000: leasing and permitting, grazing, probate, and tribal and individual funds held in trust.

Before proposing regulations, however, Interior had to first re-examine federal Indian trust responsibility in light of new Executive directives on Indian self-determination and the government-to-government relationship. Internal discussions resulted in a preliminary draft of trust principles that was subsequently the subject of tribal consultation. Principles were established as a result of the consultation sessions and issued on April 28, 2000 as Secretarial Order No. 3215, *Principles for the Discharge of the Secretary's Trust Responsibility*. In October 2000, the document *Principles for Managing Indian Trust Assets* was published in the Departmental Manual. In summary, these two documents state that the Department of the Interior will:

- protect and preserve the trust assets from loss, damage, unlawful alienation, waste and depletion;
- assure that management actions promote the interest of the beneficial owner and provide the owners with timely, accurate information on the lands they own and the income derived from such lands;
- enforce leases and other agreements that provide for productive use of Indian trust assets;
- promote tribal control and self-determination over tribal trust lands and resources; and
- provide proper oversight of all aspects of trust management.

In October 1999, the Assistant Secretary for Indian Affairs invited the National Congress of American Indians (NCAI) to work with the Department to help draft proposed regulations. The Intertribal Monitoring Association (ITMA), which has been involved in the Department's trust reform efforts for almost a decade, joined with NCAI in reviewing various regulatory drafts and recommending changes to these proposals. Following publication of the proposed rules on July 14, 2000, the Department conducted eight regional consultation meetings with tribal leaders, individual Indians and other interested parties. The Department received 317 responses during the formal comment period that ended on October 12, 2000. Based on the comments received and the passage of the Indian Land Consolidation Act Amendments of 2000, substantial revisions were made, and final regulations will be published before the end of the Clinton Administration.

The successful execution of this first phase of trust management regulatory reform during the Clinton Administration has established a strong foundation for the next administration to complete the crucial work of trust management.

Law Enforcement

Illegal drug trafficking, gang-related activities, domestic violence, and other threats to public safety are creating a law enforcement crisis in Indian Country. In an effort to reduce violent crime and improve public safety in tribal communities, President Clinton issued a Memorandum on Law Enforcement in Indian Country (August 25, 1997) in which he directed the U.S. Attorney General and the Secretary of the Interior to work with tribal leaders to analyze law enforcement problems on Indian lands, and to provide him with options for improving public safety and criminal justice. The Joint Interior-Justice Departments Presidential Initiative in Law Enforcement in Indian Country was established to refine and implement a comprehensive plan for improving law enforcement services.

The BIA's Office of Law Enforcement Services (OLES) has received increased funding over the last three years to carry out the initiative's goals and objectives and to strengthen its administration of BIA law enforcement. Since 1999, the Administration has worked to strengthen core law enforcement functions on reservations, in addition to hiring more uniformed police and providing improved communications and detention services.

OLES has assumed line authority over all BIA law enforcement functions—criminal investigations, police operations and detention—to ensure professional law enforcement

management in Indian Country. OLES has proposed amendments to the Indian Law Enforcement Reform Act to reflect that line authority.

Laws, Rules and Regulations

Significant legal opinions and regulations for the period 1993-2000 include:

- Revised list of Alaska Native tribes eligible for BIA services (October 15, 1993).
- Final rule revising administrative procedures for federal acknowledgement (February 25, 1994).
- Final rule to implement amendments to the Indian Self-Determination and Education Assistance Act of 1975 (June 24, 1996).
- U.S. Supreme Court upholds statutory authority of the Secretary of the Interior to take fee land into trust for Indian tribes under Section 5 of the Indian Reorganization Act of 1934 (October 15, 1996).
- Final rule revising procedures governing the Housing Improvement Program (HIP), to clarify and simplify the conditions and terms for providing housing assistance and to allow additional flexibility in administering the program (March 2, 1998).
- Final regulations on Class III Indian Gaming (April 12, 1999).
- Proposed amendments to 25 CFR Part 151 regulations clarifying Departmental review process for land-into-trust requests (April 12, 1999).
- Final rule on governing review of per capita distributions (March 17, 2000).
- Proposed rule to establish documentation requirements and standards for filing, processing and issuing a Certificate of Degree of Indian Blood (CDIB) (April 18, 2000).
- Proposed rule on encumbrances of tribal land-contract approvals under the Indian Tribal Economic Development and Contract Encouragement Act of 2000 (July 14, 2000).
- Proposed rule to implement changes to probate, funds held in trust, leasing/permitting and grazing (July 14, 2000).

Religious Freedom

Throughout the nineteenth and well into the twentieth century, federal Indian policy regulated and sought to eliminate the traditional religious practices of American Indians and Alaska Natives and to convert Indian and Alaska Native people from their traditional religious beliefs to Christianity. The BIA was the federal policy instrument for assimilation of Indian and Alaska Native people into American society and effacement of their lands, cultures, languages, and religious practices. Today it is the agency responsible for developing policies to preserve tribal cultures, institutions, lands, languages, and religions.

The Clinton Administration has undertaken two important policy initiatives on religious freedom for Indian and Alaska Native people. The Presidential Memorandum on Distribution of Eagle Feathers for Native American Religious Purposes (April 29, 1994) and Executive Order No. 13007—Indian Sacred Sites (May 25, 1996) changed how the federal government, including the BIA, responds to and accommodates the needs of Indian and Alaska Native people as they exercise their constitutional rights. Through these documents, which affirm the importance of eagle feathers to Native American culture and religious practices and seek to protect and

preserve Indian sacred sites for religious practices, the Clinton Administration has recognized to a greater degree than its predecessors that Native American religions have their rightful place within America's religious community, and that Native American beliefs and practices are deserving of respect and protection.

Indian Land Claims

A number of Indian land claims were successfully resolved over the past eight years with the Administration's support:

Catawba Land Claims Settlement Act of 1993

The Act ratified a settlement resolving the tribe's claims and related litigation for approximately 140,000 acres of land in South Carolina. The Clinton Administration was instrumental in securing Congressional approval.

Crow Boundary Settlement Act of 1994

The Act ratified a settlement agreement resolving the 107th meridian boundary dispute of approximately 36,000 acres of land created by an erroneous 1891 survey of the eastern boundary of the Crow Indian Reservation in Montana.

Coquille Forest Act of 1996

The Act restored 5,410 acres of ancestral homelands to the Coquille Indian Tribe and designated the restored lands as the Coquille Forest. Interior negotiated the land transfer from Bureau of Land Management (BLM) lands, and took them into trust for the tribe. A unique aspect of this settlement is that the Act required the Forest to be subject to the standards and guidelines for adjacent or nearby federal lands. The Act makes the Coquille Forest the only Indian forest land in the nation with a statutory requirement for ecosystem management, and requires the development of a forest management agreement with the state.

Hoopa Reservation South Boundary Adjustment Act of 1997

The Act settled a long-standing dispute over the correct boundary of the Hoopa Reservation, removing lands from California's Six Rivers National Forest and enlarging the reservation by 2,641 acres. The Administration drafted the legislative language.

Miccosukee Reserved Area Act of 1998

The Act terminated the tribe's special use permit within Everglades National Park and established instead the Miccosukee Reserved Area (MRA), where the tribe has the exclusive right to use, develop and govern its affairs within the MRA as though it were a federal Indian reservation.

Sandia Settlement Agreement

The May 2000 agreement settles the Pueblo's claim and related litigation involving approximately 10,000 acres of land in the Sandia Mountains of New Mexico. The Administration has strongly supported the resolution of this dispute, which is pending Congressional approval.

Santo Domingo Claims Settlement Agreement Act of 2000

The Act settled the Pueblo's land claims and related litigation involving approximately 80,000 acres.

Timbisha Shoshone Homeland Act of 2000

The Act transferred lands and water rights in Death Valley National Park--the tribe's ancestral homeland--and in California and Nevada into trust for the Timbisha Shoshone Tribe. The Act authorizes the Secretary of the Interior to acquire other lands into trust for the tribe.

Torres-Martinez Desert Cahuilla Indian Claims Settlement Agreement

The 1996 agreement settles the tribe's claims and related litigation involving approximately 11,000 acres of reservation land. The agreement received Congressional approval in December 2000, with passage of the Omnibus Indian Advancement Act.

Transfer of Naval Oil Shale Reserve #2 to the Uintah & Ouray Tribes

A February 2000 Memorandum of Understanding (MOU) transfers to the tribes approximately 80,000 acres of land of the tribes' aboriginal land claim. Implementing legislation (Section 3403 of H.R. 4205) has passed the House and is currently awaiting Senate action.

Federal Acknowledgement Process

The acknowledgement process is the administrative mechanism to give tribal groups federal recognition as Indian tribes, a distinction that makes them eligible to participate in federal programs and receive federal services. During the 1993-2000 period, the Department resolved the following petitions:

Acknowledged through 25 CFR Part 83

Mohegan Indian Tribe, CT #38, effective May 14, 1994.

Jena Band of Choctaws, LA #45, effective August 29, 1995.

Samish Indian Tribe, WA #14, effective April 26, 1996.

Huron Potawatomi Inc., MI #9, effective March 17, 1996.

Match-E-Be-Nash-She-Wish Band of Potawatomi Indians of MI (formerly, Gun Lake Band) #9a, effective August 23, 1999.

Snoqualmie Indian Tribe, WA #20, effective October 6, 1999.

Cowlitz Tribe of Indians, WA #16, final determination published February 18, 2000; before the Interior Board of Indian Appeals (IBIA).

Denied Acknowledgement through 25 CFR Part 83

Ramapough Mountain Indians, Inc., NJ #58, effective January 7, 1998.
MOWA Band of Choctaw, AL #86, effective November 26, 1999.
Yuchi Tribal Organization, OK #121, effective March 21, 2000.

Status Clarified by Other Means

Ione Band of Miwok Indians, CA #2, status confirmed by the Assistant Secretary - Indian Affairs on March 22, 1994.

Resolved by Congress

Legislative Restoration:

Paskenta Band of Nomlaki Indians of the Paskenta Rancheria of CA, November 2, 1994.
United Auburn Indian Community of the Auburn Rancheria of CA.

Legislative Recognition:

Pokagon Potawatomi Indians of Indiana & Michigan, IN #75/78, September 21, 1994.
Little Traverse Bay Bands of Odawa Indians, MI #115, September 21, 1994.
Little River Band of Odawa Indians, MI #125, September 21, 1994.

Indian Child Welfare

BIA's Indian Child Welfare Program provides direct social services and placement services on reservations. These services include licensing foster and adoption homes, providing day and after-school care, direct counseling and resource referrals for families in trouble, identifying child abuse and neglect, obtaining and referring children to appropriate treatment services, and coordinating with law enforcement and the courts. Support services are also offered with the goal of rebuilding families.

Funding for the Indian Child Welfare Program has increased significantly during the Clinton Administration. From a level of \$9.4 million in FY 1993, funding increased to \$22.9 million in FY 1995. During FY 1994, the BIA, in consultation with tribes, implemented new regulations for non-competitive tribal Indian child welfare programs. In FY 1995, Indian child welfare funds were permanently added to the recurring TPA base so that every federally recognized tribe received funding to develop long-term plans and programs.

Education

The BIA's Office of Indian Education Programs (OIEP) serves 80,000 elementary, secondary and postsecondary American Indian and Alaska Native students. The BIA's role in education was first codified in the Snyder Act of 1921. In the decades following the Act, the Bureau directly operated boarding and reservation-based schools for elementary and secondary Indian students. In the 1970s, legislation was enacted giving tribes the opportunity to directly administer the schools in their communities and create tribal colleges. The Bureau's role in Indian education increased, but funding for BIA schools and programs did not.

Since 1993, the Clinton Administration's emphasis on increasing education funding and improving standards, coupled with its support for tribal self-determination and self-governance, has given greater impetus to BIA efforts to improve Indian student learning. The Administration has sought increased funding for programs and new school construction, addressed health and safety issues, helped schools qualify for E-rate discounts and gain access to the Internet, assisted tribes with school administration and management, raised education standards and student achievement scores, integrated culture-based curricula in BIA-funded schools, supported tribal colleges and universities; and created partnerships between federal agencies who have Indian students in their service populations.

Underscoring these efforts are three Executive Orders that have provided unprecedented support for Indian education and BIA-funded schools: Executive Order No. 13021—Tribal Colleges and Universities (October 19, 1996); Executive Order No. 13096—American Indian and Alaska Native Education (August 6, 1998); and Executive Order No. 13153—Actions to Improve Low-Performing Schools (May 3, 2000).

To improve the overall quality of both public and Indian education, and to raise student academic performance and achievement levels, the Administration has sought to develop national learning standards, improve access to higher education, increase the supply of teachers, reduce class size, build and repair schools, and bring educational technology and the Internet into the classroom.

Comprehensive School Reform Demonstration Program

The Comprehensive School Reform Demonstration Program (CSRDP) is a competitive grant program created in the Clinton Administration that integrates curriculum and instruction, student assessment, professional development for teachers, parental involvement and school management based on an effective research-based model. Schools must designate an external partner with expertise in school reform and improvement to assist them with implementing their program.

Improving Student Performance and Achievement

Starting in 1995 with the enactment of the Goals 2000: Educate America Act, the Administration instituted efforts to develop national standards for math, science, language arts, history and social studies. This led to the development of American Indian Content Standards and Report Cards for tracking student performance and academic achievement. The Standards reinforced the

development of culture-based curricula by BIA-funded schools as one way to improve student academic progress.

In concert with a National Indian Goals 2000 Panel, OIEP developed long-range goals and benchmarks for BIA-funded schools including increasing the average daily attendance rate from 90 percent to 94 percent; increasing the student enrollment retention rate from 93 percent to 97 percent; and, reducing the yearly dropout rate from 15.6 percent to 11.6 percent. Many goals have been met and some have been exceeded.

Attendance Rate

The average daily attendance rate for BIA-funded schools is now 91 percent, just below the 92.3 percent national daily attendance rate as reported by the Department of Education's Office of Educational Research and Improvement (OERI).

Dropout Rate

In the school year (SY) 1992-93, the annual dropout rate for BIA-funded high schools was approximately 17 percent. By SY 1997-98 it had fallen to 12 percent. In SY 1998-99 the rate fell to 11 percent.

Enrollment Retention Rate

In SY 1992-93 the retention rate (maintenance of the student population number from the beginning of the school year to the end of the same school year) was 91 percent. It rose to 95 percent in SY 1997-98 and to 99 percent in SY 1998-99. The schools also exceeded the goal of 98 percent set for the SY 1999-00.

In 1998, President Clinton issued an Executive Order on American Indian and Alaska Native Education. The Order established six goals for Indian education: (1) improve reading and math; (2) increase high school completion and postsecondary attendance rates; (3) reduce impediments to educational performance, such as poverty and substance abuse; (4) create strong, safe, and drug-free schools; (5) improve science education; and (6) expand the use of educational technology.

OIEP has consulted and worked cooperatively with Education's Offices of Educational Research and Improvement (OERI) and Indian Education (OIE), Indian educators, tribal representatives, and national and local groups including the National Indian Education Association (NIEA) and the National Indian School Board Association (NISBA) to achieve the Order's goals.

Creating Safe and Healthy Learning Environments

BIA-funded schools have been in serious disrepair for decades. Some cannot be repaired and must be replaced. Although OIEP has worked to alleviate the problem using available resources to make repairs and add portable classrooms, funding has remained insufficient to fix the problem.

In making safe and healthy learning environments one of its education priorities, the Administration has sought to repair or replace public and BIA-funded schools. With a significant increase in funding for new construction and improvement and repair in the BIA's FY 2001 budget, OIEP can begin to address an \$800 million backlog in facility maintenance and repair work, and replace six schools.

In 1996, as part of a Reinvention Laboratory Team, OIEP developed and implemented a fast-track system for planning, designing and constructing new Indian schools. The streamlined process means the BIA has reduced the time it takes to complete new schools from seven or eight years to three years.

Access Native America: Preparing BIA Schools for the 21st Century

As part of the President's initiatives to connect every American to the Internet and to bring the information superhighway to Indian Country, OIEP obtained Internet access and E-rate discounts for all BIA-funded schools.

OIEP helped to establish the Four Directions project to electronically link schools to the Internet; held Net Days for BIA employees and local volunteers to work together to wire schools; conducted telecom technology inventories for each school; and partnered with the Microsoft Corporation to provide schools with hardware and software resources.

Supporting Tribal Colleges and Universities

President Clinton signed an Executive Order on Tribal Colleges and Universities in 1996 to expand opportunities for federal assistance and, for the first time, recognize a government-wide federal commitment to these institutions. The Order's purpose is to promote tribal sovereignty and individual achievement; strengthen tribal colleges and universities; offer expanded learning and future career opportunities for tribal members; improve tribal higher education so that more tribal members will go on to four-year institutions; and advance National Education Goals and federal Indian education policy.

Partnerships for Indian Education

The OIEP worked cooperatively with other federal departments and agencies, as well as private sector organizations, to support students and teachers. BIA-funded schools have participated in the Administration's School-to-Work Opportunities program administered through the Departments of Education and Labor. In 1996, the BIA signed a Memorandum of Understanding with the U.S. Geological Survey (USGS) to provide science and environmental education support, including educational materials and other resources, at the elementary and secondary levels. Through a collaborative effort with Parents as Teachers, the National Center for Family Literacy, the High Scope Educational Foundation and the BIA, schools have participated in the Family and Child Education (FACE) program. FACE is a family literacy program serving children and their parents designed to enhance early childhood education, parent and child time, parenting skills and adult education.

Tribal Control of Education

In keeping with the spirit of self-determination and tribal self-governance, and the Administration's support for tribal sovereignty and local control of education, tribal governments now operate 120 schools funded by the BIA, an increase of twenty-two schools in the last six years.

These and other Administration efforts have given Indian students at the elementary, secondary, and post-secondary levels greater opportunities to attend schools in their own communities, graduate from high school, obtain advanced degrees, and become self-supporting, contributing members of their tribes and the nation.

Management and Administration

In 1999, the BIA asked the prestigious National Academy of Public Administration (NAPA) to review and analyze BIA management, organizational structure and administrative services. In its August 1999 report, *A Study of Management and Administration: the Bureau of Indian Affairs*, NAPA found that the BIA's budget and staffing had been reduced so severely in FY 1996 that it was unable to fulfill its mission, particularly without additional staff resources and fundamental changes in management. The NAPA determined that the BIA needed a minimum of 250 administrative positions throughout its organization and identified sixty new positions as necessary for the Office of the Assistant Secretary - Indian Affairs to manage the agency. The report led to improvements in BIA funding levels totaling \$5 million in FY 2000 and \$4 million in FY 2001 to allow BIA to carry out the NAPA recommendations.

In addition, the BIA was recognized by Interior and the Office of the Inspector General (OIG) for its outstanding efforts to resolve long-standing financial management problems. As a result of the FY 1999 audit of BIA principal financial statements, the OIG issued the first-ever unqualified audit opinion. After years of non-compliance with generally accepted accounting principles, the BIA demonstrated its accountability to the Administration, the Congress, the tribes and the American public.

Environmental Protection

The BIA works with tribes, tribal organizations and other federal agencies, both within and outside of the Department of the Interior, to mitigate and improve hazardous environmental conditions that existing on many reservations across the country.

To comply with a December 1998 regulatory deadline set by the Environmental Protection Agency (EPA), the BIA removed, replaced, or upgraded over 300 underground fuel storage tanks on reservations across the country. This not only brought BIA into compliance with the regulation, but reduced the agency's total number of active underground storage tanks (USTs) to thirty-five nationwide, drastically reducing the threat to public health in Indian Country from contaminated soil and groundwater.

In April 1998, the BIA became part of a multi-agency National Tribal Solid Waste Interagency Workgroup to coordinate federal assistance for tribal solid waste management programs. On August 11, 2000, the BIA joined EPA, the U.S. Department of Agriculture's Rural Utilities Service, the Department of Defense (DOD), the Department of Health and Human Services Indian Health Service (HHS/IHS), and the Department of Housing and Urban Development (HUD) in a Memorandum of Understanding to coordinate and promote safe waste management practices on Indian lands. The agreement also sets short-term and long-term goals for assisting tribes with the closing or upgrading open dumps on Indian lands, and provides coordination of separate federal programs and responsibilities rather than individual procedures, requirements or financial arrangements.

A New Era

In April of 1994, President Clinton became the first sitting president to meet with tribal leaders in the White House since James Monroe in 1822. The April 29th meeting inaugurated a dialogue on long-standing problems affecting the well-being of American Indians and Alaska Natives, and established a proactive relationship between the Clinton Administration and the tribes.

President Clinton was also the first sitting President since Franklin Roosevelt (who drove through Oklahoma Indian Territory) to visit Indian Country. The President traveled to Pine Ridge Reservation and the Navajo Nation. First Lady Hillary Clinton visited Acoma Pueblo.

At BIA's 175th anniversary observance on September 8, 2000, Assistant Secretary Kevin Gover offered a formal apology on behalf of the BIA for maltreatment of American Indian and Alaska Native people during most of its history. This was the first time any federal government official had formally acknowledged the federal government's role in Indian suffering, and it elicited a tremendous response from Indians and non-Indians alike.

OFFICE OF SPECIAL TRUSTEE FOR AMERICAN INDIANS

Introduction

On October 25, 1994 President Clinton signed into law the American Indian Trust Fund Management Reform Act, (PL 103-412). It was the first legislation to comprehensively address historical problems plaguing federal government management of the physical and monetary assets held in trust for Indian tribes and individuals.

History of the Indian Trust Funds

Funds have been held in trust for American Indians by the federal government since 1820, and criticism of the management of the Indian trust funds is longstanding. At the end of 1999, the federal government, as trustee, maintained approximately 1,400 trust accounts for 315 tribal entities with trust assets in excess of \$2.5 billion, and \$800 million passed through the tribal trust fund account system annually. The government also maintained approximately 285,000 Individual Indian Monies (IIM) trust fund accounts through which over \$300 million passed each year. All of those assets are held in trust pursuant to federal law and treaties negotiated by the United States with specific tribes, each of which is recognized by the United States and its courts as sovereign dependent nations.

The physical assets of each tribal account consist of significant tracks of land conveyed by the tribe to the United States in trust. Those assets are managed by the Department of the Interior and produce income. That income is derived mainly through the sale or lease of the trust lands and includes timber stumpage, oil and gas royalties and agriculture fees. The monetary assets are comprised of this income and judgement funds awarded by the courts, appropriated by Congress and placed in trust to settle specific claims brought against the United States by a tribe or tribes. These funds are invested while held in trust and also produce income for the particular trust account or accounts.

As early as 1928 the General Accounting Office (GAO), the investigative research arm of Congress, issued reports documenting weak accounting practices and other problems in the Bureau of Indian Affairs (BIA) trust fund management system. Accounting activities associated with the income derived from the land were performed at each BIA Agency Office using hand-written ledgers and journals. Each Agency Office, typically located on an Indian reservation, was charged with the maintenance of its own local trust records. There was little or no standardization in the record keeping function.

In 1951, a new accounting procedure was designed and approved by GAO and installed in the BIA Area (regional) Offices. All fund types, IIM as well as Tribal, were integrated into this new system. In 1952 and 1955 GAO published reports describing numerous management concerns with the performance of the various Area Offices. Thereafter, beginning in 1965, BIA began centralizing the trust fund accounting functions on a mainframe computer in Albuquerque, New Mexico. The conversion of the monetary assets of the accounts to this computer system was completed in 1967. Thereafter, the Department of the Interior developed and implemented a new automated accounting system in 1968, which was further updated in 1974.

At the same time, Treasury decided to simplify the manner in which it maintained the tribal appropriation accounts. As a result, in July 1972 some 1,100 accounts were combined into one account. Prior to that time, Treasury had maintained a separate account for each tribal trust fund, typically with a separate account balance for principal and interest for each account. These dual sets of records allowed the trustee to detect errors in recording financial data. For example, if Treasury received cash for a particular account, but BIA had failed to record it to the proper account record, a variance would show up between the specific account on the BIA books and the specific account kept at Treasury. Such a difference could not be identified once Treasury combined the individual tribal accounts into one account. Nevertheless, consolidation occurred to alleviate the administrative and cost burdens on Treasury associated with the maintenance of accounts for each tribe.

Additionally, effective in Fiscal Year 1973, Treasury no longer posted semi-annual interest income to trust fund account balances, something that had been done from 1928 to 1972. Rather, BIA assumed responsibility for computing and distributing interest on the trust cash held at Treasury. BIA regional offices were also responsible for posting interest earned on trust cash deposited outside of Treasury.

In 1982, GAO once again issued reports critical of the trust funds management system. Throughout the 1980s and up until President Clinton entered office in 1992, the Office of Management and Budget had consistently identified the financial management of Indian trust funds as a high-risk liability to the United States. In the late 1980s the Environment, Energy and Natural Resources Subcommittee of the House Committee on Government Operations initiated a three-year investigation into the issue. That investigation led to the publication of a report on April 22, 1992 entitled "Misplaced Trust: The Bureau of Indian Affairs' Mismanagement of the Indian Trust Fund."

The American Indian Trust Fund Management Reform Act of 1994

It was against this background that the Congress passed and President Clinton signed the American Indian Trust Fund Management Reform Act, which is codified at 25 United States Code (U.S.C.) 4001-4061. The Act established the Office of the Special Trustee for American Indians and provided-at 25 U.S.C. 4042 (b)(1)-that the Special Trustee (1) demonstrated ability in the general management of large governmental or business entities, and (2) particular knowledge of trust fund management, management of financial institutions and the investment of large sums of money.

The Act provides that the Special Trustee, a Presidential appointee who reports directly to the Secretary of the Interior, is responsible for the oversight, reform and coordination of the policies, procedures, systems and practices used by the various Departmental agencies in managing Indian trust assets of whatever type and wherever located.

The Act required the Special Trustee to prepare a comprehensive strategic plan for the management of all phases of the trust management business cycle. It was intended that the successful implementation of the recommendations in that plan would ensure the proper and

efficient discharge of the federal government's trust responsibilities with respect to the Indian trust assets for which the Secretary is responsible (25 U.S.C. 4043).

The Act also set out and identified those trust duties the Secretary must perform at a minimum to properly discharge the trust responsibilities the United States had assumed to these Indian beneficiaries. Those duties include: providing adequate systems for accounting for and reporting trust fund balances; providing adequate controls over receipts and disbursements; providing periodic, timely reconciliations to assure the accuracy of accounts; determining accurate cash balances; preparing and supplying account holders with periodic statements of their account performance and with balances of their account which shall be available on a daily basis; establishing consistent, written policies and procedures for trust fund management and accounting; providing adequate staffing, supervision, and training for trust fund management and accounting; appropriately managing the natural resources located within the boundaries of Indian reservations and trust lands; properly accounting for and investing, as well as maximizing, in a manner consistent with the statutory restrictions imposed on the Secretary's investment options, the return on the investment of all trust fund monies; preparing accurate and timely reports to account holders (and others, as required) on a periodic basis regarding all collections, disbursements, investments, and return on investments related to their trust accounts; maintaining complete, accurate and timely data regarding the ownership and lease of Indian lands.

Reforms

In April 1997, the Special Trustee submitted to the Secretary and the Congress a Strategic Plan to Implement the Reforms Required by the American Indian Trust Fund Management Reform Act of 1994. Notwithstanding the Secretary's reservations about certain recommendations made by the Special Trustee, the Secretary and the Special Trustee agreed that the trust system improvements and data cleanup efforts outlined in the Plan could and should proceed as soon as possible. The Secretary's decisions are memorialized in his Memorandum of August 22, 1997, Trust Improvements Project Definition. They were, thereafter, organized into separate but complementary sub-projects that comprise the Trust Management Improvement Project (TMIP) and published in the High Level Implementation Plan (HLIP) in July 1997.

With the help of its Advisory Board (25 U.S.C. 4046) under the leadership of Elouise C. Cobell (the Controller for the Blackfeet Tribe located in Montana and a member of the group that organized the Blackfeet National Bank), the OST and the Department initiated the required reforms, including some already underway. For example, the Office of Trust Funds Management, located in Albuquerque, New Mexico, which is responsible for the investment of the monies generated by the underlying trust assets, had been transferred to OST in 1996 and had already undertaken the first reforms of the functions for which it is responsible.

As the Department and OST proceeded with the reforms called for in the HLIP it became apparent that the plan itself needed revision and restatement. With the reevaluation and revision of the HLIP well underway, Paul Homan resigned as Special Trustee in 1998. He was replaced by Thomas N. Slonaker of Arizona. Under his leadership and using the road map set out in HLIP-2000 (published in February 2000), the OST was able to guide the Department into the

next phase of reforms necessary to allow the Secretary to successfully discharge the government's trust responsibilities with respect to the Indian assets it holds in trust.

Progress

As President Clinton left office in January 2001, many important reforms had been successfully put in place. Building on that foundation, it was expected that the remaining difficulties would be conquered early in the 21st century.

CHAPTER FIVE: POLICY

OPERATIONAL BUDGETS OF INTERIOR'S LAND MANAGEMENT AGENCIES

A continuing priority throughout the administration of President Clinton was rebuilding the budgets of the land management bureaus. In the Department of the Interior these bureaus are the Bureau of Land Management, the Fish and Wildlife Service, and the National Park Service. The table below shows the budget history for these operational accounts during the Clinton administration.

<i>(in millions of dollars, BA)</i> Fiscal Year	Bureau of Land Management		Fish and Wildlife Service		National Park Service		Total	
	Request	Approp.	Request	Approp.	Request	Approp.	Request	Approp.
1992		621		516		963		2,100
1993	582	623	544	531	1,032	972	2,157	2,125
1994	710	688	628	495	1,160	1,094	2,498	2,277
1995	713	693	541	511	1,127	1,082	2,381	2,286
1996	729	699	535	507	1,158	1,082	2,422	2,288
1997	684	674	540	531	1,173	1,155	2,398	2,360
1998	689	681	562	595	1,220	1,246	2,471	2,522
1999	759	708	676	660	1,321	1,286	2,756	2,654
2000	743	743	724	715	1,390	1,364	2,856	2,821
2001	819		762		1,454		3,035	

Clinton Budgets

The arrival of President Clinton's administration signaled a sharp change in direction for the Department of the Interior's land management funding. The first full budget proposed by President Clinton, the FY 1994 request, represented a 16 percent increase over the previous year's request for these bureaus' operations and an 18 percent increase over the actual FY 1993 appropriation. For FY 1994, Congress appropriated just under half of the requested increase.

The consistent policy of proposing healthier budgets for the land management bureaus to protect and preserve the resources under their responsibility resulted in steady increases over the years. By FY 2000, the operational budget of BLM had increased 19 percent, FWS 35 percent, and NPS 25 percent.

LANDS LEGACY AND THE CONSERVATION AND REINVESTMENT ACT

Lands Legacy

One of the most promising of the Administration's environmental proposals was the Lands Legacy initiative. This initiative centered on the long-term goal of full and permanent funding for the Land and Water Conservation Fund and other environmental programs designed to protect and restore America's lands, habitats and wildlife. President Clinton formally launched the initiative as part of the FY 2000 budget with a January 1999 speech at the National Arboretum in Washington, D.C. Congress funded the Lands Legacy Program inadequately in FY 2000, including only some of its elements in appropriations acts. The initiative was expanded for the FY 2001 budget and again received poor treatment, in part because of the low budget ceilings assigned to the Interior and Related Agencies Appropriations Subcommittees.

On a parallel track, Congress had been moving, and the Administration had been supporting, permanent legislation that incorporated and expanded on many elements of the Administration's Lands Legacy initiative and Interior's earlier Partnership for America's Resources proposal. This legislation was consolidated as H.R. 701 and entitled the "Conservation and Reinvestment Act," commonly known as CARA. The House of Representatives passed CARA and the Senate Energy and Natural Resources Committee approved the legislation with substantive differences from the House. Neither version was acceptable to the Administration. In the end, the Senate version was never taken to the floor, and the legislation was not enacted.

In late September 2000, fearing that a reported compromise by authorizing committee members allowing CARA to be enacted might succeed, the Appropriations Committees substantially augmented their previous conference action on the Lands Legacy initiative with a \$1.6 billion program (including, roughly, \$700 million in base funds) in Title VIII of the Interior and Related Agencies Appropriations bill, titled "Land Conservation, Preservation and Infrastructure Improvement" (LCPII). This approach was less ambitious and cheaper than CARA, and much closer in concept to the Administration's Lands Legacy initiative. It ultimately was enacted into law.

Roots of the Initiative

There are several major antecedents for the Lands Legacy initiative. First, many of the program components reflect major, existing environmental programs which have been starved for funding over a long period of time. For example, the Land and Water Conservation Fund (LWCF), is a fund designed to finance acquisition of lands for national parks, refuges, forests and certain public lands, and to fund grants to states for outdoor recreation investments including state and local parks, trails, wetlands and playing fields. The fund automatically receives \$900 million each year—primarily from offshore oil and gas revenues; however, only a fraction of this amount has been appropriated over the past two decades. As of FY 2000, the LWCF had an unappropriated balance of nearly \$13 billion, while the state grant program had been eliminated.

Second, a broad nationwide coalition representing environmental organizations and the recreation industry called “Americans for Our Heritage and Recreation” formed in the mid-1990s. The purpose of the group was to begin lobbying for “full funding” of the LWCF at \$900 million per year. A second coalition called “Teaming with Wildlife” assembled to foster a state non-game wildlife grant program of about \$350 million per year, to be funded by proposed new taxes on recreation equipment.

Third, in March 1998, the Department of the Interior began to develop what became known as the “Partnership for America’s Resources” (PAR), a \$3.2 billion dollar annual program to “protect and restore America’s key legacy resources, natural, recreational, and historic; and [advance] a national partnership with states, local governments and the public to provide a natural resource legacy for future generations of Americans.”¹ The proposal was to finance seven complementary permanent funds specifically addressing the “major conservation and restoration challenges confronting the nation on the cusp of the 21st century.” These were:

• Land and Water Conservation Fund	\$900M
• Habitat and Coastal Restoration Fund	1,200M
• Historic Preservation Fund	150M
• Farmland Wildlife Protection Fund	100M
• Urban Park and Recreation Restoration Fund	150M
• Abandoned Mine Reclamation Fund	277M ²
• Federal Lands Good Neighbors Fund	291M ³

The Habitat and Coastal Restoration Fund included components for State Non-Game Wildlife Conservation Grants (\$350M); Coastal Restoration Grants Partnerships (\$400M); Wildlife and Endangered Species Partnerships (\$150M); and Federal Lands Restoration (\$300M). The PAR initiative included many proposals for major modifications in the approach and scope of the different program components. Interior initiated briefings on this proposal with the President’s Council on Environmental Quality (CEQ) and the Office of Management and Budget (OMB) in early August 1998 and followed up with further White House staff briefings. Though PAR was bold and well-targeted, the overall fiscal climate was not yet ripe for a proposal with an incremental price tag of over \$2 billion. The projections of a future federal budget surplus were just beginning to emerge and the level of the spending caps had been set in the previous year after major Congressional battles.

At about the same time PAR was being developed, a coalition of coastal states, organized by Louisiana interests, began to prepare legislation that was to become the Conservation and Reinvestment Act. The initial concept was to share 27 percent⁴ of offshore oil and gas revenues with coastal states. With half of this amount allocated to producing states and coastal counties

¹ Source: “Partnership for America’s Resources”, final review draft, December 1998, page 1.

² This was to be financed by extension of the program of fees on coal mine operations, and was expected to grow to about \$360 million within five years, and then stabilize at that level.

³ This fund included the Payment in Lieu of Taxes and Refuge Revenue Sharing that were expected to increase modestly from year to year as federal lands were purchased. It was to be financed from onshore mineral revenues and unappropriated balances in the Reclamation Fund.

⁴ 27 percent is a historical number based on the amount of money states receive from federal offshore revenues earned from the first three miles of the Outer Continental Shelf.

based on proximity to leases and the other half going to all coastal states to broaden the voting coalition that would be needed for passage in Congress. This proposal also included funding for the LWCF and the state wildlife grant program. The latter program was patterned after Teaming With Wildlife, but was financed differently and expanded in scope to include game animals. Money for each of these programs would come from a percentage of Outer Continental Shelf (OCS) revenues. A draft of this legislation was circulated in the summer of 1998, and legislation was introduced simultaneously in the House and Senate in October 1999 as H.R. 4717 and S. 2566. These bills were introduced too late for legislative action that year, but provided a base for drawing attention to and comments on the proposals.

With these antecedents and against a backdrop of increased public support for such initiatives, the Administration fashioned its first broad environmental proposal, the “Lands Legacy Initiative.”

The Lands Legacy Initiative-Fiscal Year 2000

The Administration’s first Lands Legacy Initiative was a multi-program budget proposal combining base funding with proposed new money in the FY 2000 budget. It was billed as a “new conservation vision for the 21st century, to help reconnect people with the land by preserving irreplaceable pieces of our natural legacy within easy reach of every citizen.” The Lands Legacy initiative, built in part on Interior’s PAR proposal, was far less fiscally ambitious, in line with the Administration’s goal to present an overall budget that lived within the discretionary ceilings of the Budget Reform Act. It also incorporated program elements from the National Oceanic and Atmospheric Administration (NOAA) and the Department of Agriculture.

Lands Legacy was presented as a budget proposal that totaled \$1.0 billion—a 125 percent overall increase over 1999—for the set of programs packaged together as the initiative. It proposed to expand federal efforts to conserve and restore American lands and wildlife, giving new resources to states and communities to protect local green spaces, and providing for increased protection of coastal and oceanic resources. At the time of its announcement, the President indicated that he would seek to make the initiative permanent.

The initiative included \$900 million from the Land and Water Conservation Fund (LWCF), marking the first time any Administration had requested “full” funding of LWCF in its annual budget. LWCF monies would have not only been used to fund programs traditionally identified with the LWCF, but also programs within NOAA and Agriculture. This element proved to be controversial since it ran counter to the aims of the broad environmental and recreation coalition supporting full funding of the LWCF. The proposal was not popular with the appropriations committees, which were hostile to more environmental funding, making grants to states, and using the dedicated revenues particularly in non-traditional ways not authorized in general legislation.

The proposed and enacted funded included:

FY 2000

Program	Request	Final
<i>Federal Land Acquisition (LWCF—Interior and Ag)</i>		
Interior	295	249
USDA	118	160
Total Federal Land Acquisition	413	409
<i>Interior</i>		
<u>State grant programs</u>		
Coop. Endangered Species	80	23
Urban Parks and Recreation Recovery	4	2
Open Space Planning Grants	50	0
State Land Conservation	150	41
<i>USDA</i>		
Forest Legacy	50	30
Urban and Community Forestry	40	31
Farmland Protection Program	50	0
Smart Growth Partnership	10	0
<i>NOAA—DOC Coastal Programs</i>		
National Marine Sanctuary Program	29	26
Coastal Zone Management Program	92	58
National Estuarine Research Reserves	19	12
Coral/Coastal Dredge/Fisheries Habitat Restorations	43	10
Totals	1,030	642

Only \$314.5 million of the \$579 million requested in the Department of the Interior's FY 2000 budget proposal for the Lands Legacy Initiative was provided by Congress. Only \$41 million of the \$200 million requested for state grants for Land Conservation or Open Space Planning was provided; only \$23 million of the \$80 million requested for the Cooperative Endangered Species Conservation Fund received approval; \$2 million or one-half of the \$4 million request for Urban Parks and Recreation Recovery; and \$249.5 million of the \$295 million Interior request for federal land acquisition was funded.⁵

⁵ However, while the portion for federal land acquisition appears to come close to equaling the requested amount of \$295 million, thirty-three of the projects representing \$51.8 million were added on by the Congress with concomitant reductions in acquisitions requested by the Administration.

Nevertheless, Lands Legacy received \$642 million in the first year of the \$1 billion requested government-wide for the initiative. This level of funding reflected contentious budgetary negotiations with the Administration working to secure final appropriations much closer to its original proposal and far above the amounts provided in either the House- or Senate-passed versions of the appropriations measures.

The second year of the Administration's Lands Legacy Initiative expanded on the FY 2000 proposal, despite the setback in appropriations, and included some modifications in concept. The FY 2001 budget proposed \$1.4 billion representing a 53.4 percent overall increase from FY 2000 enacted for all the programs involved. The initiative also included a proposal to "fence and cap" the amount to be set aside for the initiative—a means of making the program relatively permanent by establishing a separate budgetary cap for the \$1.4 billion apart from the normal budgetary caps covering other discretionary appropriations.

The FY 2001 Lands Legacy Initiative provided funding increases for a variety of programs. For Interior, the Urban Parks and Recreation Recovery program was substantially increased, and new components were added for State Non-game Wildlife Grants, for the North American Wetlands Conservation Fund, and for providing planning tools to the states through State Planning Partnerships. The Open Space Planning Grants component from FY 2000 was dropped. The Department of Agriculture dropped the Farmland Protection Program and the Department of Commerce added Coastal Impact Assistance Grants and the Pacific Northwest Salmon Fund. LWCF funding was largely limited to traditional uses.

The Conservation and Reinvestment Act

Concurrent with the Lands Legacy initiative, various members of Congress introduced a number of authorization bills that packaged multiple environmental programs and proposed to provide dedicated permanent funding. Three of these have substantially influenced the path of such legislation to date. The CARA legislation from 1998 was modified somewhat and reintroduced at the beginning of the 106th Congress in both the House and Senate. Representatives Don Young (R-AK), Billy Tauzin (R-LA), and John Dingell (D-MI) among others introduced H.R. 701. Senators Landrieu (D-LA) and Murkowski (R-AK) among others introduced the Senate Bill, S. 25. Shortly after that, Congressman Miller introduced H.R. 798, a measure much closer in concept to the PAR initiative which also reflected elements of the FY 2000 Lands Legacy program and which was much more in tune with Administration positions. Initial hearings were held on these during March 1999. Subsequently, Congressmen Young, Miller and Dingell, among others, began negotiations to see if they could reach agreement on joint legislation, having reached the conclusion that joint sponsorship would be needed to move any such legislation out of the Resources Committee or to get it approved by the House. This led to agreement on a joint set of amendments combining the two bills under the banner of CARA and H.R. 701, which were approved by the Resources Committee in November 1999. The bill was reported out of Committee in somewhat amended form in February 2000. Sponsorship of this bill grew to 315 members. This agreement led to House passage of H.R. 701 on May 11, 2000, on a 315-102 vote.

Prior to House passage, Senator Bingaman introduced S. 2181, the Conservation and Stewardship Act (CASA). This led to negotiations on the Senate side between Senators Murkowski and Bingaman, among others, and agreement on a combined bill that maintained the CARA banner as H.R. 701, but with a largely different text and a somewhat different, though overlapping, mix of program elements. The Senate Energy and Natural Resources Committee approved this combined bill on July 15, 2000. The program components of the House and Senate versions of CARA, as of August 2000, were as follows:

<p>PROGRAM AMOUNTS AVAILABLE UNDER H.R. 701 AS PASSED BY THE HOUSE AND REPORTED BY THE SENATE COMMITTEE ON ENERGY AND NATURAL RESOURCES (In \$millions)</p>

Program	Passed by House	Reported by SENR
OCS Impact Assistance/Coastal Programs	\$1,000	\$805(a)
Federal LWCF	\$450	\$450
Stateside LWCF	\$450	\$450
Wildlife Conservation	\$350	\$350
Urban Parks and Recreation Recovery	\$125	\$75
Urban Forestry	(b)	\$50
Historic Preservation Fund	\$100	\$150
Federal Lands Restoration	\$180	\$100 (NPS only)
Tribal Lands Restoration	\$20	\$25
Cooperative Endangered Species Recovery	\$50	\$0
Farmland Protection Program	(b)	\$50
Forest Legacy Program	(b)	\$50
Youth Conservation Corps	\$0	\$60
Forest Service Rural Development	\$0	\$25
Forest Service Rural Community Assistance	\$0	\$25
Payment in Lieu of Taxes (PILT)	Interest earned on all titles except wildlife (c)	\$325
Refuge Revenue Sharing (RRS)	Interest earned on all titles except wildlife (c)	\$0
North American Wetlands Conservation	Interest earned on wildlife title	\$0
Total	\$2,825(d)	\$2,990

- (a) Includes \$430M for OCS, \$350M for coastal programs and \$25M for Coral Reefs.
(b) HR 701 provides \$100M for Urban Forestry, Farmland Protection Program and the Forest Legacy Program, although no distribution among them is provided.

- (c) CARA matching funds for PILT and RRS funded through interest. This is in addition to appropriated funds.
- (d) Plus interest earned on accounts for PILT, Refuge Revenue Sharing, and North American Wetlands Conservation.

Both versions of the legislation offered promise from the Administration's perspective, but both had problems as well. The House version made funding for all of the programs except federal land acquisition permanent, making that program nothing more than an authorization. In addition, it added unworkable conditions in the appropriations process such as a floor amount and a ceiling. Existing authorizations do not include such onerous conditions, making the legislation a candidate for veto. The Senate version substantively is much closer to the Administration's position on the various elements, but ties permanency of funding to enactment of \$450 million in federal land acquisition. This has the effect of making the entire \$2.99 billion in the bill little more than an authorization, and subjecting the entire amount to the discretionary spending caps. The Senate bill also includes unworkable budget and social account surplus requirements that would compromise its utility.

The Administration assigned a high priority and senior staff to work with Congress on resolving these problems and securing enactment of favorable legislation. The Senate measure was blocked from being taken to the floor by opposition from some of the members of the Appropriations Committee, who objected to the financing arrangements. In late September, an informal House-Senate group, including the major sponsors, reached agreement on a compromise approach that would have increased funding over a six-year period, limited CARA to a six-year program, and used a "cap and fence" approach along the lines of the Administration's Lands Legacy initiative. This compromise appeared to galvanize the appropriators into launching their own initiative, which was ultimately enacted with Administration support and which is much closer to the Lands Legacy budget proposal. With the success of the Appropriations Committee initiative, the CARA coalition collapsed and the CARA bill died.

Land Conservation, Preservation and Infrastructure Improvement Program

After protracted negotiations with the Administration, the conferees on the FY 2001 appropriations bill agreed to create a six-year \$12 billion Land Conservation, Preservation, and Infrastructure Improvement Program as a compromise between the President's Lands Legacy Proposal and the CARA legislation. Details of the new program and funding levels provided for elements of the President's Lands Legacy proposal are described below. Dollars reflected in the table are in millions.

Program Category:	<u>Title I</u>	<u>Title VIII</u>	<u>Total this bill</u>
1. Federal and State LWCF:			
DOI/Fed.	163,940	130,000	293,940
DOI/State	40,500	50,000	90,500
Forest Service/Fed.	106,505	49,000	155,505
2. State and Other Conservation:			
DOI	51,925	168,000	219,925
Forest Service	30,000	50,000	80,000
3. Urban and Historic Preservation:			
DOI	86,347	35,000	121,347
Forest Service	34,721	4,000	38,721
4. Maintenance:			
DOI	N/A	100,000	100,000
Forest Service	N/A	50,000	50,000
5. PILT (DOI)	N/A	50,000	50,000
6. NOAA (Coastal)	N/A	[400,000]	[400,000]
Total Funding:	<u>513,938</u>	<u>686,000</u>	<u>1,199,938</u>
DOI	342,712	533,000	875,712
Forest Service	171,226	153,000	324,226
Total Funding, Including NOAA	N/A	N/A	1,599,000

The 2001 Land Conservation, Preservation, and Infrastructure Improvement Program (LCPII) includes a new category of funding in Title VIII of the Interior and Related Agencies Appropriations Act (PL 106-291) that provides an additional \$1.6 billion. \$1.2 billion of this amount is for Interior and Forest Service programs, including: federal and state LWCF funding (\$385 million for Interior; \$155 million for Forest Service), state and other conservation programs (\$220 million for Interior; \$80 million for Forest Service); urban and historic preservation (\$121 million for Interior, including \$3 million for Youth Conservation Corps and \$39 million for Forest Service, including \$3 million for Youth Conservation Corps); maintenance (\$100 million for Interior; \$50 million for Forest Service), and PILT payments (\$50 million for Interior). The remaining \$400 million is for coastal programs in NOAA.

Total funding amounts for this new program are available under a cap and fence structure. Discretionary funding ceilings are established in the Balanced Budget and Emergency Deficit Control Act for a conservation category that can only be spent for new land conservation, preservation and infrastructure improvement activities (the cap mechanism). There are six identified program subcategories for each year, as displayed in the table above. While funds are subject to appropriations through the annual appropriations process, they may not be appropriated for any other purposes (the fencing mechanism). Any funds that are not appropriated within the caps are available the following fiscal year for appropriation for the same activities. There is no bar to appropriating more for any subcategory from the overall government-wide discretionary budget caps, and it appears that additional funding will be provided in the Commerce-Justice-State appropriations measure, where Congress appears ready to add \$35 million to NOAA above the \$400 million subcategory, and to add \$50 million for a formula-based State Wildlife Grant program managed by the U.S. Fish and Wildlife Service. Funding within the capped and fenced conservation category grows by \$160 million a year, reaching a total of \$2.4 billion by 2006.

INTERIOR'S INTERNATIONAL PRESENCE

Prior to 1992, Interior provided no technical assistance overseas, although several of the Bureaus did. In 1995, the Department established a funding agreement with the U.S. Agency for International Development (USAID) to enable Department officials to provide technical assistance on biodiversity conservation to developing countries worldwide. Administered by the Office of International Affairs, more than one million dollars has been available annually under the Partnership for Biodiversity program since 1995. The program has been—or is currently—active in Bolivia, Brazil, Ecuador, Guatemala, Honduras, Mongolia, Nepal, Russia, South Africa, Tanzania, and Uganda.

The technical assistance provided under this program has been instrumental in significantly strengthening protection of natural resources in the targeted countries. For example, as a result of the Department's work, the Rio Platano Biosphere Reserve in Honduras—part of the largest contiguous undeveloped rain forest in Central America—now has governmental and non-governmental staff assigned to it with strong administrative, technical and leadership capabilities. Lake Hovsgol National Park in Mongolia has the necessary park infrastructure and

skills to manage its pristine natural and cultural resources, stronger park-community ties, and growing international recognition for its natural and cultural resources. Shey Phoksundo National Park in Nepal—nominated as a World Heritage Site for its unique natural and cultural resources—has new trails, interpretive materials and a newly established Junior Ranger program throughout neighboring schools. In Tanzania, Tarangire National Park and Lake Manyara National Park have improved infrastructure and park staff are better skilled in the areas of wildlife law enforcement and fire management. Overall, the Partnership for Biodiversity has forged strong links between U.S. and foreign protected areas and protected area personnel.

With additional USAID funding, Interior has initiated programs in the Republic of Georgia, Indonesia, and the Philippines. In the Republic of Georgia, Interior is working closely with the Georgian Ministry of Environment to strengthen Georgia's protected area system. In Indonesia, the Department is working to build the capacity of the Indonesian government to manage their coal and peat fires. In the Philippines, the Department has trained government and non-governmental staff in the principles of marine law enforcement to conserve important coral resources.

Recently, Interior has attracted funding interest from the World Bank, the InterAmerican Development Bank, and sovereign governments, such as the Kingdom of Jordan, to provide technical assistance on a range of topics from biodiversity conservation to cultural resources management.

Interior Leads U.S. Efforts on Environmental Cooperation with South Africa

After a new government was elected in South Africa in 1994, Vice President Gore established the U.S.-South Africa Commission with his counterpart, then Vice President (now President) Mbeki to lend U.S. support to the stabilization of a multi-ethnic society in post-apartheid South Africa. Secretary Babbitt was asked to chair the Conservation, Environment & Water Committee of the Gore-Mbeki Commission, which has addressed critical issues such as expanding water rights to formerly disenfranchised citizens, creating jobs that also help conserve natural resources, and providing economic opportunities in conservation management to majority South Africans.

Prior to 1994, the U.S. government had little contact with South African government officials because of their apartheid policies. After the government transition, the Department saw the importance of establishing government-to-government relations on subjects of mutual concern, such as CITES, and because South Africa plays a leadership role in the rest of the African continent. All of the workshops sponsored by the committee have included participants from the other countries of southern Africa.

The Committee's strategic goal is to strengthen the capacity of South Africans to improve the quality of life in their society and manage the environment in a sustainable way. This goal is based on Section 24 of the new Constitution of South Africa: "Everyone has the right to an environment which is not harmful to their health or well-being."

The Conservation, Environment & Water Committee uses five Working Groups, based on U.S. and South African environmental agency responsibilities, to organize its activities. At the

original suggestion of the Vice President's Office, Interior staff sought to involve as many federal environmental agencies as possible in the work of the Committee. The USFWS and Bureau of Reclamation have been particularly active within Interior, as have EPA and NOAA; all chair Working Groups. Each agency is providing its own funding for its activities and operates under its own legal authorities. (Each Working Group does coordinate with other agencies. For example USFWS includes Smithsonian and Bureau of Land Management in its Working Group.)

To date, the Committee has initiated over sixty-six discrete projects between U.S. and South African counterparts, enabled over 106 South Africans to visit the U.S. to observe Interior operations on everything from park management, weather predictions, invasive species control to fire management. USAID has provided approximately 1 million for activities of the committee, an amount that has been equally matched by the U.S. agencies and the South Africans.

Successes of the Committee include binational cooperation on the drafting of South Africa's new Water Law, enacted in 1997. The Interior Solicitor has said it is "vaulting South Africa into the first rank of the world's jurisdictions on progressive water law and management." Staff from the Solicitor's office and Bureau of Reclamation provided advice on drafting of the law at the request of the South African Water Ministry.

The Committee also provided the first foreign financial support to the Working for Water program, sponsored by the South African Ministry of Water Affairs and Tourism, which now employs 42,000 South Africans and is the country's largest public works program. The program's focus is to eradicate invasive alien plant species, which divert 7 percent of this drought-prone nation's rainwater.

The Committee sponsored South African National Parks Executive Director Mavuso Msimang's seventeen-day tour of seven U.S. National parks and wildlife refuges to observe how U.S. parks and refuges build local community support, create economic opportunities, provide employee training and offer environmental education and cultural management. NPS Director Stanton conducted an exchange visit to South Africa, which resulted in increased information sharing and exchanges between staffs.

Committee-sponsored Workshops on Wetlands Protection, Invasive Species, Climate Forecasting, and Water Management drew international attendees, wide praise in the South African press and professional staff in South Africa.

U.S.-Mexico Affairs

The Department of the Interior administers more than 10 million acres within 100 km (62 miles) north of the international border with Mexico. This land constitutes about one third of the land on the U.S. side of the border. This includes several national parks, monuments and memorials; national wildlife refuges and lands administered by the Bureau of Land Management that contain nationally significant natural and cultural resources. Additionally, the Department is responsible for ensuring the well-being of a wide array of federal trust species (including endangered or threatened species, migratory birds, and some marine mammals) that occur in the border region.

Secretary Signs First International Agreement

A precedent-setting Memorandum of Understanding was signed on May 18, 2000 between Interior and its counterpart agency in Mexico to cooperate on natural resources and watershed management, scientific exchange, and biodiversity conservation. While the bureaus had signed such agreements previously, this was the first time one was signed by the Secretary on behalf of the entire department. The agreement was requested by Secretary Babbitt to formalize the excellent relations he has developed with his counterpart in Mexico. The Solicitor's Office and the Department of State fully recognized the Department's legal authority to engage in these types of agreements with counterpart agencies in foreign nations.

North American Free Trade Agreement and Environmental Side Agreement

Interior participated actively in the final moments of the NAFTA negotiations to ensure explicit recognition by NAFTA trade rules of the Convention on International Trade and Endangered Species and the Migratory Bird Treaty. Interior worked throughout the development of the environmental side agreement that created the tri-national Commission on Environmental Cooperation (CEC) to ensure adequate consideration of natural resources and biodiversity conservation. In coordination with Fish and Wildlife Service, the Department has taken an active role in steering the CEC toward useful and relevant activities related to migratory birds, monarch butterflies, wildlife enforcement, and scientific cooperation.

Increased Coordination of Interior Activities along the U.S.-Mexico Border

Prior to 1993, Interior bureaus worked with Mexico across the border on some issues, but typically on an *ad hoc*, one-on-one basis. When the North American Free Trade Agreement with Mexico was signed in 1992, Interior decided that it needed to increase internal coordination on border issues so that the agency could be more effective in dealing with the potential impacts to the environment and natural resources from increased economic development and population growth. In response to this need, Interior established the U.S.-Mexico Border Field Coordinating Committee (FCC), which is comprised of representatives from all the Interior bureaus. Since its creation in 1994, the FCC has been instrumental in representing the Department's interest in border issues in a variety of forums and has enhanced Interior's interaction with state and local governments, academia, private organizations, and other federal agencies on both sides of the border. The committee members facilitate field-level input and coordination for Interior policies and programs along the border such as Border XXI—a binational, interagency initiative for the U.S.-Mexico border aimed at improving intergovernmental coordination in the protection and improvement of the environment, natural resources, and public health. Within the Border XXI program, Interior co-leads with Mexico the Natural Resources Workgroup and participates in the Water Workgroup and the Environmental Information Workgroup.

Biodiversity Conservation on the U.S.-Mexico Border

The Department has worked with Mexico to build a program of binational cooperation to overcome problems of habitat fragmentation across jurisdictional boundaries and the international border. Through the Letter of Intent to Enhance Cooperation in Adjacent Protected

Areas—signed by Secretary Babbitt and his counterpart from Mexico, Secretary Carabias of Mexico’s Secretariat of Environment, Natural Resources and Fisheries (SEMARNAP) on May 5, 1997—local land managers are empowered to work directly with their counterparts across the border. As a result, scientific and technical exchanges, as well as coordination on natural resources management, have increased among the staff and managers of the natural protected areas.

The Letter of Intent set up pilot areas in the Chihuahuan and Western Sonoran Deserts. The Chihuahuan Desert area includes Big Bend National Park in Texas and, in Mexico, the Flora and Fauna Protected Areas of Maderas del Carmen in Coahuila and Cañon de Santa Elena in Chihuahua.

In the Western Sonoran Desert, the pilot area encompasses Organ Pipe Cactus National Monument, Cabeza Prieta National Wildlife Refuge and Imperial National Wildlife Refuge, as well as special management areas administered by the Bureau of Land Management. In Mexico, the pilot includes the Biosphere Reserves of the Alto Golfo de California y Delta del Rio Colorado in Baja California and Sonora and El Pinacate y Gran Desierto de Altar in Sonora.

Transboundary Watershed Protection

Secretaries Babbitt and Carabias signed three Joint Declarations to enhance binational cooperation in the transboundary watersheds of the Upper San Pedro River Basin (June 22, 1999), the Colorado River Delta (May 18, 2000), and the Rio Grande River: Ft. Quitman to Amistad Reach (June 14, 2000). These declarations have created avenues to address issues related to water resources and the ecological integrity of the associated riparian and aquatic habitats.

Seamless Map of the U.S.-Mexico Border

The Department and the U.S. Geological Survey worked intensively for nearly two years to fund, develop, and finally sign an agreement with Mexico to work jointly to produce aerial photography suitable for developing maps and GIS (Geographic Information System format) systems for the entire U.S.-Mexico border. This project will eliminate the “white map” syndrome, where U.S. maps have typically been white south of the border and Mexico maps have typically been white north of the border. The agreement was a fulfillment of commitments made by President Clinton and Mexican President Zedillo in their October 1995 Summit to “survey the U.S.-Mexico border.” The goal of the project is to create seamless maps and binationally-compatible geospatial data that will be used by land managers, local city and county planners, among other users.

Wildfire Protection Agreement

An agreement was executed between Interior, SEMARNAP, and U.S. Department of Agriculture to enable the U.S. and Mexico to jointly respond to wildfires on June 4, 1999. The agreement was used in the late summer of 2000 to bring Mexican fire fighters to the U.S. to assist in suppressing the devastating fires in the western U.S.

OFFICE OF INSULAR AFFAIRS

Interagency Group on Insular Areas

President Clinton established the Interagency Group on Insular Areas (IGIA) by Executive Memorandum on August 9, 1999, to formalize a mechanism to clarify the concerns of American Samoa, the Commonwealth of the Northern Mariana Islands, Guam and the U.S. Virgin Islands. Under the direction of the Secretary of the Interior and the White House, this initiative brings together senior officials from throughout the federal government. The Office of Insular Affairs provides day-to-day management and policy support.

The IGIA is charged with improving cross-cutting policy coordination, increasing federal responsiveness to insular area issues, and recommending policy and program remedies to the President. As a first step, the group has focused its attention on areas that promote sustainable growth consistent with the management of natural and fiscal resources. Its strategic work plan, developed in consultation with island leaders, also seeks to improve the general welfare of the islands to achieve parity with U.S. health, social, and economic development.

Issue clusters provide a roadmap for closer interdepartmental collaboration to address follow-up items, and set the framework for future actions. These include economic planning and trade mission assistance, tax incentives, immigration and visa issues, job training assistance, budget and management controls, and new economic initiatives. The improvement of statistical capacity, land usage, solid and wastewater management, environmental hazard mitigation and clarification of disaster assistance round out the clusters. In October 2000 it convened a meeting of officials from the islands and the federal government to help mediate grant management and fiscal accountability concerns and increase the islands' competitive advantage when applying for new grants and loans.

CNMI Labor, Immigration and Trade Reform

The Administration undertook a joint initiative with the Commonwealth of Northern Mariana Islands (CNMI) to change local labor and immigration policies and to better enforce federal law in these areas. The CNMI became notorious for its immigration and labor situation. The local government used its status to create a garment industry that employs alien workers earning less than the federal minimum wage and ships its products to the United States duty and quota free. The CNMI government was first warned in 1986 by the federal government that the widespread use of alien labor in industries benefiting from duty exemptions would not be tolerated.

In 1995, the Clinton Administration began the CNMI Initiative to assist the local government in addressing local labor and immigration problems. In 1997, it was recognized that these efforts were not successful due to a reversal of reform policy by some CNMI administrative and legislative officials. The Administration followed through by proposing legislation to apply federal immigration and minimum wage laws to the Commonwealth as contemplated in the Covenant between the United States and the CNMI. The Administration continues to support application of federal immigration and minimum wage law and elimination of duty exemptions for products made by alien workers.

Capital Improvement

One of the major achievements of this Administration was a 1995 legislative proposal that guaranteed long term mandatory funding for capital improvements in the U.S. territories.

One of the purposes of the legislation was to give the U.S. territories comparable treatment to other insular areas in the Pacific—the Republic of the Marshall Islands, the Republic of Palau, and the Federated States of Micronesia. Up until this time, the U.S. territories did not have a source of guaranteed funding for essential infrastructure needs, but the aforementioned freely associated states had guaranteed Compact funding for this purpose. A modified version of the Administration’s proposal was enacted by Congress in 1996 (PL 104-134). The legislation provides a total of \$27.7 million annually. Concurrently with the fiscal year 2001 budget request, the Administration is proposing a \$5.420 million increase to this mandatory amount.

Brown Tree Snake

Another of this Administration’s major achievements was to significantly increase annual resources (from \$600,000 to \$2.4 million annually) dedicated to dealing with the problem of the brown tree snake, a non-indigenous invasive species that has caused major ecological damage in the territory of Guam, and threatens other Pacific islands and parts of the U.S. mainland. In a 1999 memorandum of understanding, the Department of the Interior also developed a new protocol for cooperation among four federal agencies and three state and territorial governments along with an integrated plan of control to minimize ecological and economic damage caused by the snake.

Virgin Islands Agreement MOU

In 1998, Secretary Babbitt was invited by the Virgin Islands Delegate to Congress, Donna Christensen, to meet with newly elected Democratic Governor Charles Turnbull, who had inherited a \$1 billion deficit from his predecessor. Secretary Babbitt, White House Deputy Director of Inter-Governmental Affairs Fred DuVal, Office of Insular Affairs Director Allen Stayman, and OIA Virgin Islands Desk Officer Edgar Johnson went to St. Thomas in January 1999. The discussion centered around how the Department of the Interior could assist the Virgin Islands in eliminating the deficit.

Interior developed a Memorandum of Understanding between Secretary Babbitt and Governor Turnbull regarding Financial Performance Standards and Enhancement of Natural Resources. The premise was that Interior would develop fiscal accountability and financial performance standards that the Government of the Virgin Islands (GVI) would implement immediately and, in turn, GVI would work with Interior to enhance their natural resources. GVI would provide monthly progress reports on the budget and cash flow impacts of various performance standards. Interior would certify that that GVI has achieved substantial compliance with the targeted reductions in the MOU. Interior would then make available funds to the GVI for capital improvements, other assistance and mutually agreed technical assistance that may be provided by the FY 2001 and future appropriation acts for Interior or by other legislation. Some of these performance standards have been implemented, and the following has been accomplished:

- OIA has secured a \$5.4 million CIP Grant for the GVI to address federally mandated solid waste issues.
- OIA provided \$400,000 in technical assistance towards the development of a FY 1998 single audit.
- A letter to FEMA has been drafted for the Secretary's signature to begin a process that could substantially reduce a \$42 million obligation to \$2-3 million.

Interior has the support of the GVI in enhancing their natural resources, primarily the coral reefs that are in a poor state. This initiative is in congruence with President Clinton's initiative to restore the nation's coral reefs. The enhancement of natural resources in the Virgin Islands will greatly enhance tourism, which is the largest industry on the four islands.

Secretary Babbitt traveled to the Virgin Islands on September 11-12, 2000 to meet with the Governor and discuss the GVI's progress on the MOU.

Palau Road

The Administration oversaw planning and construction of a fifty-three-mile road in the Republic of Palau intended to spur economic development. Designed under rigid U.S. environmental standards to protect one of the world's greatest island and coral reef ecosystems, this road was promised to Palau as a part of the Compact of Free Association (PL 99-658) which defines the relationship between the U.S. and Palau. When complete, the Palau road will be the largest single federally funded civilian project ever built in a U.S.-affiliated insular area at a total estimated cost of \$149 million. Work began in 1996 and is expected to be complete in 2002.

INDIAN COUNTRY INITIATIVE

The Clinton Administration has demonstrated a sustained commitment to Native Americans over the past eight years. In April 1994 President Clinton became the first President to invite the leaders of all federally recognized tribes to the White House. With his July 1999 visit to Pine Ridge reservation, he became the first President to visit a reservation since Franklin D. Roosevelt in 1936. The Administration has long recognized the plight of Native Americans, and President Clinton has addressed key socioeconomic measures throughout his tenure, including increased funding for education, law enforcement, and other important issues. President Clinton's attendance at sessions such as the 1998 "Building Economic Self-Determination in Indian Country" conference and the 1999 summit with tribal leaders from the Dakotas and Montana lay the groundwork for recognition of Indian issues.

By any socioeconomic measure, American Indians trail the general U.S. population. According to the 1990 census, an American Indian's family income was \$21,619 annually compared to \$35,225 for the U.S. population. The per capita income in 1989 was \$8,284 for American

Indians residing on all reservations and trust lands, compared with \$14,420 for the U.S. population.

More significantly, American Indians are slipping further behind the U.S. population. For example, in 1979, 28 percent of American Indians were living below the poverty level compared to 12 percent of the U.S. population. By 1989, 31 percent of American Indians were living in poverty compared to 13 percent of the U.S. population. American Indians are younger and have higher levels of poverty, unemployment, single parent families, fertility and mortality than the U.S. population at large. Tragically, trends are deteriorating for this highly vulnerable population.

The President's FY 2001 Indian Country Initiative addresses critical needs, such as education, law enforcement, health care, economic development, and infrastructure development comprehensively and systematically. The Administration's record of partnership with the tribes extends from strengthening the relationships between governments to increasing educational opportunities to promoting self-determination to protecting tribal natural resources.

Education

The Bureau of Indian Affairs is the primary federal agency charged with the responsibility to administer policy and operations for the Indian education programs at 185 federally recognized tribal or Bureau-managed schools. Many factors, such as school facilities, modern teaching and learning equipment, programs for at-risk children, and a safe environment contribute to a successful education program.

The 185 Bureau-funded schools contain over 26 million square feet of space and include dormitories, employee housing quarters, and more than 2,000 administrative buildings providing educational opportunities to approximately 50,000 students in twenty-three states. Many of these buildings have health, safety, and disability access deficiencies. The backlog of extensive repairs needed to attain national building codes and standards exceeds \$800 million. Under the Clinton Administration, the BIA instituted improved planning for school construction through five-year plans.

Throughout his Administration, President Clinton's education agenda has sought to reduce class size and help communities renovate and build new schools. Indicative of this continuing commitment, the President's Budget for FY 2001 provides the largest increase ever for school construction, for a total of \$126 million—a 1400 percent increase over the meager \$9.0 million requested for school construction for FY 1992. The FY 2001 budget includes funding for the balance of the schools on the 1993 school construction priority list, as well as for three additional schools on the new (2000) priority list. Since 1993, thirteen schools have been funded through the construction phase; seven are complete and occupied, four are in the construction phase and two are scheduled to begin construction soon.

As noted in Executive Orders 13096 and 13104, preparing Indian youth for the 21st century requires an integrated approach to providing quality educational opportunities from early childhood to adulthood. In addition to meeting performance goals at the elementary and

secondary school levels, the Administration is committed to expanding Family and Child Education programs, piloting therapeutic residential model programs, supporting twenty-five tribally controlled community colleges, and enhancing the vocational-technical programs at Crownpoint Institute of Technology.

Law Enforcement

In 1997, in response to alarming crime rates in Indian Country, President Clinton requested that an executive committee composed of tribal leaders and federal agency staff develop recommendations for improving law enforcement. From 1997 to 1998 violent crime decreased approximately 17 percent nationwide, while violent crime, such as homicide, rape, aggravated assault, and child sexual abuse, rose by 56 percent in Indian Country. The Department of Justice and BIA are working in partnership to improve law enforcement services by strengthening core reservation law enforcement functions, such as uniformed police, communications, basic detention services (dispatchers and detention officers), drug testing and treatment, and juvenile justice programs.

Going hand in hand with greater resources for law enforcement in Indian Country is the need to develop the ability of tribal governments to handle the accompanying increase in caseloads. More than 250 tribal justice systems and courts of Indian offenses (serving four tribes) are supported by BIA funds. These tribal courts face the same issues State and federal Courts confront every day, such as child sexual abuse, alcohol and substance abuse, gang violence, and violence against women. Courts are beginning to experience increases in caseloads concurrent with the effort to clean up crime, and tribal courts must have the capacity to adjudicate the resulting criminal cases and resolve disputes.

The Presidential Initiative encouraged modern, up to date training and continuing education. Through the Indian Police Academy, the number of graduate/certified Indian Country law enforcement personnel has increased. In addition to enhanced staffing and staff training, the Clinton Administration has also improved crime reporting in Indian Country. For example, the Indian Law Enforcement Information Network (INLINE) system provides for improved criminal statistical data and automates Bureau and tribal law enforcement programs on a nationwide basis and allows for Bureau and tribal law enforcement programs to contribute to the crime reporting system of the federal Bureau of Investigation.

FY 2001 Appropriations Results

The FY 2001 Interior and Related Agencies Appropriations Bill addressed many funding shortfalls that the Department identified as problematic throughout the appropriations process, including BIA's trust funding and BIA school operations. The appropriation bill funds BIA at \$2.1 billion, an increase of \$272.1 million above the 2000 enacted level, but \$59.8 million below the President's budget request. The bill provides the full request for the BIA component of the Rocky Boys water settlement and implementation of the NAPA recommendations. The bill provided \$104.5 million of the \$107.6 million requested for BIA's trust reform efforts. While this is \$3.1 million below the amount requested, it is substantially higher than initial funding provided in both the House and the Senate versions of the bill. Funding for school operations

was also increased above both the House and Senate levels. The bill includes \$489.5 million for school operations, \$17.1 million below the request, but \$22.6 million above the 2000 level. Additional funding was provided for the Housing Improvement Program (\$+4.0 million), the Family and Child Education Program (+\$3.6 million), and the therapeutic model (+\$2.9 million).

CHAPTER SIX: LAW

MAJOR LEGAL DECISIONS

The Department of the Interior participated in many legal battles from 1993 through 2000. A few of these created significant new precedents in the U.S. Supreme Court.

Babbitt v. Sweet Home Chapter of Communities for a Great Oregon

Great Oregon, 515 U.S. 687 (1995), the Supreme Court confirmed the government's authority under the Endangered Species Act (ESA) to protect endangered and threatened species against significant damage to their habitats, even when the habitats are on private land. The ESA makes it illegal to "take" any listed species and defines "take" to include "harm" to a listed species. In the initial set of endangered species regulations issued after the ESA was enacted in 1973, the U.S. Fish and Wildlife Service defined "harm" to include significant habitat modification that kills or injures listed species. The plaintiffs in Sweet Home argued that "harm" should be read as applying only to direct applications of force against wildlife. The Court rejected this argument, finding that the "harm" definition is well-grounded in the language and legislative history of the ESA and that it furthers the ESA's purpose of conserving the ecosystems upon which endangered and threatened species depend.

United States v. Alaska

In 1979, the United States filed an original action in the Supreme Court of the United States to determine ownership of submerged lands off Alaska's Arctic coast. The case revolved around the status of certain geographic features, such as historic bays and intermittent islands, in order to determine the coastline of Alaska and the three-mile line separating Alaska's submerged lands from the Outer Continental Shelf and the territorial seas owned by the United States. This issue was of particular importance since the area encompassed areas leased for oil and gas exploration and production. The State also disputed the United States' claim of ownership to the submerged lands within the National Petroleum Reserve-Alaska (NPR-A) and to the submerged lands of the Arctic National Wildlife Range, now the northern portion of the Arctic National Wildlife Refuge.

The decision in United States v. Alaska, 521 U.S. 1 (1997), held in favor of the United States on nearly all issues. Of the \$1.8 billion held in escrow pending resolution of this matter, \$1.3 billion was distributed to the United States and \$500 million to the State of Alaska. The Supreme Court specifically held that the submerged lands within the NPR-A were reserved to the United States under the various orders creating the reserve and that the reservation was confirmed by Congress under the Alaska Statehood Act. With respect to the Arctic National Wildlife Range, the Court concluded that the 1957 application to create a wildlife refuge clearly encompassed submerged and tide lands and was sufficient to segregate those lands. This segregation coupled with section 6(e) of the Alaska Statehood Act meant that the United States retained ownership of the submerged lands within the Range. Then in 2000, a lower court relied on the Supreme Court opinion to hold that the United States retained the ownership of all

submerged lands within an area withdrawn for military purposes before Alaska became a state. Alaska v. United States, 213 F.3d 1092 (9th Cir. 2000). This case was the first application of the Supreme Court's opinion and affected title to submerged lands in the Arctic National Wildlife Refuge, the Gates of the Arctic National Preserve and public lands managed by the Bureau of Land Management.

Minnesota v. Mille Lacs Band of Chippewa Indians

In August 1993, the Department of the Interior joined this existing case to reestablish the Chippewa Indians' off-reservation treaty hunting and fishing rights. The State of Minnesota claimed that these rights were terminated by an 1850 Executive Order purporting to end the tribes' 1837 treaty rights or by an 1855 treaty which disclaimed the tribes' right to "all right, title, and interest" to any other lands. The Eighth Circuit Court of Appeals held that the treaty rights still exist despite the Executive Order because the President didn't have the authority to issue the order, 124 F.3d 904 (8th Cir. 1997). The court held that the 1855 treaty did not extinguish the tribes' treaty hunting and fishing rights because the parties had not interpreted the 1855 treaty that way. Finally, the court held that the rights were not extinguished upon Minnesota's entry into the Union on an equal footing with the other states because the rights are continuing in nature, and therefore survive statehood. In Minnesota v. Mille Lacs Band of Chippewa Indians, 526 U.S. 172 (1999), the Supreme Court affirmed the Eighth Circuit's decision and held that the Chippewa retain the usufructuary hunting, fishing, and gathering rights in their ceded lands, as guaranteed under the 1837 treaty.

Public Lands Council v. Babbitt

In 1995, the Bureau of Land Management responded to a Secretarial initiative to improve the condition of federal grazing lands by adopting far-reaching reforms of the regulations governing grazing under the Taylor Grazing Act. Those regulations were challenged by various ranching interests, with almost every aspect of the rules upheld by the courts. In a final decision on the case, Public Lands Council v. Babbitt, 120 S. Ct. 1815 (2000), the Supreme Court concluded unanimously that the rules fell within the Secretary's discretion under the Taylor Grazing Act. The opinion confirmed the Secretary's authority to cancel or reduce forage allocations under grazing permits, and confirmed the statutory limitation on the rights permit holders may claim with respect to federal grazing lands.

MAJOR SOLICITOR'S OPINIONS

The Solicitor's Office has issued many legal opinions on important issues affecting the operations of the Department of the Interior and the administration of laws within its jurisdiction. Several of these opinions responded to questions regarding administration of the General Mining Law of 1872 that arose after the Secretary of the Interior instituted a new careful review procedure for applications to patent federal mineral lands into private ownership. Other opinions addressed certain other mining law issues, tribal fishing rights and water rights, and the Wild and Scenic Rivers Act.

Fishing Rights of the Yurok and Hoopa Valley Tribes, M-36979 (Oct. 4, 1993)

The opinion on “Fishing Rights of the Yurok and Hoopa Valley Tribes” addressed the allocation or quantified share of the Klamath River Basin anadromous fishery resources of two federally-recognized Indian tribes whose reservations were established by Executive Orders in the mid- to late-1800s. Applying principles developed in cases interpreting treaties and associated rights of tribes in the Pacific Northwest, the opinion concluded that the Yurok and Hoopa Valley Tribes have a “right to harvest quantities of fish on their reservations sufficient to support a moderate standard of living ... limited to fifty percent of the harvest in any given year unless varied by agreement of the parties.” Thus, the opinion—confirmed by subsequent litigation—adopted principles previously employed to evaluate the fishing interests of treaty tribes to tribes whose reservations were established by Executive Order. The Opinion also recognized the principle, in the context of non-treaty federally-reserved fishing rights, that the protection of on-reservation tribal rights to trust resources may require the regulation of off-reservation activities that affect the ability of tribes to enjoy their reserved rights meaningfully.

Entitlement to Water Under the Southern Arizona Water Rights Settlement Act, M-36982 (March 30, 1995)

In “Entitlements to Water Under the Southern Arizona Water Rights Settlement Act (SAWRSA),” the Solicitor for the first time addressed a number of questions concerning allottee water rights and tribal control over them. The opinion explains that an Indian allottee has a right to a “just and equal distribution” of water for irrigation purposes, but that tribes possess broad regulatory power over reservation water resources, including those to which allottees have rights. The opinion provides important guidance to the Department in administering trust resources generally and, more specifically, in determining how Indian water rights claims can be settled so as to protect both the rights of tribes and Indian allottees.

Excess Reserves under the Mining Law, M-36984 (March 22, 1996)

This opinion addressed the issue of excess reserves, more accurately known as unmarketable resources, under the 1872 Mining Law. Since there is no valuable “discovery” of minerals under the Mining Law unless the mineral deposit is presently marketable, “Excess Reserves Under the Mining Law” concluded that the Bureau of Land Management may contest the validity of a mining claim to the extent that the mineral deposits within the claim exceed the reasonably foreseeable market demand for the mineral. This conclusion prevents mining claimants from asserting rights or potentially even privatizing public lands when there is no reasonable prospect that the lands will be mined in the foreseeable future. The opinion recognizes that a claimant may hold reasonable reserves for future supply to carry on the mining operation for a reasonable time period; however, any mineral supply that cannot be marketed within that period is not a valid mineral discovery under the law.

Limitations on Patenting Mill Sites Under the Mining Law of 1872, M-36988 (November 7, 1997)

“Limitations on Patenting Mill Sites under the Mining Law of 1872” addresses the amount of mill site acreage—areas used for facilities ancillary to mining operations, like processing

facilities, waste pits and tailings ponds—that an applicant may patent under the Mining Law. The opinion concludes that an applicant may only patent up to five mill site acres for each of its previously or concurrently patented mining claims. In addition, it cautions against approving new mining operations that would exceed the mill site limit, whether or not the land is to be patented into private ownership. On November 29, 1999, Congress enacted the Interior and Related Agencies Appropriations Act for FY 2000, Public Law No. 106-113, which grandfathered certain existing mining operations and proposed operations, but the opinion remains intact and the mill site limitation continues to apply to all plans of operations submitted after November 7, 1997, which were not approved before November 29, 1999.

Managing Areas Eligible for Protection under the Wild and Scenic Rivers Act, M-36989 (November 12, 1997)

The Solicitor’s Opinion on “Managing Areas Eligible for Protection Under the Wild and Scenic Rivers Act” provides guidance to the Bureau of Land Management on the protection of river segments nominated by BLM for inclusion in the Wild and Scenic River System through the land use planning procedures of the Federal Land Policy and Management Act. The opinion advises BLM that the full protections of the Wild and Scenic River Act do not apply until the river segments are actually designated as wild, scenic or historic rivers by either Congress or the Secretary after nomination by the Governor of the affected state. The opinion also offers further guidance on management of the nominated river segments, noting that the Bureau of Land Management has the discretion to administratively protect these segments in a manner similar to that under the Wild and Scenic Rivers Act through the Federal Land Policy and Management Act land planning process.

Entitlement to a Mineral Patent Under the Mining Law of 1872, M-36990 (November 12, 1997)

The opinion addressing “Entitlement to a Mineral Patent under the Mining Law of 1872” dealt with the confusion and litigation that had arisen over when a patent application was “complete” for establishing an entitlement to a patent under the 1872 Mining Law. The opinion concludes that an entitlement to a patent does not arise until the Secretary determines that the patent applicant has complied with all the terms and conditions entitling the applicant to a patent. The opinion recommended that the Bureau of Land Management take several steps to ensure that there is no implication of an earlier entitlement, including modifying its patent review process and formally rescinding the BLM Manual to the extent it was contrary with the opinion. As a result, the Bureau has taken numerous actions to ensure that the requirements of the law are complied with.

Options Regarding Applications for Hardrock Mineral Prospecting Permits on Acquired Lands Near a Unit of the National Park System, M-36993 (April 16, 1998)

This opinion addressed the possible legal options for the Secretary of the Interior to address lead mining prospecting permit applications on acquired lands within the Mark Twain National Forest, which would potentially affect the Ozark National Scenic Riverways, a nearby unit of the National Park System. The conclusions in “Options Regarding Applications for Hardrock

Mineral Prospecting Permits on Acquired Lands Near a Unit of the National Park System” extend well beyond this limited factual situation. The opinion addressed the general duty of the Secretary of the Interior to protect the National Park System, and concluded that the 1916 Organic Act for the National Park System, as amended, requires consideration of impacts on Park System units when the Secretary exercises discretion over activities taking place outside the boundaries of those units.

Patenting of Mining Claims and Mill Sites in Wilderness Areas, M-36994 (May 22, 1998)

The opinion on “Patenting of Mining Claims and Mill Sites in Wilderness Areas” applies to patenting in all areas that have been withdrawn from application of the Mining Law, including wilderness areas. Statutes that withdraw lands from the operation of the Mining Law often include specific restrictions on patenting, such as excluding the surface estate from any mineral patent or cutting off patenting altogether, subject to valid existing rights. The opinion concludes that an applicant may meet these restrictions and establish a valid existing right to a patent only if the applicant: (1) located a mining claim prior to the withdrawal; (2) discovered a valuable mineral deposit before the withdrawal; and (3) met all requirements for patenting prior to the withdrawal. It is not enough for a claimant to have located an unpatented mining claim and made a discovery before withdrawal to be free from the patenting limitations included in a withdrawal statute.

Regulation of Hardrock Mining, M-36999 (December 27, 1999)

In response to the Bureau of Land Management’s request for guidance regarding a large cyanide heap leach gold mine that would cover about 1500 acres in the California Desert Conservation Area, including a site of spiritual significance to the Quechan Tribe, the Solicitor’s Office prepared an opinion on “Regulation of Hardrock Mining.” The opinion interpreted the Federal Land Policy and Management Act’s prohibition on “undue impairment” in the California Desert Conservation Area to allow rejection of the mining plan of operations depending upon particular facts, including the nature and significance of the resources to be protected and the specific proposal. In this case, the Advisory Council on Historic Preservation had issued a report concluding that the proposed mine, “even with the mitigation measures proposed by the company, would result in a serious and irreparable degradation of the sacred and historic values ... that sustain the tribe” and recommending “that Interior take whatever legal means available to deny approval for the project.”

MAJOR ORGANIZATIONAL CHANGES

In 1993, the Solicitor determined that a major organizational review of the Solicitor’s Office was warranted as part of the Administration’s Reinventing Government initiative. Rather than conducting an internal review, the Solicitor’s Office asked a team of management consultants from other units of the Department to review the Office’s performance and organization. The Office of the Solicitor Organizational Study was completed in January 1994, and after a period of internal discussion and comment, many recommendations were implemented.

Solicitor's Manual Reinvention

The Solicitor's Manual was completely rewritten, sharply reducing it in size from 792 pages to 26. The Office received a departmental Reinvention Award for this effort. The limited delegations of authority, detailed procedures, and multiple reporting requirements that characterized the old command-and-control style manual were replaced with broad delegations of authority and general requirements that all employees ensure communication and coordination as appropriate. Increased authority for awards, personnel actions, training requests, purchases, and other administrative matters was delegated to the managers. These changes greatly increased the authority and flexibility of Solicitor's Office managers, eliminated levels of review and approval necessary for a wide range of actions, and reduced the amount of time required to accomplish many administrative tasks.

Reorganization and Closure of Field Offices

The Office changed several regional and field office reporting relationships and closed some offices in 1995. The number of Solicitor's Office Regions was reduced from eight to seven, converting the Intermountain Regional Office into a field office in Salt Lake City reporting to the Pacific Southwest Region in Sacramento. Reporting relationships for the Twin Cities, Boise and Phoenix Field Offices were altered, to report to the Northeast Regional Office in Boston, the Pacific Northwest Regional Office in Portland, and the Pacific Southwest Regional Office in Sacramento, respectively. The Denver Field Office, which had been performing work solely related to the Office of Surface Mining, was merged into the Rocky Mountain Regional Office, also located in Denver. Two field offices in Pittsburgh and Knoxville that had also been limited to performing program work for this single bureau were turned into full-service field offices. And the Field Office in Pawhuska, Oklahoma, which had been performing work solely related to a single Indian tribe, was absorbed into the Tulsa Field Office. These changes improved the Solicitor's Office's ability to meet the legal needs of the Department in the field, while making the reporting relationships more efficient and resource-oriented.

Reorganization of Headquarters Divisions

In addition to altering the reporting relationships of the field offices, some of the Solicitor's Office headquarters divisions were also reorganized in 1995. The work of the former Division of Energy and Resources was split, with the Branch of Public Lands and the Branch of Water and Power forming a new Division of Land and Water Resources. The remaining branches of the Division of Energy and Resources were combined with the Division of Surface Mining to form the new Division of Mineral Resources. The overall result was to reduce the total number of branches within the two divisions from eight to five. Further restructuring within the various headquarters divisions took place through 1999. Together with the restructuring of the Division of Administration in early 1995, these changes streamlined management, created a better balance among the divisions, spread work more evenly, and enabled the Solicitor's Office to better meet the legal needs of its clients.

Interagency Relations

The Solicitor's Office has provided support and participated in many interagency working groups that have streamlined government services through increased communication among government agencies. This support and participation has involved both formal processes and ad hoc working groups on particular issues. In addition to legal support for interagency activities by the Department's various bureaus and offices, the Solicitor's Office has taken a lead role in two forums.

Justice Department Amicus Committee

The Solicitor's Office has had a very good working relationship with the Department of Justice with respect to Departmental litigation. The Justice Department has initiated more formal communications, however, with respect to the filing of amicus curiae briefs on environmental matters on behalf of the United States in cases where the United States is not a party. In order to ensure that all affected agencies have an opportunity to review potential amicus filings and participate in the decision whether to file amicus briefs, the Amicus Committee established by the Justice Department's Environment and Natural Resources Division brings together all agencies that may be affected by environment and natural resource-related filings. The Solicitor's Office has participated actively in the Amicus Committee, and found it extremely useful in coordinating litigation positions across the federal agencies, in regular litigation as well as amicus matters.

Interagency Task Force on Hydropower Licensing

In 1998, the Department of the Interior took the lead with the Federal Energy Regulatory Commission in establishing the Interagency Task Force on Hydropower Licensing. The Solicitor's Office has taken a leading role in the Department's participation in this task force, attending virtually every meeting of the task force's many committees and subcommittees, and drafting many of the final policy papers produced by the task force. As a result, the Department has developed a better working relationship with the Commission and other agencies involved with federal hydropower licensing, improving the licensing process while streamlining and facilitating Departmental participation therein.

LEADERSHIP

Solicitor John Leshy

In May 1993, John D. Leshy was confirmed by the United States Senate as Solicitor (general counsel) of the Department of the Interior. As the longest serving Solicitor since the office was established by statute in 1946, he has served in that post until the present, heading a staff of nearly 400 employees, including almost 300 attorneys. Throughout his tenure at the Department, Mr. Leshy has been on leave from his position as Professor of Law at Arizona State University in Tempe, Arizona, where from 1980 to 1992 he taught constitutional law, Indian law, water law, natural resources law, federal public land law, and law and social change. He has published

widely on public lands, water and other natural resources issues, and on constitutional and comparative law, including books on the Mining Law of 1872 and the Arizona Constitution. He is co-editor of the third edition of the standard federal public lands and resources law casebook, and of the third edition of a leading water law casebook. Mr. Leshy served in the Carter Administration as Associate Solicitor of the Interior for Energy & Resources.

Deputy Solicitors Anne Shields and Edward B. Cohen

Anne Hudson Shields was named Deputy Solicitor of the Interior in October 1993, and served in that capacity until July 1995, when she moved on to serve as Chief of Staff to the Secretary of the Interior. Prior to her appointment at Interior, Ms. Shields had served for 14 years with the Land (later Environment) and Natural Resources Division at the Department of Justice, including nine years as Chief of the Policy, Legislation and Special Litigation Section. As Deputy Solicitor during the first few years of the Clinton Administration, Ms. Shields oversaw the major organizational review and restructuring of the Solicitor's Office.

Edward B. Cohen held the position of Deputy Secretary from August 1995 to July 2000. Prior to his appointment as Deputy Solicitor, Mr. Cohen served as Counselor to the Secretary. Mr. Cohen was in private law practice for the 13 years preceding his coming to the Department in April 1994. He had also worked for the Carter Administration from 1977 to 1981, first as General Counsel of the White House Office of Consumer Affairs and later as Deputy Special Assistant to President Jimmy Carter. During his tenure at the Department Mr. Cohen also served as the President's Special Representative to the Northern Marianas Islands.

VOLUME II: INTERIOR LEGACY-ORGANIZATION AND MANAGEMENT

CHAPTER ONE: CHANGES IN ORGANIZATION

Downsizing and Reorganizing

One of the cornerstone accomplishments of the Clinton administration is the streamlining and downsizing of administrative processes and programs within government. The Department of the Interior has been a leader in this area through a series of management actions beginning with the identification and separation of policy and operations functions within the Office of the Secretary and culminating with the establishment of the National Business Center (NBC) from former de-centralized administrative centers located at major Interior sites around the country.

Establishment of the National Business Center

After an initial study period, the decision was made in 1995 to separate policy and operations functions within the Office of the Secretary of the Department of the Interior. This organizational change provided the basis for further analysis of component activities for streamlining purposes, facilitated cost accounting, and subsequent decisions on feasibility of in-house *vs.* contractor performance of governmental operational programs.

An initial period of downsizing of administrative programs within the Department encouraged standardization and consolidation of resources and ultimately provided the foundation for establishment of a centralized administrative capacity to most effectively meet operational requirements. Establishment of the NBC was a key Departmental action which resulted in the strengthening of operational programs and provided the basis for extending economies of scale by providing administrative support to other agencies throughout the federal community.

Background

The National Business Center (NBC) was created in October 1998 with the merger of three Departmental administrative service centers: the Interior Service Center in the Office of the Secretary, the Washington Administrative Service Center in the U.S. Geological Survey, and the Denver Administrative Service Center in the Bureau of Reclamation. This merger followed a National Performance Review Report recommending that the Department of the Interior centralize its administrative service units. The merger has already resulted in greater Department-wide standardization and uniformity in providing administrative support services, improved operations and customer services, reduced administrative costs, and an expanded customer base which includes over 100 other federal clients.

Accomplishments

NBC has developed and implemented an integrated payroll and personnel system for all of Interior and sixteen other agencies, now servicing over 196,000 individual payroll accounts while reducing unit cost by 25 percent. The NBC also implemented a standard automated procurement system for Interior and nine other federal clients, and provided a standard core financial management system using a contractor system to all Interior's major bureaus and ten other federal agencies. The NBC is also a leader in drug testing, currently providing its drug testing services to seventy agencies or approximately half of the federal government.

The NBC is currently implementing an initiative to consolidate mainframe computer processing into one ADP center which will result in closure of one mainframe center and cost savings to clients of over \$3,000,000 per year. Another initiative is a pilot project led by a Native American contractor to provide automated COTS (commercial off-the-shelf) human resource processes throughout Interior.

Abolition of the Office of International Affairs/Reorganization of Insular Activities

The Office of Insular Affairs was established on August 4, 1995, when the Secretary signed Order No. 3191. This order also served to abolish the Office of Territorial and International Affairs, and the positions of the Assistant Secretary and Deputy Assistant Secretary - Territorial and International Affairs. The Secretary's Order was the culmination of a streamlining effort undertaken as part of the President's National Performance Review. The reorganization of insular responsibilities within the Department resulted in a reduction of eighteen positions, from forty-five to twenty-seven. Many of these positions had already been vacated through attrition. The new Office of Insular Affairs was formed under the Assistant Secretary - Policy, Management and Budget. The organizational structure was simplified and the International functions were transferred to the Department's Office of Policy Analysis. Total Department savings of \$1.2 million resulting from eliminated positions, staff reductions, and field office closures were proposed in a fiscal year 1996 budget amendment. The Office of Insular Affairs is currently staffed by approximately thirty-two FTEs (full-time employees).

Creation of the Office of Managing Risk and Public Safety

The Department of the Interior's Office of Managing Risk and Public Safety (MRPS) was formed by Secretarial Order in December 1995. Its mission is to develop Department-wide policies that protect lives, property, and natural resources by promoting an integrated approach to managing a diverse group of risks. Prior to the creation of MRPS, four separate offices were involved in various aspects of risk management: the Office of Safety and Occupational Health; the Office of Enforcement and Security Management; the Office of Construction Management; and the Office of Hazard and Fire Programs Coordination. Streamlining of these offices also permitted a substantial saving of costs and personnel.

The new office was patterned after an increasingly popular model used by the private sector and some state and local governments. The model recognizes that many areas of risks are interrelated and more effectively managed when considered together rather than separately.

Interior employees who work throughout the nation perform tasks that can involve substantial risk such as search and rescue, wildland fire fighting, and law enforcement. The millions of visitors that are drawn to our national parks, recreation areas, and historical sites are also at risk. In addition, the 40,000 buildings and structures the Interior operates must be protected since collectively these facilities represent billions of dollars in taxpayer assets that must be prudently managed. The Interior Department manages nearly 20 percent of the nation's land surface, and these 440 million acres under Interior stewardship must be wisely managed as well.

Some of the risks that these people and places face involve safety and health in the workplace, occupational health, wildland fire, natural hazards, crime on public land, security, and deterioration of facilities.

Risk management is a set of mitigation measures, including policies and the associated decision making processes that reduce or eliminate risks. A risk is the likelihood of occurrence and severity of an adverse consequence of a hazard. Hazards are events, activities, and conditions that have the potential to cause harm. By dealing collectively with risks the consequences can be reduced in a more effective manner. There is a strong thread of employee and public safety throughout most Interior risk management activities. For example, by reducing the accumulated fuels in our forests by prescribed burning and other methods, we not only reduce the danger to our natural resources, but also reduce the risk to firefighters who must respond when fires start. Similarly, deterioration not only reduces the useful life of the Department's facilities, but it also creates unsafe or unhealthy conditions for employees and visitors. The creation of the Office of Managing Risk and Public Safety has improved risk management and the public safety of all who use Interior facilities and lands.

Abolition of the Bureau of Mines

For FY 1996, in an effort to manage within the strict funding limitations of the Budget Agreement, the President requested a reduction in the budget for the U. S. Bureau of Mines (USBM) of approximately \$20 million, reflecting plans to close certain facilities and to streamline operations. After much deliberation, the House and Senate agreed in conference to close the USBM. The most important, critical governmental functions of the Bureau of Mines were retained and transferred elsewhere within the federal government: health and safety research was eventually transferred to the Department of Health and Human Services, and the minerals information collection function was transferred to the U.S. Geological Survey. A total of \$50 million and 1,000 employees were transferred to other agencies. The closure of the USBM eliminated 1,400 positions altogether, saving the taxpayers more than \$100 million annually in labor and operating costs, and allowing for a more efficient distribution of limited federal funds.

Creation of the National Biological Survey

One of the first organizational changes made in the Department of the Interior by the Clinton administration was the creation of the National Biological Survey (NBS). The NBS became operational on November 11, 1993, when Public Law 103-138 appropriated funds to transfer

programs from seven bureaus within the Department to form a central, independent, biological science organization. The name of the NBS was changed in late 1994 to the National Biological Service to more accurately reflect the nature of its work.

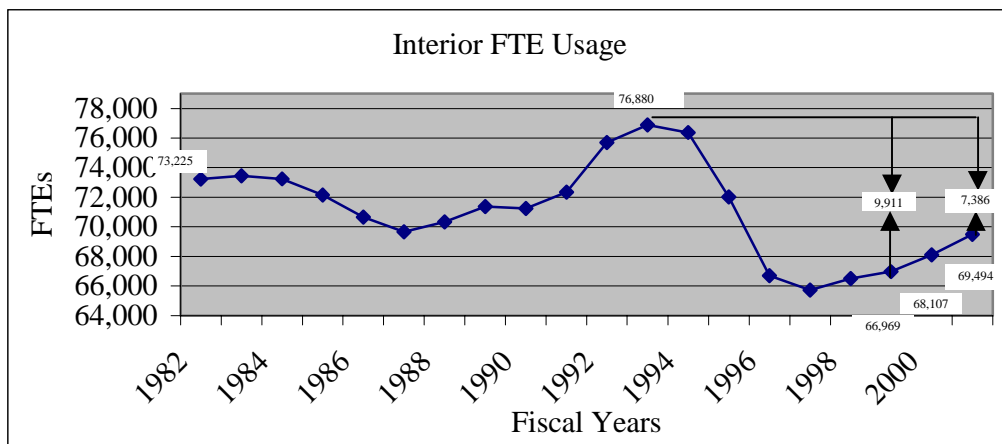
The NBS was created to separate the science components of the Department from the regulatory programs and to eliminate the perception that research findings were sometimes tainted or self-serving. It also eliminated the fragmented nature of Interior biological scientific activities.

Appropriation action contained in the 9th 1996 Continuing Resolution (PL 104-99) transferred funding for the programs that constituted the NBS to the U.S. Geological Survey, where they are now housed in the USGS Biological Research Division.

Personnel Changes: 1993-2000

The Clinton Administration has steadfastly sought to make the government smaller and more efficient. Even with the increases in staffing planned for 2001, total Interior staffing will be 7,386 FTEs (full-time equivalents) below the 1993 level, and 3,731 below the 1982 level. These reductions, occurring from 1993 through 1997, were a major change from the increases that occurred from 1987 through 1993. These reductions were accomplished during a period when funding for Interior's programs increased-by FY 2001, program funds will have increased, in constant dollars, by 10 percent since 1993, and by 36 percent since 1982. Staffing efficiencies introduced during the Clinton Administration allowed Interior to devote its increased resources exclusively to the improvement and expansion of mission-related programs and services.

The graph below shows Interior's actual employment (expressed in FTEs) from 1982 through 1999 and estimated employment for 2000 and 2001.



From 1993 through 1999, Interior staffing has dropped by 9,911 full-time equivalent staff years. 20 percent of the total reduction (about 2,100 FTEs) is attributable to the closing of the Bureau of Mines in 1995.

Every bureau and office participated in the 9,911-FTE reduction. The only exceptions are newly established offices such as the Office of the Special Trustee, the Utah Mitigation Commission and the National Indian Gaming Commission.

Some of the 9,911 reduction was accomplished through buyouts. About 7,670 buyouts were approved in fiscal years 1994 through 1998. Buyouts were used for other purposes than simply to reduce overall staffing levels—for instance, to reduce headquarters and overhead staffing to enable bureaus to increase staffing for programs in the field.

STREAMLINING AND IMPROVING MANAGEMENT

Integrated Charge Card Program

Operating under the auspices of the General Services Administration's government-wide SmartPay program, Interior designed the government's only integrated charge card program. (As opposed to requiring three separate cards and three parallel accounting processes for travel, purchasing and fleet needs, an integrated charge card combines all these functions into a single system.) An integrated option was available to all agencies under the SmartPay contracts with charge card issuers, but only Interior took advantage of it and made it work. As a result, Interior's program has become the largest and most ambitious integrated program in the world—public or private sectors.

The benefits are remarkable: the program meets or exceeds employees' needs for card acceptance, convenience and productivity; savings through tax exemptions, substantially increased due to the redesigned billing system, total \$20 million annually; and more than \$4 million is received annually in rebates from the card issuer, Bank of America. Interior asked for, and received, Congressional approval to retain these funds for Departmental management improvement initiatives. One million transactions have been moved from a paper-based process of matching paper invoices to paper purchase orders and receiving reports to an almost completely electronic process. In all, 55,000 integrated cards have been issued, covering approximately 80 percent of all Interior employees.

Partnerships

Acquisition Managers' Partnership

To facilitate collegial communication and decision-making, the Acquisition Managers' Partnership was established in February 1999. The partnership with Bureau Procurement Chiefs, and the Department's Offices of Acquisition and Property Management (PAM) and Small and Disadvantaged Business Utilization, cooperatively develops Interior's acquisition policies, regulations and guidance. Process Action Teams complete projects and share "best practices" for continuous improvement of the Interior acquisition community's services.

Property Management Partnership

The Property Management Partnership was formally established in June 1997, with members representing all the bureaus and PAM. It is chaired by the Bureau of Land Management's Property Officer. The Partnership focuses on sharing resources, developing expertise within the property workforce, integrating and streamlining business processes.

PAM fostered a partnership between federal agencies that manage museum property and non-federal institutions that hold federal museum property. This group has sponsored three national conferences on Partnership Opportunities for Federally Associated Collections, which provided a forum for nationwide dialogue.

Capital Asset Planning, Budgeting and Acquisition

Interior established a comprehensive management program to control the risk of cost overruns and delayed schedules in its acquisition of capital assets. Through a new system that integrates and improves project planning, budget estimating and acquisition management, Bureaus track the progress of their projects costing \$2 million or more. Interior's new Capital Assets Executive Review Committee oversees construction projects valued at \$10 million or more and information technology projects costing \$35 million or more or which may be high risk. To assure goals are met, Interior's policies require action on project cost, schedule or performance variances greater than 5 percent. Forty major projects are tracked.

Procurement

The Department of the Interior awards approximately 15,000 contracts and 275,000 purchase orders each year for a combined value of about \$1.4 billion. This ranked Interior 12th among civilian agencies in procurement dollars awarded in FY 1999. Interior's procurement workforce consisted of approximately 630 contract specialists and purchasing agents with an average pay grade of 9.52. This was 3.1 percent of the total government procurement workforce, which had an average grade of 10.36. From this relatively modest operational base, Interior has taken a leadership role in many key federal procurement initiatives, such as procurement automation and workforce development, and has actively engaged in interagency efforts to streamline the federal procurement process.

Outsourcing

Interior has used consolidation, restructuring and streamlining program initiatives to complement outsourcing to achieve savings. Recent inventories of commercial activities indicate the number of employees performing commercial activities has increased from 5,200 to more than 20,000 as of June 30, 2000. Interior policy now requires bureaus to review 85 percent of commercial activities by September 30, 2003.

Use of Purchase Cards

The Interior charge card program has grown from 265,000 transactions for \$68.7 million in FY 1996 to almost 1 million transactions for over \$312 million in FY 1999. The program continues a strong growth trend as Interior moves to eliminate paper-based purchase orders in favor of purchase card transactions and electronic orders. Interior's purchase card program has eliminated more than two thirds of paper-based purchase orders. Giving micropurchase authority to the program offices allowed them to be responsible for their own small-dollar high-volume buying, reducing buying lead time and ensuring that the purchase meets their needs. The efficiencies gained through the purchase card helped Interior to cope with a 28 percent reduction in its purchasing staff.

Regulation Streamlining

The Office of Acquisition and Property Management (PAM) completed a massive effort to update and streamline the Department of the Interior Acquisition Regulation (DIAR). Bureau delegations increased by 74 percent, codified material was reduced by 80 percent, and total document pages were reduced 46 percent.

Green Procurement

Interior advanced the procurement of many new environmentally preferable "green" products through active participation in interagency coordinating groups, promulgation of Department-wide procurement policies and making procurement initiatives a major part of the Department's Green Strategic Plan. Special emphasis was given to procurement of re-refined oil and copier paper containing a high percentage of recycled content.

Property Management

The management of personal, real, and museum property is critical to Interior's mission of protecting and preserving federal assets. As the largest landholder within the federal government, Interior manages 445 million acres. In addition, Interior has responsibility to conserve approximately 113 million cultural artifacts, pieces of artwork, and other museum properties. Interior also manages personal property assets valued at more than \$1.7 billion, more than 37,500 buildings and facilities, and a fleet of more than 31,500 vehicles. Interior's property management community carries out a vital function by balancing public access to land and property against protection of those assets for the benefit of future generations.

Over the past eight years the Office of Acquisition and Property Management (PAM) has converted five bureaus to a standardized Fixed Assets Property System, reducing the number of different systems in use from nine to three. As the government downsized, several bureau offices created collocated space partnering with each other and with other agencies.

PAM raised the personal property accountability threshold to \$5000 from \$300, and the personal property capitalization threshold to \$15,000 from \$5,000. These new thresholds captured over

70 percent of the value of personal property (before depreciation) while reducing the number of items tracked by approximately 68 percent.

Limited Personal Use of Government Property and Telephone Use policies were created to provide employees with the opportunity to use government office equipment for limited personal purposes during non-duty time.

The Department also worked closely with GSA on the revision of the Federal Property and Administrative Services Act of 1949. Interior and four other agencies created an interagency group to seek improvements in design, specification, material choices, manufacturing processes, and the “de-manufacturing” reuse and recycling of surplus equipment.

PAM published the first booklet highlighting a sampling of Interior’s major real property holdings. The booklet contains pictures, significant facts and information about the property holdings, and general information describing Interior’s real property and the laws/regulations governing them.

PAM also increased use, accountability, and protection of the Department’s 70 million museum objects, including 43 million museum documents, by establishing the first department-wide policies and reports for managing museum property, by increasing focus on inventory of the Department’s collections and on consulting with tribes regarding the management of culturally affiliated cultural items in Interior’s collections, and by training over 300 staff members.

Energy Management

Interior spends about \$47 million on energy for facilities each year. Under PAM leadership, Interior’s bureaus have established successful energy and water conservation efforts and renewable energy projects around the country. Interior’s bureaus continue to take steps to reduce energy consumed by their activities. These projects—which often are undertaken through partnerships with the Department of Energy (DOE) and their national energy laboratories, other federal agencies, state and local governments, non-governmental organizations, etc.—have contributed significantly to reducing federal energy consumption and have gained the Department and its employees much recognition.

Interior has been on the leading edge in the use of energy saving practices and technologies. Over the past eight years, much has been accomplished. The accomplishments listed below provide the foundation for the Department to intensify and broaden its efforts and are significant examples reflecting Interior’s federal leadership in making long-standing investments in energy-related projects:

- Thirteen Interior sites in four different Bureaus have been designated as Energy and Water Conservation Showcase Facilities, recognizing their use of advanced technologies and practices for energy efficiency, water conservation, and renewable energy.
- Greatly expanded the use of renewable energy so that Interior now has over 900 solar photovoltaic facilities and forty solar hot water systems nationwide.

- Acquisition of electric transit vehicles at Patuxent National Wildlife Refuge, Grand Canyon National Park, Back Bay National Wildlife Refuge, Golden Gate National Recreation Area, Yosemite National Park, and Cape Code National Seashore through public/private partnerships.
- Through an Energy Service Agreement with Potomac Electric Power Company (PEPCO), retrofitting of fluorescent tubes and ballast with energy-efficient tubes and ballast in more than 9,000 light fixtures, installation of occupancy sensors to control lighting in approximately 1,600 offices; and replacement of two antiquated chillers at the Main Interior Building.
- In partnership with DOE, the General Services Administration (GSA), several utilities, and other public and private sector organizations increased the number of Alternative Fuel Vehicles (AFVs) in Interior's motor vehicle fleet from about 100 vehicles to over 600 vehicles. The increase was primarily due to a first-in-government, creative financing arrangement between Interior and GSA covering the additional cost of AFVs leased from GSA.
- Established the Green Energy Parks program in partnership with DOE—serving as a model to demonstrate and promote the use of energy efficient and renewable energy technologies by planning, designing, and implementing sustainable energy projects in parks nationwide.

Technology Use

Interior is a recognized leader within the federal government in reducing the cost of procuring goods and services and managing the Department's assets through the use of commercial electronic tools. Interior's increased use of information technology (IT) in support of electronic commerce and property management has become integral to the success of PAM's programs. Through IT, Interior contracting employees, property managers and program managers have become empowered to more effectively meet the needs of their organizations and the customers they serve. The Department's interactions have become easier, faster, and less costly, for both Interior staff and the business community.

In the transition to greater use of IT, including e-commerce technology, PAM has led the Department in restructuring its business processes and assessing the benefits to be attained by making the investment in IT. Interior has successfully integrated Internet or Web-based technology in all of PAM's programs.

Over the past eight years, Interior's implementation of IT has resulted in major accomplishments highlighted by:

- Web-based E-Commerce (EC): Interior's EC module can send notices and solicitation documents, receive quotes from vendors and post awards over the Internet. The Department's EC solicitations are all linked to the new federal Internet site, which serves as the government-wide single point of entry for vendors.

- Interior Department Electronic Acquisition System (IDEAS): IDEAS is a single standardized Department-wide automated procurement system now used in all of Interior's major buying offices. It is fully interfaced to Departmental finance and property systems and provides state-of-the-art electronic commerce capabilities.

Javits-Wagner-O'Day (JWOD) Act Program

Interior is the first cabinet agency to initiate and institute a JWOD Supply store in its headquarters location, not only employing persons with disabilities, but selling products made by persons with disabilities under the JWOD Program.

Interior has been honored with four highly prestigious awards from the President's Committee for Purchase From People Who Are Blind or Severely Disabled, National Industries for the Blind and NISH (a non-profit serving people with a range of disabilities) for promotion and utilization of JWOD products and services. Those awards are the E.R. Dick Alley Award, the NISH Silver Anniversary Award, Exemplary Liaison of the Year Award, and NIB Exemplary Support Award.

Interior utilized the JWOD program to provide Y2K promotional materials to help bureaus and offices with the transition. Interior has annual exhibits, displays and training workshops for the JWOD Program. Interior instituted an annual JWOD award to acknowledge bureau or office participation promoting and utilizing JWOD products and services. Interior is recognized as a "Team Member" by the President's Committee For Purchase From People Who Are Blind or Severely Disabled. Interior employs 200 disabled persons under the JWOD program in fifty-six contracts. Interior is the only agency to create and appoint a "JWOD Program Manager."

Interior initiated and partnered with EPA, Committee for Purchase, NIB and NISH to create a Memorandum of Agreement that will aid in "greening" JWOD products.

Aviation Management

In support of the Administration's Reinventing Government initiative, the Department inaugurated a shared governance concept regarding aviation management. This was implemented in 1996 when the Secretary of the Interior chartered an Aviation Management Board of Directors. This Board is attended by executive leadership from all Interior Bureaus using aviation and the Office of Aircraft Services, which is a centralized oversight and service office. The Board provides for executive level bureau involvement in the formulation of policy and the management aspects of aviation activities in the Department. This effort strengthened the relationship between bureau customers and the Interior policy and support office.

DIVERSITY INITIATIVE

Strategic Plan for Improving Diversity in the Department of the Interior.

Early in his Administration, President Clinton indicated he wanted a federal workforce that reflected the citizenry of the country. The Secretary, Deputy Secretary, Assistant Secretaries, Bureau Directors and the Union signed off on the Department's Strategic Plan for Improving Diversity in a unified show of support in December 1997. The Plan was consistent with the Secretary Babbitt's contract with the President, which called for improving the diversity of the Department's work force.

Since then, many other federal agencies have modeled their plans after the Department's Plan, and the Workforce Diversity Office frequently provides guidance and technical assistance to other agencies on developing similar plans, as well as systems and processes to implement them.

As a first step, the Secretary required that all non-career members of the Senior Executive Service (SES) and politically appointed staff receive diversity training. He challenged them to take actions that would make the Department's workforce look more like America and the people it serves. Since that time, all career SES members were required to take diversity training, and it was made available for managers, supervisors and employees through special training sessions and annual Diversity Training Conferences conducted from 1997 through 2000.

Each bureau developed an individual, bureau-specific implementation plan. A systemic means for tracking progress was developed and the Assistant Secretary for Policy, Management and Budget discussed progress in quarterly performance review meetings with the Bureau Directors. Representation of women and minorities increased slightly during the two years. However, with the institutionalization of new initiatives, an emphasis on targeted recruitment, and identification of a number of "best practices" that can be replicated, larger improvements are expected as the Department continues the initiative into the new century.

President Clinton's "One America" Initiative

The President has led the nation in an effort to become One America. He directed the federal government to strive for a government that looks like America. As part of that effort, the Department launched an effort to place touch screen computer kiosks at several Hispanic Serving Institutions, Historically Black Colleges and Universities, and Tribal Colleges throughout the country. The initiative complements other targeted recruitment efforts taking place throughout the Department. These kiosks provide nationwide federal job information to the students, faculty and surrounding communities. The installation of these touch screen computers is another step toward improving the Department's relationship with educational institutions and the diverse communities they serve. The initiative provides another vehicle to attract the broadest number of candidates to the Department as part of its outreach effort and in keeping with Goal 1 of the Strategic Plan for Improving Diversity: to recruit a workforce that reflects the diversity of the nation.

President's Initiative on Race

Soon after President Clinton launched his historic Initiative on Race, the Department conducted the first of a series of dialogues on race throughout the country. The dialogues focused on the theme "One America, One Interior, One Goal" and "Closing the Opportunity Gap." They included a diverse group of national leaders from the community, academia, environmental organizations, and the public and private sectors. The participants discussed the role race has played in our history, its influence on our cultural heritage, and Interior's role in addressing race relations as it carries out its responsibilities to protect and provide access to our nation's natural and cultural heritage and honor its trust responsibilities to tribes. The Department continues to conduct these race dialogues.

Diversity Council

The Diversity Council, established in 1993, is an ongoing advisory and proactive working group established to promote diversity and to address issues affecting the quality of work life in Interior. The council includes representatives from each Bureau and Office, and is made up of a diverse, broad cross-section of employees. It provides advice and assistance in implementing programs and initiatives to further diversity and identifies strategies to create and retain a diverse workforce, as well as other aspects of the diversity plan.

Town Hall Meetings

Appointees and other senior officials conducted a series of Town Hall Meetings with employees around the country and at major conferences. The forum provided an opportunity for employees to dialogue with top management regarding matters of concern. Issues range from employment and quality of work life concerns, to race, the work environment, and other matters that could potentially violate Interior's Zero Tolerance for Discrimination Policy. These meetings are an important part of the Department's effort to close the opportunity gaps that exist for minorities and build the One America called for in the President's initiative.

Zero Tolerance for Discrimination

In 1993, the Secretary issued the first of many Equal Opportunity Policies in which he emphasized his personal commitment to a goal that ensures equal opportunity for all, regardless of sex, race, religion, national origin, color, age, disability or any other non-merit factor. He also stressed that sexual harassment, in any of its various forms will not be tolerated. In another policy statement he expanded his policy to specifically address sexual orientation as it relates to matters of employment.

President's Executive Order Prohibiting Discrimination Based on Sexual Orientation

The Department already had a strong policy prohibiting discrimination based on sexual orientation when President Clinton issued Executive Order 11478. In response to the President's EO, the Department expanded some of its requirements to ensure that vacancy announcements,

employee orientation manuals, personnel practices and procedures addressed sexual orientation with respect to both prohibited discriminatory practices and equal opportunity policy.

In addition, to ensure the rights of employees and to avoid this type of discrimination, the Department established a process that mirrors the Federal Discrimination Process to address allegations of discrimination based on sexual orientation. The Department was the first to establish such a process, which is considered a model in government.

Alternative Dispute Resolution

Based on the experience that early resolution of workplace disputes is good for the parties involved—as well as the least costly, least disruptive, the least stressful method for closing complaints—the Department established its formal Alternative Dispute Resolution (ADR) Program, “EEO-PLUS, Partners Listening, Understanding and Solving.” The program also responded to the Equal Employment Opportunity Commission’s revised regulations on federal EEO complaint processing, which were intended to further streamline the process and reduce the time for reaching resolution of complaints. Within EEO-PLUS, each Bureau has an ADR program that is available in both the informal and formal EEO complaint processes. The program has proven to be a success. The Department averages resolution of 65 percent of cases in the informal process. This is above the government average of 55 percent. In fiscal year 1999, 32 percent of the formal complaints closed were by settlements and, already in FY 2000, 39 percent of the formal complaints closed were by settlements.

Reinvention Labs

Three separate reinvention laboratories were conducted within the Diversity and Equal Opportunity Office to attempt to improve the affirmative employment and civil rights and complaints processes. The laboratories were successfully completed and resulted in streamlined processes that were more efficient, more timely, and less costly.

QUALITY OF LIFE INITIATIVE

Shortly after being confirmed by the Senate in 1998, Assistant Secretary John Berry began working with senior managers to create a better quality of work life for all Interior employees. Berry’s philosophy is that for any employer to be able to attract and retain the highest quality employees, certain services must be provided and certain needs of the employees must be met. Consistent with the spirit of the Clinton Administration, Berry began by holding a series of “town hall” meetings for all employees to voice their opinions on the current state of operations at Interior facilities in Washington D.C. Berry also established a Quality of Life Task Force made up of senior management from the National Business Center, the Department’s Office of Personnel Policy and Labor Union representatives. Visible improvements soon followed these meetings and Berry challenged each bureau director to move the initiative to the field.

Building Renovations/Improvements

With building operation and maintenance authority delegated from the General Services Administration (GSA), the National Business Center (NBC) has aggressively pursued major improvements in facilities at the Main Interior Complex resulting in improved employee safety and quality of work life. Also, numerous actions have been taken for enhancement of the environment through responsible management actions. The following describes a number of the achievements involving buildings and facilities during the Clinton administration.

Main Interior Building Modernization

Since 1992, the Department and GSA have worked together to plan for the modernization of the Main Interior Building. Congress approved the project, and the design was completed in 1996. Due to competing priorities, funding for the first construction phase was dropped from GSA's FY 1996 budget request and the project was put on the shelf. Thanks to the support of Representative Steny Hoyer, GSA's FY 2000 appropriation bill contained language directing it to proceed with the first phase this fiscal year.

The Main Interior Building was constructed in 1935. Although a model structure at the time, the building does not meet current health and safety standards. The proposed modernization project will address numerous deficiencies and make the building safe for the Department's employees. The current estimated total project cost is \$175 million, with \$29 million identified for the first phase. Total project duration will be from six to nine years.

Energy Efficient Chillers and Lighting

Because of the five-year delay in commencing work on the modernization of the Main Interior Building (MIB), Interior entered into an energy-savings agreement with the Potomac Electric Power Company (PEPCO) to replace two 1,000-ton chillers. The chillers that were replaced were approximately thirty-five years old, highly inefficient, and extremely costly to maintain in operating condition. The \$2.7 million capital-improvement project was funded by PEPCO with repayment being made to the utility company over a ten-year period out of the savings realized by the more energy-efficient equipment. Also related to the delay of the MIB modernization, Interior entered into a separate agreement to improve the energy efficiency of the lighting in the building. At a cost of \$727,000, the project will be paid back over a four-year period from savings that result from the work.

Accessible Ramp and New Sidewalks

To comply with current accessibility regulations while conforming to historic preservation standards, two granite ramps were constructed at the E Street entrance to provide wheelchair and electric cart access to the Main Interior Building.

The Department initiated a large contract to repair the unsafe (cracked and sunken) sidewalks around the Main Interior Building, including many other modifications such as providing

accessible curb cuts, so disabled employees would have safe access to and from the shuttle buses.

Drinking Water Filtration System

To help improve drinking water quality, Interior installed a state-of-the-art ultraviolet disinfection unit that includes sediment and charcoal filtration without the addition of chemicals.

Restoring and Upgrading the Main and South Buildings

Other noteworthy building improvements included renovation of the fitness center, the post office, the Main Interior Building cafeteria, and snack bars in both the Main and South Interior Buildings. The Department also opened a stress reduction room, and updated and refurbished the new Health Unit to improve services to employees.

In the Main Building, the 7000 A & B conference rooms were completely renovated, and two new conference rooms--the Rachel Carson and John Muir Rooms--were created. In 1998, the Department dedicated the Main Building auditorium to the Honorable Sydney R. Yates, and a historically correct renovation of the South Building auditorium is underway. D.C. public school students, interns with the Corcoran's Visual Arts Community Outreach CANVAS program, painted a mural on the Main Building's 4th floor depicting the restoration of the Anacostia River.

The South Penthouse and Roof Terrace

A major project to restore the historically significant south penthouse included conservation of Native American murals from five artists. These murals depict Native American life and represent the largest collection of such artwork, circa 1940, in the world. A supplemental air-conditioning system was installed to climatically control the space for the protection of the murals. In addition, the room was returned to its original appearance where it once served as an employee soda fountain. The drop ceiling was removed to expose the decorative plaster and molding, and historically correct lights, as well as a new floor and clock, were installed. To make the space accessible to everyone, an elevator was installed along with a ramp to access the roof terrace. Tables and chairs allowing various set ups were purchased so the penthouse could be used for special events. To create a roof top space, pavers were installed on the entire 2nd wing east. The terrace has been furnished with patio furniture and planters. Employees and visitors are encouraged to visit the penthouse, see the murals and artifacts, eat lunch on the roof terrace, or simply enjoy the beautiful view of the city.

Family Support Rooms

After the United Nations' Fourth World Conference on Women in 1995, the President established the President's Inter-Agency Council on Women. This council was to address and advance the issues and needs of women throughout the federal government and country. Through that initiative, the Department of the Interior's Council on Women created and opened the Family Support Rooms in October 1996. The rooms serve as a temporary office for employees who have an unexpected need to care for a family member and a need to continue

working on an important assignment. The rooms, actually four contiguous offices, are in the Main Interior Building on the 4th floor, and are equipped with workstations, computers, printers, a fax machine, refrigerator, sofas, beds, a television and a videocassette recorder, coloring books, crayons, and toys.

Interior Accessibility Technology Center

A new facility was opened by the NBC in October 2000 that provides information and counseling to managers and physically impaired employees regarding accommodation efforts, including identifying and obtaining workstations, equipment, and software matched to individual needs. The Center provides one-stop shopping for ergonomically correct accessible technology including workstations addressing hearing, mobility, cognitive, and sight impairments. This program will assist in improving morale and productivity of existing staff and in attracting highly qualified individuals with physical impairments to the Departmental workforce.

“Greening” Improvements

The Department of the Interior, as the nation’s principal conservation agency, is responsible for stewardship of our nation’s natural and cultural resources. As one of its principal responsibilities, the Department is a leader in many conservation and environmental management programs to protect the environment for future generations. Since 1993, Interior has been especially active in “greening” activities such as recycling and waste prevention, procurement of environmentally preferable products and services, energy and water use reduction, and preventing pollution in Interior facilities and on the more than 400 million acres of public lands that the Department manages.

As an environmental agency, it is essential that Interior facilities communicate the Department’s environmental mission and values to the public, as well as to employees. Ensuring that Departmental facilities are environmentally sound and energy-efficient is an integral part of the agency’s mission. To that end, Interior established many Department-wide policies, guidelines, and goals and undertaken many diverse environmental activities. These actions demonstrate Interior’s overall commitment to sustainability. The following summary of Interior policies, guidelines, goals, and actions illustrates the richness and diversity of environmental strategies which have contributed to the “Greening of the Interior” under Secretary Babbitt.

Strategic Plan for Greening Interior

The Strategic Plan establishes goals for waste prevention and recycling as well as for green procurement and property management. It outlines seventeen strategies for implementation of a program consistent with various environmental requirements. Strategies are outlined to institute policies incorporating environmental considerations at all levels of procurement, from credit card purchasing to large acquisitions.

Opening of the Office Eagle Supply Store

On August 2, 2000, the Department hosted a ribbon-cutting ceremony to celebrate the grand opening of the Office Eagle supply store. This supply store is the result of a joint venture between the Department of the Interior, GSA, and the Blind Industries and Services of Maryland. The store is staffed and operated by people who are blind and disabled. It is unique in that it is the first of its kind to be opened in a cabinet-level agency. Additionally, the store was built employing “green” (environmentally preferable) construction practices, and stocks predominantly “green” office supply products. It also stocks over 700 products produced by the blind and disabled program work centers. The store offers convenient credit card shopping for employees (for both governmental and personal purchases) and an expanded recycling program for diskettes, transparencies, Ni-Cd batteries and toner cartridges. Patrons may also order on-line from a selection of over 30,000 supplies with next day delivery.

Custodial Contract

The NBC decided that it wanted to start using environmentally safe and healthful custodial products and services in the MIB. Therefore, it undertook a comprehensive effort to specify such products in its next five year custodial contract, worth over \$6 million. Research conducted yielded many interesting efforts to define “green cleaners,” including those by the City of Santa Monica, the EPA/GSA Chemical Cleaners Pilot Project, and Yellowstone National Park. The standard contract was then revised to make environmental preferability a basis for evaluating bids, as well as a key performance requirement in the scope of work, and as a criterion for incentive awards. This innovative contracting process has not only begun a new era of cleaning at the MIB, it is also considered a model of how a large service contract can be modified to embrace environmental considerations and executive mandates.

Recycling and Using Recycled Products

Interior initiated a successful recycling program for many commodities: plastic containers, aluminum cans, cardboard, newspapers, white and mixed paper, telephone directories, fluorescent light tubes, pallets/skids, glass containers, and scrap metal. As part of its effort to support products with recycled content, the NBC has switched from traditional paint to recycled content paint in its most recent contract for interior painting of approximately 465,600 square feet of public space (interior corridor walls, entrance doors and rest rooms).

After a great deal of research and product sampling, the NBC has also committed to test and, where feasible, use recycled carpeting throughout Interior facilities. NBC will compose a pre-approved products list for carpeting purchased by tenants for use in the building. The list will feature recycled-content, recyclable carpet tiles with fused backing. This policy is being instituted to improve indoor air quality (by getting rid of carpet padding which tends to hold mold), diminish solid waste, and use products with recycled content.

“EarthShell” Pilot

Through a partnership between the NBC and the EarthShell Corporation, U.S. Department of Agriculture (USDA), GSA, and Guest Services, Inc., several environmentally preferable and biodegradable food service products were introduced to the employee cafeteria, including a new alternative to polystyrene. Food waste, along with segregated compostable plates, bowls, take-out trays and napkins, are being collected in biodegradable bags in the cafeteria and throughout the building.

The collection of compostables has diverted approximately 168 bags of trash (approximately 3,300 lbs.) each month from the cafeteria waste stream. After evaluating the final pilot results, NBC will work with GSA to make these products and waste-prevention efforts a requirement in the cafeteria service contract, and will continue and expand the Department’s use of environmentally preferable products in the cafeteria. It is also hoped that this pilot may inspire the use of environmentally preferable food service products in concession operations throughout our national parks, recreation areas, refuges, and other sites where the visiting public is served.

Quality of Life Projects in Development

Conflict Resolution (CORE) Nationwide Program

The NBC is implementing an operational alternative dispute resolution program called CORE to assist employees and management in resolving supervisory, professional, and personal issues within the workplace which impede cooperative accomplishment of work or lower employee morale. This Department-wide program benefits both management and staff through counseling and mediation of affected parties to resolve issues in lieu of more formal proceedings or processes.

Quality of Worklife Nationwide Program

A new Department-wide program is being implemented within the NBC to help employees and managers achieve an enhanced quality of life at the workplace through advancement of available family-friendly programs such as day-care subsidies and telecommuting, facilities improvement, fitness program subsidies, and a number of other activities beneficial to the work force. Through this program, the Department will be better able to attract and maintain a quality workforce and to maximize employee morale and productivity.

Establishment of the Department of the Interior University

In October 1998, the Department of the Interior University (DOIU) was created within the National Business Center to provide life-long training for Department and other federal employees, and to coordinate training capacities with strategic program requirements. By fulfilling this mission, DOIU strengthens the Department’s workforce and promotes individual career objectives consistent with evolving Departmental needs. In the short time since its inception, DOIU has established a number of programs and new initiatives to meet these objectives. Some examples of DOIU accomplishments follow:

- Established both Interior and government-wide Acquisition Intern Programs to recruit and train a pool of highly qualified acquisition professionals and more effectively realize the expanding scope of private sector work being accomplished within the federal sector. Eight other agencies are currently participating. At the same time, this program is providing enhanced opportunities for minority populations.
- Developed online courses for all Interior employees, many of whom previously had few other training opportunities. This distance learning program has greatly expanded the number of courses that are available anytime, any place and at any pace—and at significantly lower cost than traditional classroom training.
- Established Executive Forums and Speaker Series with published authors from Harvard, MIT and Georgetown University and other distinguished speakers.
- Provided classroom-based training in Albuquerque, Anchorage, Denver and Washington, D.C. to approximately 5000 Interior and 300 non-Interior employees per year on leadership, administrative, computer and personal growth topics.
- Established a team leadership developmental program that provides participants with opportunities to acquire the knowledge, skills, and abilities needed to assume a leadership position within the Department of the Interior. The program is designed for GS 11-14 employees who have demonstrated significant team leadership or management potential.

These programs have all been groundbreaking for the public sector and have been extremely well received, not only by the Interior community but by the federal community in general. Other federal agencies have consulted with DOIU to benchmark their own current or proposed programs.

CHAPTER TWO: OPERATING METHODS

EXECUTIVE DIRECTION

Chief of Staff

Tom Collier served as Chief of Staff in the first Clinton term. Anne Shields was Chief of Staff in the second term.

Deputy Secretary

The Deputy Secretary of the Department of the Interior is the second-highest ranking official in the Department and represents Interior on the President's Management Council, made up of the Chief Operating Officers of all Cabinet agencies.

John Garamendi was confirmed as Deputy Secretary for the Department of the Interior in 1995. As Deputy Secretary, Mr. Garamendi focused his efforts on a number of California-related issues including CALFED, the Presidio land transfer, the Headwaters Forest conservation effort, and endangered species and habitat conservation issues. Garamendi left the Department in April of 1998.

David J. Hayes was appointed Acting Deputy Secretary in April 1999, and became Deputy Secretary in February 2000. Hayes had served as Counselor to Secretary Babbitt from March 1997 to April 1999 before his nomination as Deputy Secretary.

Like Garamendi before him, Hayes served as the chief negotiator for the Department in the acquisition of the Headwaters old-growth redwood forest in Northern California, and worked to reach agreement on the CALFED Action Plan to restore the threatened Bay-Delta ecosystem in California.

Deputy Secretary Hayes spearheaded Secretary Babbitt's introduction of modern water management approaches in the West, forging an agreement among California's municipal and agricultural users of Colorado River water to reduce California's long-standing overuse of Colorado River water. He worked to advance Interior's Trinity River restoration project in the Sacramento Valley, and led the negotiation team that settled litigation over the Central Arizona Project (CAP) which supplies water to Phoenix and Tucson. The settlement provides historic water-supply and financial benefits to Indian tribes served by the CAP.

In addition to working on Indian water and land disputes, Hayes negotiated habitat conservation plans in San Diego County, California, and for the Headwaters forest. He led the Department on climate change issues and hydropower relicensing, and participated actively in Vice President Gore's White House Task Force on Livable Communities, with a special focus on helping communities acquire and protect open space and parkland.

Assistant Secretaries

Policy, Management and Budget

Bonnie R. Cohen served as the Assistant Secretary for Policy, Management and Budget from 1993-1997. During Ms. Cohen's tenure the Department of the Interior implemented the Government Performance and Results Act and received the first "clean" opinion for the Department's audited financial statements.

As part of the effort to streamline and improve operations, Ms. Cohen reorganized the Office of the Secretary, separating policy and operational functions in the various offices within Policy, Management and Budget. Ms. Cohen was also responsible for establishing the Interior Management Council, which involves representatives from all bureaus and offices in management decisions for the Department. She played a key role in initiating the federal government's plan to restore the Everglades to its natural condition. Cohen developed strong working relationships with the Interior Appropriations Subcommittees.

In November 1997, John Berry replaced Cohen as the Assistant Secretary for Policy, Management and Budget. During his tenure Berry reversed the decline in appropriations, increasing Interior funding from \$7 billion to \$10 billion in three years. He helped establish the first-ever dedicated fund for conservation, similar to the highway trust fund, and secured the largest increase for Indian school construction funding in history. Berry served as Interior's representative to the President's Commission on Hawaiian Sovereignty, which recommended extending federal recognition to Native Hawaiians.

Berry placed an emphasis on fiscal accountability, workforce diversity and employees' quality of life. During his tenure the Department consistently received unqualified audit opinions and was the first Cabinet-level agency to resolve the Y2K problem on all its mission critical systems. Berry instituted five-year facilities maintenance plans for the bureaus. His Office of Workforce Diversity completed a landmark strategic plan for employee diversity and instituted several "zero tolerance" discrimination and harassment policies. Berry led a comprehensive overhaul of facilities and services for employees, including a multi-million dollar renovation of Interior's historic main building.

Land and Minerals Management

Robert (Bob) Armstrong served as Assistant Secretary for Land and Minerals Management from 1993 until his retirement in October 1998. Armstrong's work focused on oil valuation and grazing reform.

Sylvia V. Baca served in an Acting capacity from 1998 until her confirmation as Assistant Secretary in April 2000. On November 27, 2000, Baca began serving in a dual capacity as Assistant Secretary and Acting Director of the Bureau of Land Management. Her focus was on the Trans-Alaska Pipeline System, land exchanges and the renewal of military withdrawals of public lands.

Water and Science

Betsy Rieke was Assistant Secretary for Water and Science from 1993-1995. She led efforts to negotiate the Bay-Delta Accord and began the CALFED regional planning program. She also led Interior's efforts to protect Platte River endangered species and resolve long-standing disputes over endangered fish between tribes and irrigators in the Truckee-Carson watershed.

Patricia Beneke succeeded Rieke in 1995 and served as Assistant Secretary until 1999. She led Interior efforts in the ecosystem restorations of the California Bay-Delta, the Florida Everglades and the Platte River.

Mark Schaefer was Acting Assistant Secretary in 1999, and led scientific efforts at Yellowstone National Park, and the invasive species and Northwest salmon initiatives.

Mary Doyle became Assistant Secretary in 2000, leading Interior's effort to secure authorization of the Comprehensive Everglades Restoration Plan. She continued the work on the Platte River ecosystem restoration and coordinated with third parties on dam assessments.

Fish, Wildlife and Parks

George T. Frampton served as Assistant Secretary for Fish, Wildlife and Parks from 1993-1996. He led the effort to rescue Everglades National Park from a century of adverse development on adjacent lands and played a leading role in the endangered species elements of the Northwest Forest Plan and in broader efforts to improve the habitat conservation provisions of the Endangered Species Act. He initiated a reorganization of the National Park Service to place greater emphasis on resource preservation.

Frampton was succeeded by Donald J. Barry, Deputy Assistant Secretary to Frampton during the first Clinton term. Barry brought a renewed focus on key resource issues of the National Park Service, including commercial fishing in Glacier Bay National Park, restoration of Big Cypress National Preserve, protection of bison in Yellowstone National Park, and control of adverse impacts of snowmobiles in more than forty parks.

Barry was succeeded in 2000 by Kenneth L. Smith, who served as Acting Assistant Secretary until the end of the second Clinton term. Smith led an effort to preserve the rich habitats on the island of Vieques, Puerto Rico. He oversaw completion of the Records of Decision on Yellowstone Bison Management and on Winter Use in Grand Teton and Yellowstone National Parks and finalized the comprehensive new compatibility regulations for the national wildlife refuge system. Smith negotiated a desert tortoise habitat protection plan with the U.S. Army as a key element of the Ft. Irwin expansion. He finalized critical habitat designations for numerous endangered species, including hundreds of Hawaiian native plants and the California gnatcatcher. He helped complete comprehensive regulations to comply with the CITES treaty on trade in endangered species.

Indian Affairs

Ada E. Deer served as Assistant Secretary for Indian Affairs in the first Clinton term. She succeeded in shifting BIA resources to tribes, implemented a major reorganization of the BIA, published final rules governing the Federal Acknowledgement Process and implemented amendments to the Indian Self-Determination Act. During her service, six tribes were federally recognized.

Kevin Gover served as Assistant Secretary in the second Clinton term. He focused on getting more funding and improving oversight for reservation education, law enforcement and land management. Gover instituted reforms based on a National Academy of Public Administrators study of BIA management, raised the agency's image with Congress and fought efforts by state and local governments to reduce tribal autonomy. He oversaw a needs study of the Tribal Priority Allocation system, implemented trust funds accounting and management reforms, implemented the first government-to-government consultation policy between the BIA and federally recognized tribal nations, oversaw regulatory changes in BIA housing, financial assistance, social assistance, loan guaranty programs, and Class III gaming and per capita distributions. Three tribes were formally recognized by the federal government during his term.

THE SECRETARY'S IMMEDIATE OFFICE

Counselors and Advisors

Robert T. Anderson was a Counselor to the Secretary, working on Indian water rights, National Park Service issues, Federal Energy Regulatory Commission proceedings, Endangered Species Act issues, Indian gaming matters and tribal trust land acquisitions.

William Y. Brown was a science advisor whose responsibilities included invasive species management, ocean and coral reef protection, biotechnology, amphibian conservation, fossil policy, and overall funding of science support for the Department's bureaus. Mr. Brown also served as Vice Chairman of the Department's Science Board, which the Secretary chairs.

Ed Cohen's work as Counselor to the Secretary focused on Indian mineral rights and National Park Service issues.

Mary E. Doyle's major duties as counselor to the Secretary concerned the negotiation of agreements under the endangered species act—including multi-species conservation plans in Pima, Arizona and San Diego, California—and Florida issues.

As a Counselor to the Secretary, John Duffy concentrated on Indian water rights settlements and Indian gaming issues.

Counselor David Hayes worked on acquisition of the Headwaters Forest, Indian land and water rights claims, Colorado River management and endangered species issues. He served as Chairman of Interior's Working Group on Western Water Rights.

Molly McUSIC was the Counselor who led efforts to protect sensitive Western landscapes and create the new national landscape monuments and national conservation areas.

As a Counselor to the Secretary, James Pipkin worked on the Northwest Forest Plan, U.S.-Canada salmon treaty negotiations and led Interior's participation in the President's Council on Sustainable Development.

Joseph Sax's work as Counselor focused on property rights and takings issues connected with the Endangered Species Act.

Office of Congressional and Legislative Affairs

The Office of Congressional and Legislative Affairs assists the Secretary and the Department in communicating with Congress, tracking legislation and developing testimony. Melanie Beller was the Director of the Office from 1993-98. David Alberswerth was acting Director until the appointment of Lena Aoki in 1999.

Office of Intergovernmental Affairs

The Office of Intergovernmental Affairs was created in the Immediate Office of the Secretary in 1995 to strengthen communication between Interior and state and local elected officials. The Office works closely with state and local governments, other federal agencies, and intergovernmental associations.

Leslie Turner served as Director of Intergovernmental Affairs from 1995 to 1996. Turner's work focused on Endangered Species Act takings issues, the federal mandates project and the base closure commission. Paddy McGuire led the office from 1997 to 1998. McGuire focused on support of Administration policy on the Indian Gaming Regulatory Act and the invasive weeds initiative. Grace Garcia replaced McGuire, and led the office from 1998 to 2000.

Garcia's work included the intergovernmental interests and issues connected with CALFED, national monument designations, the Lands Legacy initiative, invasive species, Indian gaming, the Urban Park and Recreation Recovery Program and hardrock mining.

Office of Communications

The Secretary's public and press relations were handled by the Office of Communications, which also leads and coordinates the public affairs functions of all Interior agencies and offices. Kevin Sweeney led the office in the first term of the Clinton Administration. Michael Gauldin was Director of Communications in the second Clinton term.

Office of External Affairs

The Office of External Affairs, established in 1995, was responsible for outreach to stakeholder groups and collaboration with other federal agencies in support of Administration and Secretarial

initiatives. Kenneth L. Smith led the office from 1995-97, focusing on Teaming for Wildlife and other non-game species initiatives as well as recreation and tourism issues. Jana Prewitt, Director from 1997-2000, led interagency and intra-agency collaborations to enhance the Gateway Community/Public Land Partnership, the Lewis and Clark Bicentennial, American Heritage Rivers, the President's Pine Ridge commitments, and Indian Country and Western states tourism policy.

Alaska Field Office

The Department of the Interior manages more than 50 percent of Alaska's 365 million acres. Alaska has 77 million acres of National Wildlife Refuge lands, 54 million acres of National Park Service lands, and 87 million acres of public lands managed by the Bureau of Land Management. More than 50 percent of lands managed nationally by the Department of the Interior are in Alaska.

The AFO is a "one-stop" point of contact for the Department in Alaska. The office responds to requests for assistance and information from other federal, state, and Alaska Native organizations, as well as individual Alaskan residents, various stakeholder groups and individuals from the lower forty-eight states. The office works on forty to fifty issues at any given time, in addition to collaborating on Alaska-specific federal legislation and budget matters. The head of the office is the Secretary's Special Assistant reporting directly to the Office of the Secretary. The Alaska Field Office (or an equivalent contact office) has been in existence since 1959.

Examples of major ongoing functions include oversight of the federal subsistence management program, information coordination on the growing concern of persistent organic pollutants in the Arctic ecosystem, activities related to the *Exxon Valdez* Oil Spill Trustee Council, co-chairing the Alaska Land Managers Forum with the State's Lieutenant Governor and the Vice President of the Alaska Federation of Natives. In addition, considerable effort and time is devoted annually to the continuing implementation of the Alaska Native Claims Settlement Act (ANCSA) and the Alaska National Interest Lands Conservation Act (ANILCA).

Leadership

Deborah L. Williams served as Special Assistant to the Secretary for Alaska from 1994 to 1998. The Secretary appointed Robert T. Anderson, Counselor to the Secretary, to fill the vacancy on an interim basis. Marilyn Heiman was appointed Special Assistant in February 1999, and continued in that role until the end of the Clinton Administration.

Advancement of Alaska Native Issues

The strong commitment of the Department to Alaska Natives has substantially increased the number of Natives doing business with the federal government.

Subsistence Issues

The Clinton Administration's work on subsistence issues in accordance with in Title VIII of the Alaska National Interest Lands Conservation Act (ANILCA) has been time-intensive and controversial. Federal land managing agencies in the Departments of Interior and Agriculture assumed management of subsistence harvest of wildlife on federal lands in Alaska on July 1, 1990, when the State of Alaska could no longer comply with Title VIII of the Act. The Federal Subsistence Board (FSB) was established to administer the federal management program. Members of the FSB include the Chair, appointed by the Secretary, and the Alaskan directors of five federal agencies: U.S. Fish & Wildlife Service, National Park Service, Bureau of Land Management, Bureau of Indian Affairs, and the USDA Forest Service.

In 1994 Secretary Babbitt appointed former State Senator Willie Hensley as the first Alaska Native to chair the FSB. When Mr. Hensley resigned in 1995, the Secretary appointed a second Alaska Native to the FSB, Mitch Demientieff from Nenana. He also appointed the first members of the ten federal subsistence Regional Advisory Councils (RACs), with a predominant number of representatives from rural Alaska Native communities. The RACs have had a tremendous impact on federal subsistence policy, continually providing solid advice, effective guidance, and consistent management recommendations to the FSB.

Under the leadership of the Secretary, the Department of the Interior successfully persuaded the Department of Justice to reverse the federal position on the *Katie John* case to clearly establish a subsistence priority for rural Alaskans on waters reserved by the United States. This landmark case set into motion a series of federal management actions for oversight of subsistence fisheries in Alaska.

On October 1, 1999, the FSB, after a series of Congressional moratorium delays, began to working closely with the Alaska Department of Fish and Game and statewide Alaska Native organizations to implement a federal subsistence management program for fisheries on public lands. This action by federal managers extended the subsistence priority—mandated by Title VIII of ANILCA and pursuant to the *Katie John* court decision—to navigable waters associated with the federal conservation system. The federal court found that “the definition of public lands includes those navigable waters in which the United States has an interest by virtue of the reserved water rights doctrine” (*Alaska vs. Babbitt*).

As the debate over subsistence continued, Secretary Babbitt steadfastly stated that there would be no amendments to ANILCA Title VIII during his tenure as Secretary of the Interior.

The expansion of the subsistence fisheries management priority to certain federal waters represents a significant expansion of authority, encompassing approximately 60 percent of Alaska's rivers and lakes within federal conservation system units. The final rule incorporating provisions for management was published on January 8, 1999, and went into full effect on October 1. Secretary Babbitt committed 60 percent of the multimillion dollar appropriation to resource monitoring and ordered that the projects be contracted with Alaska Native organizations and groups and the State Fish and Game Department. This was to ensure that rural Alaskans were hired to do the resource analysis.

Working through the Bureau of Indian Affairs (BIA), the Administration established a new senior-level position of Native Liaison to deal with subsistence issues, working closely with the Chairman, FSB members, the RACs, Alaska tribal entities, and Alaska Native communities and representatives.

The subsistence provision of ANILCA continues to be controversial. Recently Governor Tony Knowles directed the State Attorney General to file an appeal of the *Katie John* decision to the U.S. Supreme Court.

Federal Recognition of Alaska Native Tribes

One of the most significant actions by the Secretary during the Clinton Administration was the recognition in 1994 of 227 tribal entities in Alaska. This action, announced by Assistant Secretary Ada Deer at the annual conference of the Alaska Federation of Natives, doubled the number of tribes in the nation and clarified a long-standing issue.

ANCSA Amendments

Pursuant to a request by the Alaska Federation of Natives and other Native groups, the Department devoted hundreds of hours to achieving consensus on technical amendments to the Alaska Native Claims Settlement Act (ANCSA). The Alaska Office worked closely with Native organizations to formulate changes in ANCSA to insure that Native concerns were addressed.

Migratory Birds

During the Clinton Administration, the Alaska Office coordinated the involvement by Natives in the management of migratory birds. Under the leadership of the Fish and Wildlife Service—working closely with the Native Migratory Bird Working Group of the Alaska Community Action Program, the State of Alaska and conservation organizations—a treaty for the legal harvest of migratory birds by Natives was signed. This cooperative effort facilitated amendments to the Migratory Bird Treaty with Canada in December 1995, and the Migratory Bird Treaty with Mexico in May 1997.

Alaska Tribal Technology Access Program (ATTAP)

In 1999, the Department of the Interior received \$1.21 million for the Alaska Tribal Technology Access Program (ATTAP), a three-year project to purchase computers and begin connecting all 227 federally-recognized tribes in Alaska to the Department's wide area data network. This funding is provided by the Information Technology Innovation Fund created by Vice President Al Gore, and supports the President's policy to reduce the digital divide in rural America. Interior is contracting services with the Alaska Inter-Tribal Council for technical assistance during the deployment of the computers, for ongoing technical support, and for contract technical training.

This project answers Vice President Gore's challenge to make all government agencies and programs available online by 2003. Within the first eight months, more than 120 tribes have logged onto the network and used the Internet connectivity for a total of more than 200,000 minutes. At the current rate of use, online access is expected to exceed a million minutes per year.

Emergency Assistance

Working with the Administration and the Bureau of Indian Affairs, the AFO helped provide \$1 million in immediate assistance to Alaska Natives for the summer 2000 fishery disaster. The payments went toward basic monthly living expenses and assisted families experiencing economic hardships due to poor harvest of salmon on the Yukon and Kuskokwim Rivers

Enhancement and Protection of Alaska's Managed Resources

Protecting the Arctic National Wildlife Refuge

President Clinton and Secretary Babbitt steadfastly opposed oil and gas development in the Arctic National Wildlife Refuge's (ANWR), ANILCA 1002 Area. The President vetoed legislation in the autumn of 1995 that contained provisions to open the coastal plain of the refuge to drilling. The Department, working with environmental groups, has helped to block legislation and budget amendments that could lead to the opening of this pristine region of 1.5 million acres to hydrocarbon development.

Additions to the Kodiak Wildlife Refuge

Under the leadership of the Special Assistant to the Secretary for Alaska, who has acted as the Secretary's designee on the *Exxon Valdez* Oil Spill (EVOS) Trustee Council, 252,230 acres of valuable undeveloped land been added to the Kodiak National Wildlife Refuge and the Kenai Fjords National Park. *Exxon Valdez* Oil Spill settlement funds paid for the acquisitions.

Fighting to Maintain Existing Protections

During the past eight years, the Department and the AFO have effectively opposed numerous pieces of anti-environmental Alaska legislation and attempts by Congress to weaken long-standing land legislation. Some initiatives that AFO helped to turn aside include: amendments to the Alaska National Interest Lands Conservation Act which would have weakened ANILCA's protections; attempts to provide public lands to the University of Alaska; removal of critical protections for Alaska wetlands; expansion of the interpretation on Revised Statute 2477 Right-of-Way; and attempts to construct a road through wilderness in Izembek National Wildlife Refuge.

Tulsequah Chief Mine

The AFO has continued to support efforts by the Fish and Wildlife Service, the State of Alaska, Alaska Natives and other federal agencies to undertake a comprehensive watershed planning

process prior to the development of the Tulsequah Chief Mine and access road in Canada. If developed, the project could have major impacts on U.S. resources, including water quality and the habitat of 10-12 million salmon reared in Alaska each year.

Environmental White Papers

In 1998, the Administration published *The Bering Sea Ecosystem: A Call to Action*. Co-authored by the Departments of the Interior and Commerce, and the Alaska Department of Fish and Game, the paper described the Bering Sea and its surrounding ecosystem as an area experiencing severe declines in fish, shellfish, marine mammals and sea birds.

Written in collaboration with federal, state and Alaska Native organizations, *Contaminants in Alaska: Is America's Arctic at Risk?* examined the levels of persistent organic pollutants (POPs) now appearing in the air, water, wildlife and vegetation of Alaska's Arctic regions. The paper was presented by Fran Ulmer, the Lieutenant Governor of Alaska, at the September 2000 meeting of the Arctic Council.

New Facilities

With support by the Administration, the Department greatly enhanced Alaska visitor and outdoor recreation facilities in the national parks and fish and wildlife refuges in Alaska, constructing new visitor centers and undertaking improvements to campgrounds, trails and exhibits. Planning, design and construction were initiated for national park and fish and wildlife visitor centers and headquarters at the Wrangell-St. Elias National Park, Kenai Fjords National Park and the Morris Thompson Visitor Center, Maritime National Wildlife Refuge, Kenai National Wildlife Refuge and the Kodiak National Wildlife Refuge. Denali and Katmai National Parks received appropriations for improvements to campgrounds, facilities and trails. The Bureau of Land Management received appropriations to construct a multipurpose center on the Dalton Highway.

Environmentally Sound Development

Alaska is truly a unique ecosystem, one that is fragile and slow to recover from the impacts of man and nature.

National Petroleum Reserve-Alaska Oil and Gas Leases

At the request of the Governor of Alaska and with the approval of the Secretary, the Department embarked upon an eighteen-month Integrated Activity Plan and Environmental Impact Statement for the eastern portion of the National Petroleum Reserve-Alaska, an area consisting of 4.6 million acres. Upon approval of the Record of Decision, an oil and gas lease sale was held which netted approximately \$104.6 million for 133 tracts in Alaska—one of the largest sales held since Prudhoe Bay was opened to development. The winning bidders are actively evaluating tracts for drilling wells in the near future.

Other offshore sales that were successfully held in Alaska include oil and gas lease Sales 144 and 170 in the Beaufort Sea and Sale 149 in the Cook Inlet. It is anticipated that OCS oil and gas sales in the future will be held in tracts with smaller reserves of hydrocarbons. Fields coming on-line in the near future include the Northstar and Liberty prospects.

The North Slope

Interior-working closely with the State of Alaska, the Department of Energy, other federal agencies, and the Congress-formulated a 1995 agreement lifting the export ban on crude oil from Alaska's North Slope.

Imposed in 1973 during the OPEC oil embargo, when energy security was the dominant policy concern, the ban prohibited foreign sale of North Slope crude, making Alaska the only U.S. oil-producing state unable to market its crude abroad.

As a result of the ban, Alaskan crude was shipped to California for refining, producing a crude oil surplus on the West Coast. The surplus depressed crude prices in Alaska and California, the largest and the third-largest crude-producing states in the U.S. It is estimated that North Slope production between 1973 and 1995 was undervalued by nearly \$14 billion, with a concomitant loss in state and federal tax revenue.

The Alaska office helped to develop a number of recommendations that were incorporated into the final stipulations allowing elimination of the export ban to be approved by Congress and signed by the President. North Slope crude that was once exclusively shipped to California is now marketed to Pacific rim countries such as China, Japan, and Korea.

Over the years there has been a growing concern by the Department that the cumulative impacts of development on the North Slope needed to be evaluated and studied. Heretofore, each new prospective project was evaluated and studied independently. At the urging of the Department and with the cooperation of EPA, the National Research Council is undertaking a \$1.5 million study to evaluate the cumulative impacts of development on the entire North Slope of Alaska.

The Dinkum Sands Case

On June 19, 1997, the U.S. Supreme Court ruled in favor of the United States on a twenty-one year-conflict between the U.S. and the State of Alaska commonly known as the Dinkum Sands Case. The Administration worked with a consortium of federal agencies and environmental organizations to present a compelling case to the Court. The ruling settled the offshore ownership dispute over tidelands adjacent to the north coast of Alaska. The final court decree, signed at the end of June 2000, released from escrow more than \$1.8 billion of revenues that had been held in federal treasury accounts. The case ensured federal jurisdiction over submerged lands adjacent to the Arctic National Wildlife Refuge and protection of wildlife habitat in the Beaufort Sea.

Strengthened and Coordinated Departmental Management and Operations in Alaska

The Department's leadership in the aftermath of the *Exxon Valdez* oil spill and its membership on the EVOS (*Exxon Valdez* Oil Spill) Trustee Council helped to facilitate unprecedented habitat protection in Alaska. Investing millions of dollars in local communities, the Council has protected over 500,000 acres of prime Alaska habitat. Among other extraordinary areas given protection were additions to the Kodiak National Wildlife Refuge (200,000 acres), Kenai Fjords National Park (over 30,000), and prime rainforest acreage to lands administered by the U.S. Forest Service in Prince William Sound.

Alaska Land Managers Forum (ALMF)

At the request of interested stakeholders, and in cooperation and partnership with the State of Alaska and Alaska Native groups, the Department established the Alaska Land Managers Forum (ALMF) under a Federal Advisory Committee Act (FACA) charter, and held its first meeting in November 1996. Operating under principles of consensus, the Forum works on land and resource issues that cut across jurisdictional land management boundaries. The Forum's agenda focuses on improving coordination in Alaska's tourism and recreation industry on public lands.

Arctic Council

The AFO worked successfully to increase the Department's involvement in the eight-nation Arctic Council, particularly in the Arctic Flora and Fauna working group. Special emphasis was given to the growing concern over harmful impacts of contaminants in the Arctic ecosystem. One goal of the initiative is to provide information about and urge support for international agreements such as the Persistent Organic Pollutants (POPs) Treaty.

Alaska Resources Library and Information Service (ARLIS)

Under the leadership of the Department's AFO and Alaska regional directors and librarians, the Alaska Resources Library and Information Service (ARLIS) was founded in 1997 to establish a consolidated natural resources library. Designed to support sound resource policies and management, the library is readily available to all natural resource policy makers, agency managers, Alaska Native entities, scientists, environmental organizations, developers, and the public at large. ARLIS provides material and information services to an average of 4000 clients each month. ARLIS is a product of Vice President Gore's reinvention laboratory program.

20th Anniversary of ANILCA

Twenty years ago, the Alaska National Interest Lands Conservation Act (ANILCA) became law. The Department, with the National Park Service and in partnership with the University of Alaska (UAA), sponsored a number of events in commemoration of the 20th anniversary of ANILCA. The keynote event was a roundtable panel discussion on the merits of ANILCA featuring former President Jimmy Carter, former Interior Secretary Cecil Andrus and other prominent leaders involved in the development of the lands bill. Held on the UAA campus on August 24, 2000 and moderated by Alaska's Lieutenant Governor Fran Ulmer, the program drew a capacity audience

at the Wendy Williamson Auditorium. ANILCA provided for the creation of nineteen new parks and refuges, establishment of a public access program and the adoption of a rural subsistence priority.

Alaska Statement of Cooperation

In May 1999 the Department of the Interior signed the Alaska Statement of Cooperation (SOC) along with Department of Defense, U.S. Coast Guard, Federal Aviation Administration, Environmental Protection Agency, Alaska Army and Air National Guards, and the State of Alaska. The purpose of the agreement is to establish a mechanism for state and federal agencies to work together to clean up federal hazardous waste sites, solve environmental problems and meet environmental protection objectives in Alaska.

ANCSA Report to Congress on Hazardous Substance Contamination

At the request of various Alaska Native organizations and with support from the Department, a report was prepared on the scope of contaminants on Native land holdings. The ANCSA Report to Congress on Hazardous Substance Contamination of Alaska Native Claims Settlement Act Lands in Alaska, Section 103, PL 104-42, was completed in 1995. Prepared by the Bureau of Land Management (BLM), the report was delivered to Congress in 1999.

Endangered Species Successes

Under the regulations and guidelines established by the Endangered Species Act, three listed species found in Alaska have been removed from the official endangered species list during the Clinton Administration: the Aleutian Canada Goose (2000), the American Peregrine Falcon (1999) and the Arctic Peregrine Falcon (1994).

Kennicott Copper Mine Acquisition

In partnership with the Department, Alaska's Congressional delegation, the State of Alaska, the Conservation Fund, and the Kennicott Minerals Company, the Park Service acquired the former Kennicott copper mine on June 16, 1998. Situated in the heart of the historic Wrangell-St. Elias National Park and Preserve, the property includes an historic fourteen-story mill complex, other buildings of historic significance, a cemetery, and 2,825 acres of land that constituted the historic town of Kennecott. Adding the property to the national park was an eleven-year effort.

Lake Todatonten Special Management Area

As part of the Omnibus Parks and Public Lands Management Act of 1996, legislation written into the bill and supported by the Administration established the Lake Todatonten Special Management Area to protect fish and wildlife habitat. Administered by the BLM, the 37,000 acres is adjacent to the Kanuti National Wildlife Refuge.

Alaska Legislation and Regulations of Note

Exxon Valdez Oil Spill Fund Legislation

The Department and the AFO actively supported passage of the *Exxon Valdez* Oil Spill Fund Investment legislation, which allows the *Exxon Valdez* Trustee Council to invest in high-income-producing accounts in order to maximize earnings.

Elim Native Corporation Land Act

The AFO worked closely with Congress to pass the Elim Native Corporation Land Act, which returned 50,000 acres to the Elim reservation erroneously removed by President Herbert Hoover in 1929. After several attempts, a consensus bill was developed and passed by Congress. President Clinton signed the bill on May 2, 2000.

GPRA AND STRATEGIC PLANNING

Performance Management and the Government Performance and Results Act

In the Beginning

The most profound and potentially sweeping shift in management of the Department of the Interior during the Clinton Administration was the move from the traditional “money in - output out” style of management to an innovative way of measuring performance that uses information to manage toward results and holds managers accountable. At the start of the Administration, the President’s budget request was defined by levels of activity, relating funding (“money in”) to outputs: number of reports prepared, miles of road paved, number of grants awarded. There was little interest in or follow-up regarding what results were being achieved for the money being spent, and little management accountability for any results.

In 1993 Congress passed the bipartisan Government Performance and Results Act. This Act, in conjunction with the Clinger-Cohen Act, the Chief Financial Officers Act, and Government Management Reform Act, provided a catalyst for Interior to undertake a rigorous and far-reaching effort to improve the Department’s programs through the implementation of performance management.

Interior’s performance management journey began in 1993 with the development of formal performance agreements between the Secretary of the Interior and the President of the United States. These agreements became public declarations of commitment between the Secretary, Assistant Secretaries, Bureau Directors and the President. They highlighted managerial accountability and were the forerunners of the strategic and annual performance plans published under the Government Performance and Results Act (GPRA). Interior Secretary Bruce Babbitt continued these performance agreements until FY 1998. Thereafter, they were replaced by Interior’s annual performance plans under GPRA, starting in 1999.

Pat McGinnis, President and CEO of the Council for Excellence in Government, captured the essence of the GPRA in August 1997, when she said: “With full implementation of the Results Act, agencies can make policy, budget, and management decisions on the basis of performance and results. This could be a watershed change and an important benefit. To realize it, goals, plans and measures must be firmly oriented to results and address key obstacles in solving national problems and tracking the performance of programs.”

Implementing GPRA

The challenge for Interior has been implementing the act in an agency with eight major bureaus and over 68,000 employees geographically dispersed throughout the country and the U.S. territories. Even more daunting was the fact that planning across the Department was highly localized and not geared toward the results Interior was now expected to manage toward. Interior’s underlying philosophy for making performance management and GPRA work was to obtain the agreement and participation of managers and employees, at all levels, throughout the

process. The plans needed to be their plans, and what was measured had to be the results they could be held accountable for. In addition, the plans and systems developed had to, above all, be useful and useable in improving the management of Departmental programs. Interior's approach was from the ground up, starting small, involving employees, piloting best practices, and taking positive incremental steps forward toward full integration of performance management into the Departmental culture.

In 1994 a department-level team, the Strategic Planning Steering group, was created to coordinate and guide the development of the first GPRA strategic plans. After much deliberation it was decided that, because of the diversity of mission of Interior's bureaus and offices, the agency's strategic plan would be a composite of the eight major bureau plans with an overview provided at the Departmental level.

The first strategic plan required by GPRA was published in September 1997, covering FY 1997 to FY 2002. This was followed in February 1998 by the first required annual performance plan, for FY 1999. Though these plans did not score high marks, their goals were ambitious in scope and accurately reflected the important missions of the Department and its bureaus. By starting at the bureau level instead of with a top-down approach, Interior's bureaus have adopted performance management and measurement down to their field office level in a way unmatched by other federal agencies. In turn, the bureau GPRA documents are increasingly valuable for planning and for supporting budget requests. Interior has continued to prepare multiple documents reflecting Departmental management and oversight, and the missions of the bureaus.

A Legacy of Continuous Progress

Implementation of GPRA at Interior has been iterative. The Department has continued to learn and improve the process with each step it takes. Interior has openly sought comments and has actively consulted with Congress, GAO, OMB, its OIG, and stakeholders to continually improve the content and effectiveness of its plans. Since publishing the initial plans, Interior has implemented a number of changes to the GPRA plans and have worked to cultivate a culture of performance management and accountability in the bureaus and Department.

IMPROVING FINANCIAL ACCOUNTABILITY

The Department is committed to preparing and publishing complete, concise, understandable, and meaningful information about the financial and operating performance of the Department and the individual bureaus, offices, and programs which comprise the Department. The Chief Financial Officers' Act (CFO Act), as amended by the Government Management Reform Act (GMRA), requires agencies to prepare and publish annual agency-wide financial statements beginning with FY 1996.

The Department's financial reporting goals are: (1) to achieve and maintain unqualified audit opinions for departmental and bureau financial statements, (2) to strengthen financial controls, and (3) to ensure that financial data produced for management decision-making is reliable, verifiable, and consistent with the annual audited financial statements.

In FY 1996, the Department prepared its first Accountability Report under a pilot program established by the Office of Management and Budget under the Government Management Reform Act (GMRA). The Department's Accountability Report provides readers with consolidated financial statement data and information on operating performance and management integrity which demonstrates Interior's stewardship over the assets, missions and responsibilities entrusted to it. The report integrates the multiple financial management and performance measurement requirements of the CFO Act, the Government Performance and Results Act (GPRA), the GMRA, and the Federal Managers' Financial Integrity Act (FMFIA) into a comprehensive process.

The Department continues to prepare Accountability Reports on an annual basis, revising and expanding the content of the report as necessary to adapt to changing requirements and to meet the needs of interested parties. The Department's financial reporting strategy also includes the preparation of bureau annual reports and financial statements. The Department's goal is to prepare timely, unqualified bureau and consolidated financial statements.

During FY 2000, the Department continued to improve reporting of financial information. Significant accomplishments include the following:

Interior prepared its fourth Accountability Report under an OMB-sponsored pilot program. The FY 1999 Accountability Report included audited consolidated financial statements for the Department, which received an unqualified audit opinion for the third year in a row.

Interior prepared and audited financial statements for the Department's bureaus and operating components. In FY 1998 all bureau-level financial statements that were prepared, except one, received unqualified audit opinions. In 1999, all financial statements prepared by bureaus achieved unqualified audit opinions.

SAFE VISITS TO PUBLIC LANDS

Interior manages an extensive infrastructure to meet the needs of over 380 million visitors who visit and enjoy national parks, national wildlife refuges, and other public lands and facilities on an annual basis. Some of the structures that Interior manages are over 100 years old and are important landmarks. Others were built by the Civilian Conservation Corps in the 1930s, and still others were erected as part of the "Mission 66" program, a revitalization program for national parks in the 1950s and 1960s.

Though always an issue of vital importance to the Department and its bureaus, maintenance of facilities was neither managed, budgeted, nor reported in a consistent manner. With submission of the FY 2000 Budget, the Clinton Administration, through the Department of the Interior, instituted an aggressive Safe Visits to Public Lands Initiative to improve management of and accountability for the Department's infrastructure. The Initiative focuses maintenance and construction funding on the highest priority health-and-safety and resource protection needs.

The Safe Visits Initiative directs the Department's efforts to manage rehabilitation and repair needs at parks, refuges, and public lands that are faced with increasing visitation, an aging infrastructure, and threats to natural and cultural resources. In FY 2000, \$1.1 billion is available to improve the infrastructure through the Safe Visits Initiative, an increase of \$172.7 million over FY 1998 and \$61.6 million over FY 1999. For FY 2001, the Department requested \$1.3 billion, of which \$686.4 million is for maintenance and \$601.3 is for construction. This is an increase of \$140.5 million, or 12 percent, over 2000. Both annual (usual upkeep activities) and deferred maintenance are included in this initiative.

Long-term improvement of the condition of the Department's facilities requires better data on current conditions. To this end, in December 1999 Interior issued formal requirements for conducting facility condition assessment surveys across all the bureaus. These surveys will provide a continuous, systematic review program through which the bureaus can identify repair, rehabilitation, and replacement needs. These condition assessment surveys are a more thorough and comprehensive examination of facilities, and therefore are likely to uncover additional needs. It is anticipated that a cycle of condition assessments will be completed every five years and that will give Interior, for the first time, an accurate assessment of the total backlog of maintenance needs. The budget contains \$9.2 million for condition assessments, an increase of \$5.8 million.

The Department has instituted a facilities management systems partnership to provide a forum to coordinate the development and use of facilities management systems Department-wide. The National Park Service began pilot implementation of a robust, comprehensive maintenance management system in September 1999. The goal is to establish a uniform maintenance management system that can provide consistent, reliable maintenance information to managers and Congress. Accurate information is critical to ensure future accountability. The 2001 budget includes \$4.3 million that will allow the bureaus to continue development and implementation of maintenance management systems.

DEFERRED MAINTENANCE AND CAPITAL IMPROVEMENT

By implementing the Safe Visits Initiative, the Department of the Interior, long beset with inconsistent and incomplete data on the backlog of deferred maintenance across the bureaus, began in the FY 2000 budget to present the Department's priorities for the Five-Year Deferred Maintenance and Capital Improvement Plan. Deferred projects are those that are more than one year past the date the work should have been accomplished. Projects on the list are ranked to request funds for the highest priority health-and-safety and resource protection needs first. Each of the land management bureaus, the U.S. Geological Survey, and the Bureau of Indian Affairs has formulated and will present an updated plan that lays out the most critical construction and maintenance needs to be accomplished over the next five years.

For both construction and maintenance programs in FY 2001, the Department continued use of standard definitions of facilities terms and data, uniform criteria for priority ranking of the most critical health and safety and resource protection projects, and consistent and credible descriptions of projects. The five-year plan will continue to be updated annually to reflect

changes as projects shift in priority and new needs are identified. The FY 2001 request is \$645.6 million, an increase of \$117.7 million, and estimates for the five years from FY 2001 to FY 2005 are projected to be \$3.4 billion.

Construction requests, excluding those of the Bureau of Reclamation, total \$601.3 million, reflecting a net increase of \$113.1 million over FY 2000. Bureau of Indian Affairs (BIA) education receives an increase of \$167.3 million. The BIA increases will allow accelerated major and minor repairs at 185 existing schools, and the replacement of six schools: Tuba City Boarding and Second Mesa Day Schools in Arizona; Zia Day School, Baca Consolidated Community School, and Wingate Elementary School in New Mexico; and Lummi Tribal School in Washington.

The requests for construction in the land managing bureaus total \$235.4 million, composed of \$11.2 million in the Bureau of Land Management; \$44.2 million in the Fish and Wildlife Service; and \$180.0 million in the National Park Service. Among the seventy line-item requests are construction projects for:

- Repairing the unreliable electrical system at the Mammoth Cave National Park in Kentucky;
- Replacing an unsafe BLM bridge at Susie Creek, Nevada;
- Replacing a failing Yellowstone National Park water and waste-water system in Wyoming;
- Implementing seismic safety rehabilitation in six FWS buildings at Alchey/Williams Creek National Fish Hatchery in Arizona, Jackson National Fish Hatchery in Wyoming, and Coleman National Fish Hatchery in California;
- Installing a fire suppression system in park structures at Gettysburg National Military Park in Pennsylvania; and
- Establishing an interpretive center at the Manzanar National Historic Site in California, the site of one of the relocation centers for Japanese-Americans during World War II.

INFORMATION MANAGEMENT

Perhaps no area of management saw more advances during the Clinton Administration than Information Technology (IT). Interior was a leader in government IT policy and innovation.

Year 2000 Compliance

The Department of the Interior was the first statutory cabinet-level agency to complete Year 2000 compliance for its ninety mission-critical systems. Interior's continuity of operations plans and guidelines were used by other agencies as a model for Command Center "Day 1" preparations to cover the period immediately before and after the midnight transition to the new year. Interior received over \$128 million in supplemental funds to ensure the readiness of 111 mission-essential facilities; tens of thousands of non-mission-critical systems; voice, data and radio telecommunications infrastructure; and embedded microchip technology in facilities ranging from water treatment plants to seismological detection and recording equipment.

Common IT Contracts for Interior and Other Government Agencies

The Department of the Interior streamlined its Information Technology (IT) acquisition process by implementing department-wide and government-wide contracts. Combining purchase dollars with the benefit of a single contracting action has saved the government both fiscal and manpower resources by gaining volume discounts and lessening the administrative burden associated with IT acquisitions, resulting in as much as 15 percent savings under existing government contracts. Since November 1994, the Department of the Interior has negotiated three Master License Agreements, ten Basic Purchase Agreements, one Department-wide contract and three government-wide contracts. These purchase vehicles include a variety of hardware, software, maintenance, and support services.

Interior Pioneers e/Government Concept in the Federal Sector

NBII and NBC Sites

Two of the Department of the Interior's Web sites were winners of the 1999 Best Feds on the Web Award. Sixteen federal Web sites were selected as the 1999 winners of the Best Feds on the Web competition sponsored by GovExec.com, the daily Web publication of *Government Executive* magazine. Two of the Department of the Interior's Web sites were winners of the 1999 competition; they are:

- National Biological Information Infrastructure: The NBII site, <http://www.nbii.gov>, is a repository for everything under the sun related to biology—a science teacher's dream.
- National Business Center: NBC employees can access their time and attendance records, e-mail and electronic calendars online at <http://www.nbc.gov>. Customers can request information electronically, and visitors curious about what NBC does can view the agency's products and services.

Interior Reinvention Labs

In the past six years, Interior has established thirty-eight Departmental reinvention labs. A laboratory's purpose is to promote the redesign of processes, systems, administrative structures, programs, or a combination of these, with the goal of providing better services or products. Risk-taking and creativity are encouraged in the lab environment. The Reinvention Labs create an environment where federal workers and their partners have the freedom to experiment, and can showcase innovation and results. Of Interior's thirty-eight laboratories, eight have received Vice President Gore's Hammer Awards for their accomplishments. The Department has received a total of forty Hammer Awards.

Indian Trust Management Architecture

Interior maintains 1400 accounts for 315 Tribal entities with assets in excess of \$2.5 billion, with an additional 285,000 Individual Indian Monies (IIM) accounts through which over \$300 million

pass each year. As part of the Interior-wide Trust Management Improvement Project, the Computer and Business Systems Architecture project documents the means of defining and mapping business processes within the trust management activity from existing procedures and systems to the new operating environment. It has recently delivered the first two foundational pieces of that Architecture ahead of schedule. The objective of the new operating environment is to provide an integrated set of systems and procedures across relevant Interior bureaus and offices that, taken together, function well to assure proper management of trust monies and actions and an appropriate accounting of the collections and disbursements for tribes and allottees.

Consolidated Telecommunications Network (DOINET)

DOINET supplies high-speed communications links for key Interior and other federal agency locations. DOINET provided Internet Access for assisting NOAA's capability to provide public access to the National Hurricane Warning Centers in Florida. Public interest peaked during a major storm shortly after implementation, with over 15,000,000 hits per day during a four-day period. The information that flowed between NOAA and the American public holds the record for sustained information flow over a Interior-provided information technology facility. The DOINET supports the BIA school Internet initiative and is instrumental in establishing networking agreements with other federal agencies. Through aggregated access points bureaus have been able to disconnect long distance connections and share DOINET-provided services.

The Alaskan Regional Telecommunications Network (ARTNET)

Interior Implemented the first-ever consolidated high-speed telecommunications network (ARTNET) in Alaska for use by the Department and other federal agencies such as the Social Security Administration, USDA Forest Services, Volcano Observatory and Earthquake Alert Systems, Arctic Region Ice Pack Studies, Tsunami Warning System, and Native Alaskan Tribes.

The Alaska Tribal Technology Access Program (ATTAP)

ATTAP was established to provide Native Alaskan tribes with personal computers and Internet access. This task presented enormous logistical challenges because of infrastructure shortcomings, vast geographic distances, and high telecommunications costs. Interior acquired technology start-up funding through GSA's Information Technology Innovation Fund. This funding opportunity provided the resources to acquire a personal computer for each of the 225 Alaskan Tribes and include remote access into ARTNET and DOINET for Internet access. ATTAP also provided the tribes with their first email system for connectivity with federal, state and local government agencies.

Capital Investment Planning Process

The Department of the Interior established a capital investment planning process that identifies and tracks major technology investments throughout the Department to ensure that investments are clearly driven by and accountable to specific business goals, with sound investment and project management structures in place that lead to effective outcomes. The new coordinated

planning and management process establishes a Department-wide portfolio of IT investments wherein high-dollar IT investments are reviewed in the context of existing systems and other proposed investments to ensure coordinated and consolidated investments where appropriate, and eliminate duplication and inconsistency. Interior is one of only two cabinet-level agencies planning and evaluating both its information technology and construction capital investments together in a single unified program.

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