

# Departmental Overview



*Together, we will change the world as we oversee the Department of the Interior's responsibilities across all 50 States, the Territories, and oceans.*

*Ken Salazar, Secretary of the Interior  
April 27, 2009*

Managing twenty percent of the land mass of the United States and 1.7 billion acres of the Outer Continental Shelf, the Department of the Interior has been entrusted to serve as the stewards of America: purple mountains; fruited plains; the landmarks of our history and the icons of the Country's heritage; the Nation's energy future; and the connection of people to their landscapes.

When the first Secretary of the Interior, Thomas Ewing, took the oath of office on March 3, 1849, the United States ended at the Mississippi River. There were only 29 stars on the U.S. flag. Today:

- The Department of the Interior's mandate now reaches across 12 time zones. It includes responsibility for places as grand as Yosemite, structures as mighty as the Hoover Dam, and creatures as fragile as a butterfly.
- The Department manages 391 national park units, 550 wildlife refuges, and the 27 million-acre National Landscape Conservation System that are an economic engine for tourism and growth opportunities for recreation, wildlife conservation, and responsible resource use.
- Almost one-third of the Nation's domestic energy production is generated from Interior managed lands and waters. The Department manages lands and offshore areas that have significant potential to enhance energy security and greatly increase renewable energy opportunities. In 2010 an estimated \$14.0 billion in revenues will help to offset the Department's \$12.1 billion requested budget.
- The Department fulfills special responsibilities to Native Americans as the manager of one of the largest land trusts in the world—over ten million acres owned by individual Indians and 46 million acres held in trust for Indian Tribes.
- In addition to lands managed in trust, Interior manages over \$3.4 billion of funds held in over 2,700 trust accounts for approximately 250 Indian Tribes and over 380,000 open Individual Indian Money accounts.
- With 165,000 facilities at 2,400 locations, Interior is second only to the Department of Defense in managed assets.
- Approximately 31 million people in the West rely on drinking water provided through water systems managed by the Department. Interior irrigation systems deliver water to farmers who generate over half of the Nation's produce.

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- With the Bureau of Indian Education school system, Interior provides services to approximately 42,000 students in 23 States attending 183 elementary and secondary schools and supports 30 tribally controlled community colleges, universities, and post-secondary schools.
  - The Department's law enforcement agents, over 4,000, constitute the third-largest civilian law enforcement presence in the Federal government.

The Nation has passed through times of deep crisis—fighting a War Between the States, thirteen economic recessions, and the Great Depression. With each crisis, the Department of the Interior has helped the Nation to persevere and to grow stronger. The Department exists in the service of America – it is the Department of America.

*I want to transform this Department from what has been perceived as a Department of the West to a Department of all of America.*

**Ken Salazar, Secretary of the Interior**  
**January 22, 2009**

## **THE PAST**

At the dawn of the 20<sup>th</sup> century, when America was losing its forests, wildlife, and open spaces, President Teddy Roosevelt turned an environmental crisis into the legacy of stewardship enjoyed today. He expanded the national parks, laying the foundation for the modern day national park system. He built the world's largest system of lands dedicated to wildlife conservation—the national wildlife refuge system.

In the dark years of the Great Depression, President Franklin Roosevelt's Civilian Conservation Corps put three million people to work on conservation and construction projects in the parks, refuges, and public works around America. When faced with a crisis, Americans always build a path to progress, and America will do the same with the economic crisis of today.

## **THE PRESENT**

President Obama and the new Congress initiated that path to progress with passage of the American Recovery and Reinvestment Act of 2009. Interior bureaus are hard at work executing projects that make up the \$3.0 billion in funding that is allocated to the Department under the Act. These projects give the land management agencies, the Bureau of Land Management, Fish and Wildlife Service, and National Park Service, an infusion of capital to create jobs and address long-standing needs for energy retrofits and efficiency improvements, facilities maintenance and rehabilitation, habitat restoration, abandoned mine land and legacy well remediation, and trail and road repairs. Indian Affairs will build and repair schools, maintain and repair roads and facilities, provide loans to small businesses, and conduct job training. The Bureau of Reclamation will bring water to rural communities and Indian Country, address aging infrastructure, and conduct restoration activities. The Department's science agency, the U.S. Geological Survey, will repair facilities; conduct energy retrofits; upgrade volcano, earthquake, and streamgage equipment and systems; and accelerate mapping of coastal areas. Together, these investments mark a new era for the Department—an era of investment and renewal that will re-energize Interior's programs and employees, while providing expansive opportunities to create jobs and stimulate economic recovery across the Nation.

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## THE FUTURE

The President's 2010 budget continues this new era of change focused on solving the daunting challenges facing the Nation today and looking forward to the opportunities of tomorrow.

In this new era, the Department will play a central role in creating a new energy frontier; tackling climate impacts; usher in an unprecedented commitment to protect America's treasured landscapes and a reinvigorated Land and Water Conservation; and a 21st Century Youth Conservation Corps. The Interior Department will also commit to restoring the integrity of the government-to-government relationship with Indian Tribes and empowering Native American communities.

The Department of the Interior's 2010 budget request of \$12.1 billion in current appropriations will:

- Invest an additional \$75.4 million for the Nation's New Energy Frontier initiative including \$50.1 million to promote a clean energy future with a focus on renewable energy sources on Federal lands and waters. The Department's comprehensive energy strategy also includes \$16.9 million to continue producing conventional energy to help attain energy independence and invest \$8.4 million to improve accountability and ensure that taxpayers receive a fair return from mineral production on Federal lands.
- Assist Interior land management agencies and States with \$133.0 million in additional funding to monitor, adaptively manage, and assess the impacts of climate change on the Nation's lands, waters, fish, and wildlife.
- Target \$46.0 million in Reclamation including \$26.0 million more for grants to promote conservation of western water by local communities through voluntary water banks, wastewater reclamation and reuse, and other market-based conservation measures and basin studies.
- Protect treasured landscapes with \$100.0 million in additional program funding to operate and maintain park facilities and resources and \$25.0 million to leverage private donations for park partnerships.
- Recommit to the promise of fully funding the Land and Water Conservation Fund. An increase of \$95.2 million will be used to protect lands for wildlife and public enjoyment and to fund LWCF State grants.
- Create a 21<sup>st</sup> Century Youth Conservation Corps, an energized Interior youth initiative that will invest in young people. An increase of \$50.0 million will create educational and job opportunities and a new program to encourage them to hunt and fish responsibly.
- Empower Native American communities with a \$30.0 million increase for law enforcement and \$72.0 million for Indian education programs.
- Fund the \$369.8 million ten-year average cost for wildfire suppression and establish a new \$75.0 million Wildland Fire Contingency Reserve Fund that, coupled with reforms to the Department's wildland firefighting program, will minimize the need for the transfer of funds from non-fire programs.
- Restore habitats that are important to the health of the Great Lakes region, including wetlands, islands, and tributaries. The 2010 budget for the U.S. Environmental Protection Agency includes \$85.9 million for Interior agencies.

**BUDGET AUTHORITY AND RECEIPTS  
FOR 2008, 2009, AND 2010**  
(in millions of dollars)

	2008 Actual*	2009 Estimate	2010 Request	Change from 2009
<b>BUDGET AUTHORITY</b>				
Total Current Appropriations (w/o supps)	11,282	11,301	12,103	802
Fire Supplemental .....	+384	0	0	0
Total Current Appropriations (w/ supps).	11,666	11,301	12,103	802
Permanent Appropriations .....	5,809	5,883	6,073	191
Total (w/o ARRA).....	17,475	17,183	18,176	993
[Net discretionary BA w/o ARRA].....	[11,590]	[11,141]	[12,008]	[867]
<b>RECEIPTS</b>				
Outer Continental Shelf.....	18,296	6,260	7,132	872
Onshore Mineral Leasing .....	5,161	4,214	4,422	208
Other Offsetting Receipts .....	1,802	1,561	1,678	117
Other Receipts.....	756	748	748	0
Total .....	26,015	12,783	13,980	1,197

\* Excludes one-time disaster supplementals totaling \$75.0 million and transfers from other agencies totaling \$21.3 million.

**THE NUMBERS**

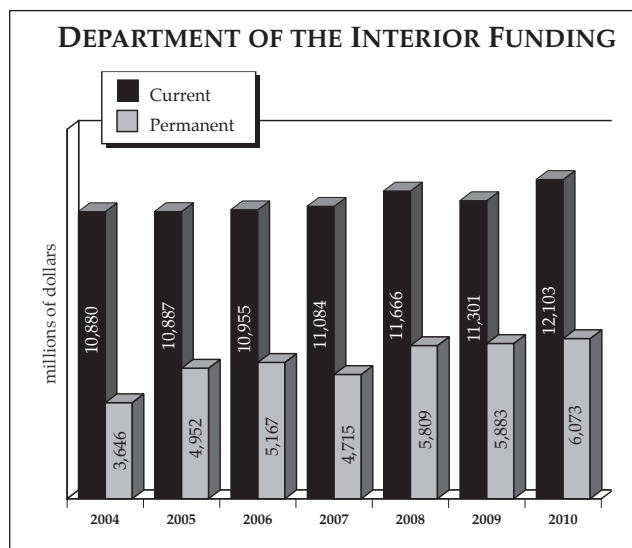
The 2010 Interior budget request for current appropriations is \$12.1 billion, \$802.0 million or 7.1 percent above the level enacted by Congress for 2009. When \$3.0 billion in 2009 Recovery Act funding is included in the 2009 total, the 2010 budget is \$2.2 billion below the 2009 enacted level. Permanent funding that becomes available as a result of existing legislation without further action by the Congress will provide an additional \$6.3 billion, for appropriations totaling \$18.2 billion for Interior in 2010.

The 2010 request includes \$11.0 billion for programs funded by Interior, Environment, and Related Agencies Appropriations Act. This is an increase of \$857.0 million above the level enacted for 2009. The request includes \$160.8 million to fully fund anticipated 2010 fixed cost increases.

The 2010 request for the Bureau of Reclamation and the Central Utah Project Completion Act, funded in the Energy and Water Development Appropriations Act, is \$1.1 billion, \$55.1 million below the level enacted for 2009.

In 2010, Interior will continue an exemplary record of producing revenue for the American Taxpayer. The estimate for revenue collections by the Department in 2010 is \$14.0 billion, more than offsetting the budget request for current appropriations.

The 2010 budget assumes the enactment of legislative initiatives to ensure better management of Federal oil and gas resources and a fair return for mineral leasing on Federal lands. These initiatives include a new fee on nonproducing Gulf of Mexico offshore oil



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

**INTERIOR, ENVIRONMENT, AND  
RELATED AGENCIES**

<b>2009 Enacted</b> .....	10,183.1
Fixed cost changes .....	+160.8
New Energy Frontier .....	+75.4
Climate Impacts.....	+133.0
Treasured Landscapes (Park Operations).....	+100.0
Park Partnerships.....	+25.0
Land and Water Conservation Fund.....	+95.2
Protecting Landscapes .....	[+59.7]
NPS State Grants.....	[+11.0]
21st Century Youth Conservation Corps.....	+50.0
Empowering Indian Communities.....	+102.0
North American Wetlands Conservation Fund..	+10.0
Wildland Fire	
Suppression .....	+34.6
Contingent Emergency Reserve Fund.....	+75.0
Bureau of Land Management	
Wild Horse and Burro Program.....	+26.5
Alaska Legacy Wells.....	-4.6
U.S. Geological Survey	
Cooperative Research Units .....	+2.0
Arctic Ecosystems .....	+4.2
Indian Affairs	
Land and Water Settlements .....	+25.8
Tribal Governments.....	+8.2
Indian Land Consolidation .....	+3.0
Historic Preservation Fund Grants-in-Aid.....	+5.0
OSM State and Tribal Grants.....	+5.8
AML Emergency Grants .....	-13.0
MMS Information Technology Reductions .....	-3.7
Guam Guaranteed Loan Program .....	+2.0
Enterprisewide IT Improvements.....	+5.4
Financial and Business Management System .....	+7.0
Construction .....	-54.1
Net, all other program changes.....	-23.5
<b>2010 Interior Budget Request.....</b>	<b>11,040.1</b>

**ENERGY AND WATER DEVELOPMENT**

<b>2009 Enacted</b> .....	1,117.7
Water Conservation Grants .....	+26.0
Safety of Dams .....	+13.6
Central Valley Project.....	+9.8
Lower Colorado River Operations.....	+6.4
Colorado River Storage Project.....	+4.8
Colorado Basin Project.....	+4.4
Animas-La Plata.....	+4.2
Rural Water Supply Projects .....	-75.0
Water Reclamation/Reuse (Title XVI) .....	-30.2
Central Valley Project Restoration Fund .....	-20.7
Water Resource Investigations.....	-12.1
CALFED .....	-9.0
Colorado River Basin, Central AZ Projects.....	-7.0
Net, all other program changes.....	+29.8
<b>2010 Energy and Water Budget Request.....</b>	<b>1,062.7</b>

**Total 2010 Budget Request .....12,102.8**

and gas leases to encourage timely domestic energy development, a new fee for compliance inspections of offshore oil and gas facilities, and a new excise tax on certain offshore oil and gas production to begin in 2011. The budget also anticipates increased revenues from oil and gas royalty reform for onshore oil and gas operations on Federal lands.

The budget assumes the enactment of legislative proposals to repeal provisions of the Energy Policy Act of 2005 related to permit processing and geothermal payments to counties, to reallocate the repayment of capital costs of the Pick-Sloan Missouri Basin program, and to terminate Abandoned Mine Land payments to certified States and Tribes.

**MAJOR BUDGET INITIATIVES**

**Creating a New Energy Frontier** — The energy challenges the U.S. faces are severe. The Nation has seen \$4.00 per gallon gasoline and rising electricity costs. The Nation imports about 57 percent of the oil needed to fuel the country’s transportation system, heat homes, and power the economy. The time has come to create new, clean sources of energy using the Nation’s vast domestic resources. The President has a vision of energy independence for the sake of national security, economic security, and environmental health. His plan will steer the country onto a new energy path—one that creates new jobs and puts America out front in new, growing industries; one that promotes investment and innovation here at home; and one that makes responsible use of domestic resources.

*The Interior Department manages the land on which 30 percent of the Nation’s energy is produced. So you have a major role to play, all of you, in our clean energy future. The Nation is depending on you to help us end the tyranny of foreign oil and become energy independent — by harnessing the wind and the sun, our water, our soil, and American innovation.*

**President Barack Obama**  
**March 3, 2009**

As managers of one fifth of the country’s landmass and over 1.7 billion offshore acres, Interior oversees lands with some of the greatest renewable energy potential in the Nation. This makes Interior uniquely positioned to assist in meeting the President’s goal to implement a comprehensive energy plan for a clean and independent energy future. The BLM has identified about 21 million acres of public land with

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high wind energy potential in the 11 western States and about 29 million acres with high solar energy potential in the six southwestern States. There are also 140 million acres of public land in western States and Alaska that have significant geothermal resource potential. In addition, there is considerable wind and wave energy potential offshore. The National Renewable Energy Laboratory has identified more than 1,000 gigawatts of wind potential off the Atlantic coast, and more than 900 gigawatts of wind potential off the Pacific coast.

The 2010 budget request includes \$75.4 million to invest in renewable energy development, reduce the Nation's reliance on foreign oil supplies, and support a clean energy economy. This initiative with \$50.1 million for clean energy is inextricably tied to the President's climate change agenda, as the expanded development of renewable energy is necessary to reduce the Nation's carbon footprint and slow climate impacts.

Interior's activities will engage the combined talents of the Department's bureaus: facilitating the development of renewable energy on public lands, developing a robust OCS-based renewable energy program, and ensuring responsible energy production on public and tribal lands through sound science. Specifically:

- The BLM and BIA will facilitate development of renewable energy sources, including, geothermal, wind and solar, on public and tribal lands, while also addressing the siting challenges associated with building a new transmission infrastructure.
- The Minerals Management Service will begin a program for renewable energy on the Outer Continental Shelf. The MMS will conduct environmental and technological studies and prepare environmental analyses to develop competitive renewable energy lease sales, and issue and monitor leases for individual projects.
- The USGS will develop scientific information on the distribution of renewable energy resources to ensure environmentally sensitive development. Departmental bureaus, including BLM and FWS, will streamline environmental reviews and permitting and assure that renewable energy facilities are developed with minimal impact on natural resources.

On April 22, the President announced the completion of new regulations that set the stage for the development of renewable energy resources on the OCS. These regulations will guide the collaborative efforts of MMS and the Federal Energy Regulatory Commission to create new opportunities for the production of wind, wave, and solar energy offshore.

To continue supplies of conventional, domestic energy sources, the Administration's energy strategy also includes the continued development and, where appropriate, expansion of domestic production of oil and gas and other mineral resources. The 2010 budget request includes increases of \$16.9 million for BLM and MMS to continue programs that support 30 percent of the domestic energy production in the United States. The budget request also includes \$8.4 million to improve revenue collection and oversight activities.

*Developing these renewable resources requires a balanced and mindful approach that addresses the impacts of development on wildlife, water resources, and other interests under the Department's management jurisdiction.*

**Ken Salazar, Secretary of Interior**  
March 17, 2009

**Tackling Climate Impacts** — With lands that range from the Arctic to the Everglades, Interior's managers observe the sometimes dramatic effects of a changing climate, including thawing permafrost and melting glaciers, changes in precipitation patterns, and sea level rise. In this dynamic context, Interior managers need the information, tools, and resources to measure, understand, and respond to on-the-ground impacts. As the largest land manager in the Nation, Interior is positioned to pioneer adaptive management approaches to address the effects of climate change.

The 2010 budget request for the Department includes increases totaling \$133.0 million to address the impacts of climate change on land, water, and wildlife resources. The Climate Impacts initiative integrates the activities of the BLM, USGS, FWS, NPS, and BIA to measure and monitor climate-induced change, to share information with other managers, to formulate strategies to protect wildlife and habitats through adaptive resource management. The budget increase will allow bureaus to create the foundations for leadership in climate impact science, adaptive management techniques, and carbon sequestration focused on practical, on-the-ground information and actions.

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*Monitoring Networks and Adaptive Strategies* — Interior's Climate Impacts initiative includes \$65.0 million to establish a strong monitoring network that will comprehensively chart and respond to climate impacts on land, water, and wildlife resources through adaptation strategies. The BLM, USGS, FWS, and NPS will work together to develop scientific data about climate-induced changes that are occurring and those that are predicted to occur, and then translate this scientific input into on-the-ground strategies for land and water managers. The initiative also includes \$40.0 million for grants to States and Tribes, provided through the FWS State and Tribal Wildlife Grants program, to assist with planning and adaptive management.

*Carbon Sequestration* — Forest and rangelands, wetlands, and other landscapes managed by the Interior Department play a vital role in the carbon cycle. These natural systems soak up carbon dioxide and thereby reduce the harmful effects that carbon dioxide and other heat-trapping gases can otherwise cause. The absorptive capacity of forests and other landscapes has played a key role in reducing the negative impacts of climate change. The Department's bureaus will enhance the absorptive capacity of lands by engaging in more aggressive re-vegetation and tree planting strategies, ecosystem restoration, wetland protection, and similar strategies, to enhance the carbon cleansing capability of natural systems.

The 2010 budget includes an increase of \$7.0 million for USGS to research both geological and biological carbon sequestration potential. In 2010, with the completion of its 12-month project to develop the appropriate methodology, USGS will begin the initial stages of a national assessment of geologic sequestration of carbon dioxide in saline formations and depleted oil and gas reservoirs. With this new funding, USGS will also develop methodologies to measure and assess biological carbon sequestration and greenhouse gas fluxes.

**Water Conservation** — A key aspect of climate change is increased variability in water availability. Recognizing the need to address this critically important issue, the 2010 request also includes \$46.0 million for a closely aligned Water Conservation program. This will help communities increase the availability of water using \$26.0 million in competitive challenge grants; \$4.0 million for water basin studies; and \$9.0 million for the water recycling and reuse program, often referred to as Title XVI. An additional increase of \$5.0 million for USGS will also

help communities deal with scarce water supplies. The USGS will support and install streamgages at high priority monitoring sites.

**Protecting Treasured Landscapes** — The President is committed to preservation of landscapes in parks, refuges, and other public lands. The 2010 President's budget signals this commitment with an unprecedented \$2.3 billion for park operations, a program increase of \$100.0 million above 2009 enacted levels. Funding will be focused on the three key areas: building a solid foundation for parks, caring for America's treasures, and enhancing leadership in parks.

The 2010 budget builds a solid foundation for parks with increases totaling \$57.5 million for park base funding. Funds will be used to enhance core visitor services and resource protection needs at 126 parks. In addition, \$21.7 million in increases will enhance major procurement and contracting services in parks, strengthen asset management, increase officer and civilian staffing in the United States Park Police, and build organizational capacity to better serve customers and recruit a new and diverse workforce.

The Park Service has a long and impressive history of caring for America's natural and historic treasures and ensuring their continued appreciation, understanding and enjoyment. Today, as NPS readies itself for the next 100 years, efforts are underway to face a new set of challenges. The 2010 budget request includes an additional \$5.0 million to establish a new 21<sup>st</sup> Century Youth Conservation Corps to introduce high school students and college-age youth to career opportunities in the National Park Service; \$10.0 million to monitor, adaptively manage, and assess the impacts of climate change on park resources as a part of the Department's Climate Impacts initiative; \$4.9 million to enhance critical stewardship programs at parks through research, operational, and educational activities; \$2.2 million to expand emergency storm damage response funding; and \$150,000 to enhance visitor health and safety programs.

The 2010 budget includes \$3.9 million to address one of the challenges facing NPS — the need to develop a workforce that reflects the changing and diverse face of America and demonstrates management excellence. The budget funds training for new superintendents and establishes a new leadership development program open to all employees to equip NPS managers with the skills to recruit and manage a diverse workforce.

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The 2010 budget recognizes the strong American tradition of philanthropy for national parks and includes \$25.0 million for Park Partnerships at some of the most treasured landscapes. The combined benefit to the NPS would be over \$50.0 million for signature projects or programs.

**Investing in the Land and Water Conservation Fund** — Recognizing the importance of America’s natural and recreational resources, in 1962 the Kennedy Administration introduced legislation to establish a new Federal conservation fund. The next year, Kennedy repeated the proposal, writing to Congress, “Actions deferred are all too often opportunities lost, particularly in safeguarding our natural resources.” In 1964, Congress created the Land and Water Conservation Fund to conserve, develop, and utilize outdoor recreation resources for the benefit and enjoyment of the American people.

The law sought to accomplish these goals by providing funds for acquisition and development of lands and other areas and by providing funds for and authorizing Federal assistance to States in recreation planning, acquiring lands and waters, and development of recreation facilities. These activities are funded through a trust fund that receives revenues primarily generated from OCS oil and gas drilling activities. Other funding sources include the sale of surplus Federal real property and taxes on motorboat fuel. The annual authorized level is \$900.0 million; appropriations have been provided at this level only twice during the program’s 40-year history. Over seven million acres have been purchased with \$3.9 billion in LWCF appropriations. More than 41,000 matching grants to State and local governments have been approved for acquisition, development, and planning of outdoor recreation opportunities in the United States.

President Obama has a goal for full funding of the LWCF by 2014. The 2010 President’s budget includes \$419.9 million, an increase of \$115.8 million, as a first step toward achieving this goal. The 2010 budget includes \$300.2 million for Interior LWCF programs and \$119.7 million for the Forest Service.

The 2010 budget funds Federal Land Acquisition for Interior bureaus at \$170.1 million, an increase of \$59.7 million over the 2009 enacted level.

The 2010 request includes \$30.0 million to assist States and local and tribal governments with the protection and creation of park lands, open space, and wildlife habitat through competitively awarded

LWCF grants. This is an increase of \$11.0 million over the 2009 enacted level of \$19.0 million. The 2010 budget request includes \$27.2 million for grants and \$2.8 million for administration.

The 2010 budget request includes \$100.0 million, an increase of \$24.5 million over 2009, for the Cooperative Endangered Species Conservation Fund. This program provides grants to States for activities that conserve threatened and endangered species. States can, in turn, pass the funding on to municipalities, Tribes, and private landowners to enlist their support in species conservation efforts.

**Great Lakes Restoration** — The Environmental Protection Agency, in concert with its Federal partners on the Great Lakes Interagency Task Force, has included within the 2010 budget request a proposal to establish a Great Lakes Restoration Initiative. The initiative begins in 2010 with \$475.0 million for programs and projects strategically chosen to target the most significant problems in the Great Lakes ecosystem and to demonstrate measurable results. The request includes \$15.0 million for USGS, \$57.5 million for FWS, \$10.4 million for NPS, and \$3.0 million for BIA. Interior will use this funding to restore habitats that are important to the health of the Great Lakes region including wetlands, islands, and tributaries. Cooperative projects will be funded to combat invasive species, conduct scientific research to identify threats to the region, and develop mitigation strategies.

**Creating 21<sup>st</sup> Century Youth Conservation Corps** — The future of resource conservation and management on the public lands depends upon the next generation’s understanding of the importance of natural resources and cultural treasures. The 2010 budget includes a 21st Century Youth Conservation Corps initiative to signal a new emphasis on youth involvement. The budget includes \$50.0 million to develop new ways to engage youth and under represented groups in nature and help them achieve environmental awareness and respect for America’s exceptional natural resources. The initiative has two distinct components—educating young hunters and anglers and an environmental education component that will engage and encourage youth in environmental conservation and to seek careers in America’s great outdoors.

The budget request includes \$28.0 million for a new discretionary Federal Aid in Wildlife grants program to help States, Territories, and Tribes establish new, creative programs to educate and energize young



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hunters, anglers, and wildlife managers. Special emphasis will be placed on under represented groups. Included within the request is \$2.8 million targeted specifically for grants to Tribes. The 2010 budget request includes an increase of \$1.0 million for the National Fish and Wildlife Foundation to establish a public-private partnership to promote these efforts. Another \$1.0 million is included in the budget for the National Conservation and Training Center to provide workshops and other training to develop the capacity of Federal, State, and tribal agencies to develop new and creative methods to increase interest in hunting, fishing, and other wildlife management.

Studies show that vast numbers of children spend much of their lives indoors playing video games or watching television, with little contact, understanding or appreciation of the natural world. A large body of evidence attributes improved health, particularly in youth, to nature and exposure to the natural environment. Childhood experiences with nature are associated with increased environmental awareness. An investment of \$20.0 million will be made in BLM, USGS, FWS, and NPS to promote youth engagement and environmental awareness. Specifically, the 2010 budget identifies a three-pronged approach to:

- Engage youth in public service.
- Enhance science-based programs offered through schools and community partners.
- Improve curricula of national environmental education programs.

In addition to promoting health and environmental awareness, these resources will support efforts to develop an interest among talented and capable young people in entering public service as natural resource professionals.

**Empowering Indian Country** — The 2010 budget advances the Secretary's efforts to improve safety in Indian Country with a comprehensive request to promote law enforcement. The 2010 budget for BIA makes new investments in officers on the street, specialized training, detention centers, and tribal courts. The 2010 proposal builds on the congressional support provided in 2008 and 2009, and provides an additional \$30.0 million in program funding.

The largest component of this initiative is an increase of \$10.5 million to aggressively address law

enforcement staffing needs throughout Indian Country. The additional funding will strengthen the law enforcement presence on Indian reservations by hiring additional officers. In order to meet the demand for these new officers, Indian Affairs must also expand its training capabilities. The budget includes \$500,000 to establish the Indian Police Academy outreach program.

One of the biggest challenges for Indian Affairs has been managing the individuals arrested as a result of increased officers and increased arrests. The initiative proposes \$70.4 million for the corrections program, including an increase of \$5.0 million to fund additional correctional officers, contracted bed space for prisoners, and an armed transport officer program that will fill a gap in the program.

The initiative also includes an increase of \$2.0 million above the 2009 enacted level of \$6.3 million to specifically target the drug trade and reduce violent crime. This funding will advance intelligence gathering capabilities and provide additional support for victim and witness services.

Another important component of the Indian Affairs justice system is the Tribal Courts program and sustained support for oversight and management. The initiative includes an increase of \$8.0 million to improve the efficiency and operations of tribal courts and \$4.0 million for the management functions.

**Advancing Indian Education** — The 2010 Advancing Indian Education initiative will sustain \$716.2 million enacted in 2009, and provides an additional increase of \$72.0 million for education programs.

The Bureau of Indian Education is committed to assisting Indian students in attaining post-secondary educational credentials. The BIE administers operating grants for tribally-operated colleges and universities. Included in this request is \$64.3 million for Tribal Colleges and Universities, an increase of \$5.0 million over the 2009 enacted level. The budget also includes a one-time increase of \$50.0 million to forward fund activities at Tribal Colleges and Universities for the 2010-2011 school year. Tribal college leaders have repeatedly stated that forward funding provides them greater financial security to plan for the academic year. It is a budgeting technique widely used at educational institutions, including the BIE elementary and secondary school system.

The initiative includes \$34.6 million for Scholarships and Adult Education, \$5.0 million above the 2009

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enacted level. This funding not only improves opportunities for American Indians and Alaska Natives to attain an advanced education, it directly supports the spirit and intent of Indian self-determination by providing the tools to shape their future.

The 2010 request of \$391.7 million for the Indian Student Equalization Program formula funds includes an increase of \$6.7 million in teacher pay to fund fixed costs and a \$10.0 million program increase for the ISEP formula. These funds are one of the primary sources of funding for the BIE's 169 elementary and secondary schools and 14 dormitories. Funds directly support schools for core operating costs, such as salaries for teachers, aides, administrators, support staff, and supplies and classroom materials. The 2010 request also includes \$59.4 million for operation of elementary and secondary school facilities, an increase of \$2.0 million above the 2009 enacted level. The program funds operational expenses for educational facilities at all 183 BIE schools and dormitories.

### **FIXED COSTS**

Pay and benefits for the Department's employees are a high priority and a significant cost component of Interior's core programs, comprising almost 55 percent of operating budgets. The proportion of Interior's budget committed to personnel costs places it among the top five Federal agencies. This workforce composition largely reflects the need to maintain staff at more than 2,400 geographically dispersed locations that serve the public, including 391 park units, 550 refuges, and 258 million acres of public lands managed by BLM. As the steward for one-fifth of the land area of the United States and over 165,000 facilities, Departmental programs by their very nature require staff. Interior continues to utilize the services of approximately 242,000 volunteers and extensive seasonal employees. However, the workforce capacity of Interior is an essential ingredient for the uninterrupted delivery of programs and services to the American public.

The 2010 budget request includes \$160.8 million to keep pace with increased costs in pay and benefits and other fixed costs. The pay and benefits component of the request is \$131.0 million, including a 3.9 percent 2009 pay raise, a 2.0 percent 2010 pay raise, and a 6.5 percent increase in health benefits. The request funds anticipated pay and benefits costs that will be determined in the coming year, and nondiscretionary bills from others including space rental costs and associated security charges;

workers compensation and unemployment compensation; and centralized administrative and business systems, services, and programs financed through the Working Capital Fund.

The 2010 fixed cost increment is all the more important, as fixed costs in prior years were not fully funded, due in part to the enactment of higher pay rates than were budgeted. Since 2002, and including 2009, the Department will have absorbed over \$500 million in fixed costs.

## **OTHER MAJOR CHANGES BY BUREAU**

### **BUREAU OF LAND MANAGEMENT**

The 2010 BLM request for appropriations is \$1.1 billion, an increase of \$110.1 million above the 2009 level. This includes an increase of \$86.8 million for BLM's two operating accounts and an increase of \$13.0 million associated with the cancellation of Colorado Naval Oil Shale balances in 2009. The \$13.0 million increase reflects the fact that the one-time cancellation will not be repeated in 2010.

The request includes an increase of \$16.1 million for the Department's New Energy Frontier initiative to facilitate faster planning, siting, and permitting of renewable energy projects on BLM lands. This will involve conducting environmental reviews and collecting data in a manner that will allow accelerated development of transmission infrastructure on Federal lands. The additional funds will support new renewable energy coordination offices that will streamline the review and approval of renewable energy projects and enhance BLM's capacity to handle the increasing workload associated with renewable energy.

The 2010 request includes an increase of \$2.5 million in the Oil and Gas Management program to enhance BLM's production verification capabilities. This will complement a proposed strengthening of MMS's audit and compliance activities and BIA inspection activities to better ensure the government and Tribes collect the revenue owed from oil and gas produced on Federal and tribal lands. The budget also maintains BLM's capacity to process oil and gas applications for permits to drill. An increase of \$11.9 million in appropriations and a proposed increase of \$9.1 million in APD fee collections in 2010 will offset reduced mandatory rental revenues. In 2009 BLM will collect \$36.4 million in APD fee collections and retain an estimated \$21 million in rental revenues.

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The budget proposes to redirect rental revenue back to the Treasury where it has historically been deposited, reversing the changes made in the Energy Policy Act of 2005. The budget reduces funding for Alaska legacy wells by \$4.6 million.

The BLM budget includes \$15.0 million to support the Administration's Climate Impacts initiative. The funds will enable BLM to build capacity that is needed to assess, monitor, predict, and adapt to landscape scale changes caused by climate impacts. The BLM will target much of the proposed climate change activities to the National Landscape Conservation System in recognition of the critical ecological importance of NLCS landscapes.

The 2010 BLM budget request includes an increase of \$5.0 million as part of the 21<sup>st</sup> Century Youth Conservation Corps initiative that will be used to expand BLM's youth oriented programs such as their college age internship programs that introduce students to natural resource management and provide real-world conservation-related experiences and skills. The BLM's participatory programs will teach young people about the importance of resource stewardship and stimulate an interest in careers in resource management.

The 2010 budget request includes an increase of \$26.5 million for the Wild Horse and Burro Management program. This substantial increase in funding will allow BLM to work toward achieving an appropriate management level by 2013 and to more aggressively implement population control efforts that will help slow the growth in wild horse populations and reduce outyear funding requirements for the program.

The budget includes a decrease of \$1.4 million in deferred maintenance to reflect savings from the disposal of excess and surplus property, and also includes a reduction of \$2.4 million from discontinuing 2009 Congressional earmarks.

The 2010 BLM budget includes a total of \$6.6 million for Construction, the same as the 2009 enacted level, and \$25.0 million for Land Acquisition, an increase of \$10.3 million over the enacted level.

### **MINERALS MANAGEMENT SERVICE**

The 2010 budget request for MMS current appropriations is \$180.6 million, an increase of \$16.9 million above the 2009 enacted level. Offsetting collections from Outer Continental Shelf rents and

fees will provide \$166.7 million, \$20.0 million more than was collected in 2009. The total MMS operating budget, including offsetting collections and fees, is \$347.4 million, \$36.9 million above the 2009 enacted level.

The Department's New Energy Frontier initiative is funded at \$24.0 million to support a robust renewable energy program on the OCS. The increase will be used to conduct environmental studies and other leasing activities.

The MMS will continue to support the development of conventional energy resources with increases of \$5.1 million to facilitate continued oil and gas leasing, \$1.7 million to provide timely and accurate production and gas plant accountability data, \$3.0 million to implement a risk-based audit and compliance protocol, and \$1.1 million to support the OCS sand and gravel leasing program.

The 2010 MMS budget includes reductions totaling \$4.6 million. In 2009, this funding was used to develop interactive payment systems, automate interest billing, and implement recommendations resulting from an independent evaluation of MMS practices. Planned system enhancements and upgrades were fully funded in 2008 and 2009, and further expenditures beyond ongoing operations costs are not required in 2010. This also includes a reduction of \$900,000 from discontinuing 2009 congressional earmarks.

### **OFFICE OF SURFACE MINING RECLAMATION AND ENFORCEMENT**

The Office of Surface Mining Reclamation and Enforcement budget request is \$159.4 million, a decrease of \$5.3 million below 2009.

The request for Regulation and Technology is \$127.3 million and provides an increase of \$5.8 million for State and tribal regulatory grants. This increase will help States and Tribes meet the rising costs of their regulatory programs.

The 2010 budget reduces funding for Office of Surface Mining AML emergency grants and projects, a net reduction of \$13.0 million below the 2009 level. The 2006 Surface Mining Control and Reclamation Act Amendments reauthorized the coal fee, transferred AML reclamation grants to mandatory funding, and provided for significantly higher payments to States than had been previously appropriated. In 2010, AML grants to States total \$232.4 million, nearly

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two times the 2007 amount. With carryover funding available in 2010 to ease the transition to the States, OSM can begin phasing out Federal responsibility for AML emergency programs in 2010.

## **BUREAU OF RECLAMATION**

The 2010 Reclamation budget request is \$1.0 billion in current appropriations, \$55.1 million below the 2009 enacted level. The 2010 budget request emphasizes water conservation, Reclamation's core mission, ensuring facility integrity and site security, and resolving major western water challenges.

Reclamation's 2010 budget request targets an additional \$26.0 million for a total of \$46.0 million for the Water Conservation program. The details of this program are discussed under "Major Budget Priorities" earlier in this overview.

A total of \$101.9 million is requested for the Safety of Dams program, an increase of \$13.6 million, or 15 percent from 2009. The increase will address dam safety issues at several sites, while keeping the work at Folsom Dam in California on schedule. The funding includes \$81.6 million to initiate safety of dams corrective actions, \$18.3 million for safety evaluations of existing dams, and \$2.0 million for the Interior Safety of Dams program.

The 2010 budget request for rural water supply projects is \$64.0 million, \$75.0 million below the level appropriated in 2009, while the 2010 budget for Title XVI programs is \$9.0 million, \$30.2 million below the 2009 enacted level. The 2010 budget for both of these programs has been reduced as funds are allocated for rural water and water reuse in the \$950.0 million for projects provided to the Bureau of Reclamation in the American Recovery and Reinvestment Act of 2009. Reclamation has identified \$200.0 million in rural water supply projects and \$135.0 million for Title XVI projects from Recovery Act funds.

A total of \$28.9 million is requested for site security of dams to ensure the safety and security of facilities, an increase of \$863,000 above the 2009 level.

The budget requests \$31.0 million, a decrease of \$9.0 million from the 2009 enacted level, for CALFED pursuant to the October 2004 authorization for this water management, ecosystem restoration, water quality, water supply, and flood protection program. This adaptive management program in California's Central Valley and the San Francisco Bay-Delta ad-

resses conflicts over water supply. This program is also being supplemented with Recovery Act funds in the amount of \$30.0 million. In addition, some of Reclamation's activities are CALFED related but are not appropriated from this account. For additional details, the Analytical Perspectives volume of the President's budget provides a more detailed agency-by-agency display of Federal funding for CALFED related activities.

## **U.S. GEOLOGICAL SURVEY**

The 2010 budget for the U.S. Geological Survey is \$1.1 billion, \$54.0 million above the 2009 enacted level. The 2010 budget includes funding for Department-wide initiatives for climate impacts, renewable energy, and youth. The budget includes \$39.2 million in program increases and \$21.3 million in fixed costs, offset by \$7.1 million in program reductions primarily reflecting the elimination of earmarks.

The 2010 USGS budget includes an increase of \$22.0 million for the Climate Impacts initiative to analyze the impacts that climate change is having on national resources and to develop response strategies. The initiative includes funding to expand priority climate change monitoring and to develop regional collaborative research hubs for the National Climate Change and Wildlife Science Center. Also included in the initiative are funding for research related to geological and biological carbon sequestration and funding to support FWS climate change efforts. As a part of the Department's Water Conservation program, the USGS 2010 budget also includes an increase of \$5.0 million for the USGS National Streamgauge Information program to enhance the streamgauge network.

The 2010 USGS budget includes an increase of \$3.0 million for the New Energy Frontier initiative, including research on geothermal, biofuels, wind, and solar forms of energy. Funding is included in the Geography, Geology, Water, and Biology disciplines. The USGS budget also includes an increase of \$2.0 million for the 21st Century Youth Conservation Corps initiative that will expand education, training, and workshop opportunities for high school and college students.

The EPA's Great Lakes Restoration initiative will expand research to enhance ecosystem-based management of coastal resources by USGS and its partners. The EPA budget includes \$15.0 million for USGS activities.

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The USGS 2010 budget includes an increase of \$2.0 million for the Cooperative Research Units that are funded in the Biology discipline. These funds will be used to fill vacant research scientist positions in partnership with States across the country.

Coastal and Marine Geology is funded at \$46.2 million in the 2010 budget, including an increase of \$1.0 million to expand the research to more fully map the limits of the extended continental shelf in the Arctic Ocean. Biological Research and Monitoring is funded at \$157.8 million, including an increase of \$4.2 million for research on polar bears and the rapidly changing environment of Arctic ecosystems.

The 2010 budget for the USGS includes \$70.7 million for the National Geospatial program and realigns the program into the Geography Discipline from Enterprise Information. This realignment will allow the USGS to gain efficiencies, improve effectiveness, promote geographic research, and leverage emerging remote sensing technologies.

## FISH AND WILDLIFE SERVICE

The 2010 FWS budget is \$1.6 billion, an increase of \$197.0 million above the 2009 enacted level.

The request for Resource Management is \$1.2 billion, an increase of \$77.2 million, or seven percent, above the 2009 enacted level. The request includes increases of \$102.2 million for Service grant programs including the Cooperative Endangered Species Conservation Fund, State and Tribal Wildlife Grants, and the North American Wetlands Conservation Fund. The Service's 2010 budget requests an increase of \$22.5 million for land acquisition and a reduction of \$5.8 million for construction from the 2009 enacted level. An increase of \$19.8 million is requested for fixed costs.

The 2010 budget request for FWS includes \$80.0 million for the Department's Climate Impacts initiative discussed under "Major Budget Priorities" earlier in this Overview. An increase of \$40.0 million in the Resource Management account will allow FWS to obtain the scientific knowledge and information needed to deliver conservation on the ground through sound biological planning, conservation design, and monitoring. Another increase of \$40.0 million for the State and Wildlife Grants program will enable States and Tribes to develop adaptive management regimes, focusing on climate change related priorities identified in State comprehensive wildlife conservation plans and similar tribal plans.

The 2010 budget request for FWS includes \$30.0 million for the Department's 21<sup>st</sup> Century Youth Conservation Corps initiative discussed under "Major Budget Priorities" earlier in this Overview. Included in the initiative is an increase of \$28.0 million for a new discretionary Federal Aid in Wildlife Grants program. The increase will help States, Territories, and Tribes establish new creative programs to educate and energize young hunters, anglers and wildlife managers about hunting and fishing opportunities, hunter safety, and basic principles of fish and wildlife management. Special emphasis will be placed on under represented groups. Included within the \$28.0 million request is \$2.8 million targeted specifically for grants to Tribes. Supporting increases of \$1.0 million for the National Conservation and Training Center will fund training for State and Federal managers on creative ways to increase interest in hunting, fishing, and other wildlife management, while \$1.0 million for the National Fish and Wildlife Foundation will fund a public-private partnership to assist FWS in its efforts to educate young hunters and anglers. The 2010 request also includes an additional \$8.0 million to expand youth education and career development programs in the national wildlife refuge system, Fisheries and Aquatic Resource program, Migratory Bird Conservation program, and at the National Conservation and Training Center.

As a part of the Interior Department's New Energy Frontier initiative, the 2010 budget request for FWS includes an increase of \$3.0 million, \$1.5 million in endangered species consultation and \$1.5 million in conservation planning assistance, to facilitate renewable energy development.

Other Resource Management program increases include: \$1.5 million for increased workload related to polar bear interagency consultation and conservation; \$1.8 million to implement endangered species recovery plans; \$2.0 million for Klamath Dam removal studies; and \$1.7 million for increased workload for Marine Mammal Protection Act compliance related to polar bears.

The 2010 budget includes an increase of \$10.0 million for the North American Wetlands Conservation Fund to improve the program's ability to protect, restore, and enhance wetland habitats. An increase of \$24.5 million is included for the Cooperative Endangered Species Fund.

The EPA, in concert with its Federal partners on the Great Lakes Interagency Task Force, has included within its 2010 budget request a proposal to establish

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a Great Lakes Restoration initiative. The EPA request includes \$57.5 million for FWS to manage invasive species and restore habitats that are important to the health of the Great Lakes region including wetlands, islands, and tributaries.

### **NATIONAL PARK SERVICE**

The NPS budget request is \$2.7 billion, an increase of \$171.0 million above the 2009 enacted level for park and related programs.

The 2010 budget includes \$2.3 billion for operations, a program increase of \$100.0 million above 2009. Park operations program increases include \$5.0 million for U.S. Park Police, \$57.5 million for park base, and \$5.0 million for asset management.

To build on the rich philanthropic history of the parks, the 2010 budget proposes an increase of \$25.0 million for park partnerships to match private donations for signature projects and programs in national parks.

The 2010 budget for the National Recreation and Preservation program is \$53.9 million, \$5.8 million below the enacted level. The 2010 President's budget does not include funding for Statutory and Contractual Aid, resulting in a reduction of \$5.6 million. The budget proposes \$23.0 million for cultural programs, a program increase of \$371,000 above 2009, and includes \$1.0 million for Japanese American Confinement Site grants. The budget also includes \$15.7 million for the Heritage Partnership program, level with 2009.

The 2010 budget includes \$77.7 million for Historic Preservation, \$8.2 million above 2009 enacted level. The Historic Preservation budget includes \$20.0 million for Save America's Treasures and \$54.5 million, including an increase of \$5.0 million, for historic preservation grants-in-aid to States, Territories, and Tribes.

The 2010 budget request continues strong support of the NPS asset management program. Total construction and facility maintenance funding is \$928.9 million in 2010, a decrease of \$16.3 million from the 2009 enacted level. The total request includes increased funding of \$5.0 million for parks to more fully realize the benefits of the Facility Maintenance Software System and \$2.2 million to expand emergency storm damage coverage. The construction budget request of \$206.0 million includes \$116.8 million in line-item construction.

The EPA, in concert with its Federal partners on the Great Lakes Interagency Task Force, has included within its 2010 budget request a proposal to establish a Great Lakes Restoration initiative. The EPA request includes \$10.5 million for NPS to work with the U.S. Coast Guard to monitor, identify, and remediate sources of contamination on park lands in the region.

### **INDIAN AFFAIRS**

The 2010 Indian Affairs budget is \$2.5 billion, an increase of \$161.3 million above the 2009 level.

The Operation of Indian Programs account request is \$2.3 billion, an increase of \$150.2 million above 2009. In addition to increases for the Administration's major initiatives the budget also includes increases of \$8.2 million for Tribal Government, \$1.8 million for Executive Direction, \$1.0 million for Minerals and Mining projects for construction aggregate development, \$1.0 million for Environmental Quality projects, \$1.1 million for Housing Improvement Program oversight, and \$400,000 for Community and Economic Development. Reductions include \$1.7 million for congressional earmarks and \$1.2 million for one-time program needs.

The Construction budget is \$200.0 million, a reduction of \$17.7 million from the 2009 level. The request takes into consideration funding that was provided for construction activities under the American Recovery and Reinvestment Act of 2009. Within this level is the education construction budget of \$112.4 million, which includes \$6.0 million for replacement school construction. Replacement facility construction, employee housing, and facilities improvement and repair projects are funded in 2010 at 2009 levels. The Resources Management Construction budget includes a reduction of \$2.0 million.

The BIA Indian Land and Water Claim Settlements account is funded at \$47.4 million in 2010. This includes an additional \$25.8 million to fund the Nez Perce/Snake River Settlement, the Puget Sound Regional Shellfish Settlement, the Soboba Band of Luiseño Indians Settlement, the Duck Valley Reservation Settlement, and the Navajo Nation Water Resources Development Trust Fund.

The request also proposes to transfer the Indian Land Consolidation program from the Office of the Special Trustee to BIA in order to better align funding with management of the program. The program is funded at \$3.0 million.

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The EPA, in concert with its Federal partners on the Great Lakes Interagency Task Force, has included within its 2010 budget request a proposal to establish a Great Lakes Restoration initiative. The EPA request includes \$3.0 million for BIA to provide grants to Tribes to combat invasive species and conserve and restore habitat for fish and wildlife on tribal lands in the region.

#### OFFICE OF THE SPECIAL TRUSTEE

The 2010 budget request for OST is \$186.0 million in current appropriations, \$4.3 million above the 2009 enacted level. Included is a program increase of \$2.0 million for appraisal services. The increased funding will support performance program evaluations and compliance audits.

#### OFFICE OF THE SECRETARY

The Salaries and Expenses budget request for 2010 is \$118.8 million, an increase of \$11.6 million above the 2009 enacted level. Increases include: \$4.0 million for consolidated appraisal services in the National Business Center to handle increased land acquisition workload; \$2.0 million for central administrative services; and \$150,000 for the Office of the Secretary Management Intern program. Fixed costs are fully funded at \$5.4 million in 2010.

#### OFFICE OF INSULAR AFFAIRS

The 2010 budget for Insular Affairs is \$86.4 million in current funding, an increase of \$2.4 million above the 2009 enacted level. The proposal includes fixed costs of \$230,000, an increase of \$200,000 for additional personnel to address audit concerns and improve accountability over financial assistance programs, and \$2.0 million for support to Guam civilian infrastructure improvements in preparation for the Department of Defense relocation of personnel to the Territory.

Permanent appropriations in 2010 total \$336.9 million, which includes \$207.9 million to the Compact of Free Association and \$129.0 million in payments to Guam and the U.S. Virgin Islands.

#### OFFICE OF THE SOLICITOR

The 2010 budget request for the Office of the Solicitor is \$65.1 million, \$3.0 million above the 2009 enacted level. The budget includes program increases of \$900,000 for information technology, \$100,000 for training, and \$2.0 million for fixed costs.

#### OFFICE OF INSPECTOR GENERAL

The 2010 budget for the Office of Inspector General is \$48.6 million, \$2.6 million above the 2009 enacted level. The budget includes program increases of \$964,000 to develop on-shore royalty oversight capability, \$123,000 to conduct inspections and critical point evaluations, \$113,000 to investigate procurement and financial assistance programs, and \$1.4 million for fixed costs.

#### DEPARTMENT-WIDE PROGRAMS

**Wildland Fire Management** — The 2010 budget request for Wildland Fire Management totals \$974.8 million, an increase of \$115.3 million over the 2009 enacted level, excluding 2009 emergency supplemental appropriations.

The request includes an increase of \$34.6 million in Suppression Operations to fully fund the ten-year average cost of \$369.8 million. In addition, the budget establishes a new discretionary Wildland Fire Contingency Reserve Fund of \$75.0 million for fighting catastrophic wildfires, which would be available after the appropriated ten-year average is exhausted and other specific objectives are met.

The budget also includes a total of \$4.9 million in scheduled reductions to the Fire Program Analysis system and LANDFIRE program.

**Central Hazardous Materials Fund** — The 2010 budget includes \$10.2 million for the Central Hazardous Materials Fund, an increase of \$27,000 above the 2009 enacted level to fully fund fixed costs.

**Natural Resource Damage and Restoration** — The 2010 budget request includes \$6.5 million for NR-DAR, \$134,000 above the 2009 enacted level to fully fund fixed costs. The \$6.5 million request includes \$4.0 million for damage assessment projects, \$1.8 million for program management, and \$615,000 for restoration support. Additionally, \$75.0 million represents the anticipated amount of settlement receipts to be recovered in settled damage assessment cases in 2009. These receipts are used exclusively by trustees for restoration of damaged lands and resources or for reimbursement of past assessment costs.

**Working Capital Fund** — The 2010 budget request includes \$85.8 million for the Working Capital Fund, an increase of \$12.4 million above the 2009 enacted level. Of this amount, \$78.4 million is included to fund continued development and deployment of

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the Financial and Business Management System, an increase of \$7.0 million over the 2009 enacted level. This includes funding to support bureau efforts in preparing for deployment and transitioning to the new system. The budget also includes \$5.4 million for one-time or start-up costs associated with enterprise wide information technology enhancement requirements created by Administration directives, technology developments, and security threats.

## MANDATORY PROPOSALS

The 2010 budget request is accompanied by legislative proposals that will affect receipt or spending levels in 2010 or in future years. Unless otherwise specified, these proposals will be transmitted separately from the budget for consideration by congressional authorizing committees. The principal proposals include:

**Federal Oil and Gas Royalty Reform** — The Department is initiating a comprehensive review, not requiring legislation, of oil and gas leasing and royalty policies to consider and evaluate a range of reform options that would have the effect of both assuring a fair return to the American taxpayer and encouraging diligent development of future leases. As part of this review, the Department will consider the recommendations of a recent Government Accountability Office report that urges the Department to consider alternative leasing and royalty practices, such as those utilized by States and private landowners. This would include consideration of escalating royalty rates and variable lease terms to encourage faster oil and gas development. Other alternatives that are used by States include royalty rates based on the likelihood of production and the potential of discovering oil and gas and establishing a threshold price for both oil and gas, above which a higher royalty rate would automatically go into effect. The Department will also evaluate lease terms as part of this effort. Upon completion of this review, the Department will move forward to implement a rulemaking.

**New Fee on Nonproducing Gulf of Mexico Offshore Oil and Gas Leases** — To further encourage timely domestic energy development, the Administration will submit legislation to impose a new fee on nonproducing oil and gas leases in the Gulf of Mexico. This new fee would provide a financial incentive for oil and gas companies to either move leases into production or relinquish them so that tracts can be re-leased and developed by new par-

ties. The proposal would require holders of Gulf of Mexico OCS oil and gas leases to pay a \$4 per acre fee when leases are in nonproducing status.

**New Fee for Offshore Facility Inspections** — Through appropriations language, the Interior Department proposes to implement an inspection fee in 2010 for each above water OCS oil and gas facility, except mobile offshore drilling units, that is subject to inspection by MMS. The proposed inspection fee is tiered based on the number of wells per facility and would support Federal efforts to provide services that not only ensure human safety, but also protect the environment and conserve energy and marine resources.

**Levy Tax on Certain Offshore Oil and Gas Production** — According to the Government Accountability Office, the return to the taxpayer from OCS production is among the lowest in the world, despite other factors that make the U.S. a comparatively good place to invest in oil and gas development. In the interest of advancing important policy objectives, such as providing a more level playing field among producers, raising the return to the taxpayer, and encouraging sustainable domestic oil and gas production, the Administration is developing a proposal to impose an excise tax on certain oil and gas produced offshore in the future. The Administration looks forward to working with Congress to develop this proposal's details.

**Discontinue Abandoned Mine Land Payments to Certified States and Tribes** — The budget proposes to cease mandatory payments from the General Treasury to States and Tribes that have been certified as completing reclamation of abandoned coal mine sites. Because payments to certified States and Tribes can be used for any purpose approved by the State legislatures or tribal councils, they do not contribute to the intended purpose of the AML program, to reclaim abandoned coal mines. This proposal would not affect payments to States that have active reclamation programs.

**Repeal of Section 365 of the Energy Policy Act of 2005** — The Administration will submit legislation to repeal portions of Section 365 of the Energy Policy Act, which diverted mineral leasing receipts from the Treasury to a BLM Permit Processing Improvement Fund and also prohibited BLM from establishing cost recovery fees for processing applications for oil and gas permits to drill. Upon repeal of Section 365, BLM will promulgate regulations to establish fees for applications for permits to drill.



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Until this occurs, the 2010 budget assesses an APD fee through appropriations language, an approach taken by Congress in the 2009 Appropriations Act. The 2010 budget proposes to raise the fee from \$4,000 to \$6,500 per APD, which would generate an estimated \$45.5 million in offsetting collections, an increase of \$9.1 million over the 2009 estimate. This increase in offsetting collections, combined with a requested increase of \$11.9 million in discretionary appropriations for the Oil and Gas Management program, will fully offset the proposed cancellation of the mandatory spending, thereby maintaining BLM's current capacity for processing APDs and other use authorizations.

**Geothermal Energy Receipts** — The Administration will submit legislation to repeal Sections 224(b) and 234 of the Energy Policy Act of 2005. Prior to passage of the Energy Policy Act, geothermal lease payments were split 50-50 between the Federal government and States, with 50 percent directed to States, 40 percent to the Reclamation Fund, and ten percent to the General Fund. The Energy Policy Act changed this distribution beginning in 2006 to direct 50 percent to States, 25 percent to counties, and 25 percent to a new Geothermal Steam Act Implementation Fund. The repeal of Sections 224(b) and 234 will reverse these changes and restore the

disposition of the geothermal revenue to the historical formula of 50 percent to the States and 50 percent to the Treasury.

**Pick-Sloan Missouri Basin Program** — The budget proposes to reallocate the repayment of capital costs of the Pick-Sloan Missouri Basin program. Power customers would be responsible for repayment of all construction investments from which they benefit. This change would increase reimbursements to the Treasury from power customers by \$23.0 million in 2010. A legislative proposal will be transmitted for consideration to the appropriate congressional authorizing committees.

**Compact of Free Association** — The Office of Insular Affairs is currently engaged in an inter-agency effort with the State Department, the Defense Department, and other agencies in a review of the Compact of Free Association with the Republic of Palau. Permanent and indefinite funding for Palau will expire at the end of 2009. The inter-agency group is weighing the value of this request against the United States' interests. Palau has a strong track record of supporting the U.S. in the United Nations and its location is strategically linked to Guam and U.S. operations in Kwajalein Atoll.

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## DEPARTMENT OF THE INTERIOR FACTS

**Land** — Interior manages more than 500 million acres or about 20 percent of the land area of the United States and 700 million acres of subsurface minerals. The Department has jurisdiction over an additional 1.7 billion acres of the Outer Continental Shelf.

**Parks, Refuges, Public Lands** — Interior manages 391 units of the national park system, 550 national wildlife refuges, 70 fish hatcheries, as well as 13 national conservation areas and 15 national monuments in BLM's National Landscape Conservation System.

**People** — Interior has about 67,000 employees located in approximately 2,400 locations across the United States, Puerto Rico, U.S. Territories, and Freely Associated States.

**Volunteers** — Interior benefits from approximately 242,000 volunteers who provide over 8.59 million hours of service, valued at \$167.53 million per year.

**Conservation** — About 249,000 acres of high-priority abandoned coal mine sites have been reclaimed through the OSM's Abandoned Mine Lands program. The FWS acts to protect 1,891 endangered and threatened species; nearly 1,300 are in the United States.

**Revenues** — Revenues collected over the last eight years vary from \$26.0 billion to \$9.0 billion, including revenues from energy, minerals, grazing, timber, lands sales, and other revenue producing activities. Interior's estimated revenue projections in 2010 are \$14.0 billion.

**Water** — The Department is the largest supplier and manager of water in the 17 western States. Reclamation manages 480 dams and 348 reservoirs that deliver irrigation water to 31 million people and one out of every five western farmers irrigating 10 million acres of farmland.

**Energy** — Interior manages lands, subsurface rights, and offshore areas that produce approximately 30 percent of the Nation's energy, including 39 percent of natural gas, 35 percent of oil, 42 percent of coal, 17 percent of hydropower, two percent of wind, and 50 percent of geothermal.

**Visitation** — Annually, more than 56.7 million visits are made to BLM public lands, over 274 million visits to national park units, 41.2 million visits to national wildlife refuges, 2.4 million visits to fish hatcheries, and 90 million visits to Reclamation recreation sites.

**American Indians** — The Department maintains relationships with 562 federally recognized Tribes in the lower 48 States and Alaska, and provides support to a service population of more than 1.7 million people. The BIA provides education services to approximately 42,000 students in 23 States attending 183 elementary and secondary schools and dormitories and supports 30 tribally controlled community colleges, universities, and post-secondary schools. There are 90 BIA funded correction centers and 191 BIA funded law enforcement programs.

**American Indian Trust** — Interior has responsibility for the largest land trust in the world. Today, the Indian trust encompasses approximately 56 million acres of land. Over eleven million acres belong to individual Indians and 45 million acres are held in trust for Indian Tribes. On these lands, Interior manages over 100,000 leases for uses such as farming, grazing, and oil and gas production on behalf of individual Indians and Tribes. The Office of the Special Trustee manages over \$3.4 billion of funds held in over 2,700 trust accounts for more than 250 Indian Tribes, and over 380,000 open Individual Indian Monies accounts.