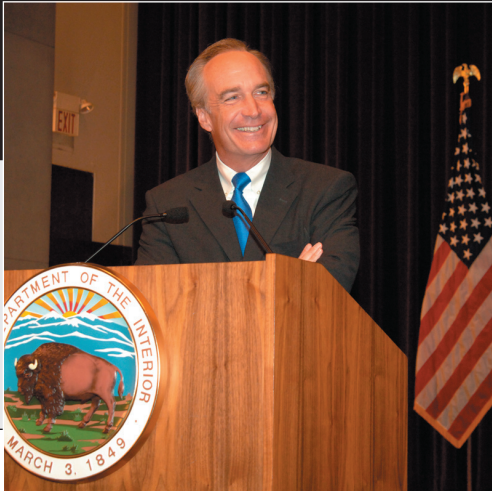


Departmental Overview



I've seen first-hand the enormous mandate of the Department of the Interior that rivals just about any governmental department in its breadth and diversity—and its importance to the everyday lives of our citizens.

*Dirk Kempthorne, Secretary of the Interior
March 21, 2007*

The Department of the Interior manages one of every five acres of land in the United States, providing opportunities for recreation, wildlife conservation, and resource use. The Department's mission spans 12 time zones and stretches pole to pole, touching the lives of each and every American. These lands boast some of the Nation's most unique natural, cultural, and historic resources. With 391 national park units, 548 wildlife refuges, and the 26 million-acre National Landscape Conservation System, Interior is America's leading conservation agency.

Nearly every American lives within a one-hour drive of lands or waters managed by the Interior Department. 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. With its Bureau of Indian Education school system, Interior operates one of only two school systems in the Federal government. The Department of Defense operates the other. The Department's law enforcement agents, over 4,000, comprise the third-largest civilian law enforcement presence in the Federal government.

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 increase alternative energy opportunities. Managing these areas, Interior generates over \$18 billion annually in revenues that help to offset the Department's \$10.7 billion appropriated 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. A total of \$65.5 billion in revenues from offshore and onshore mineral leases collected from 2001 to 2007 provided resources for State infrastructure and other Federal programs. In addition to lands managed in trust, the Department manages over \$3.3 billion of funds held in over 1,800 trust accounts for approximately 250 Indian Tribes and over 370,000 open Individual Indian Money accounts.

Interior's responsibilities are expanding as the Nation looks to its public lands for energy, water, wildlife protection, recreation, and enhanced security. Since 2001, the Nation has created 13 new parks, and 15 wildlife refuges have been established. Population has grown dramatically near once rural or remote public lands, increasing access to public lands, and complicating land management. In the last ten years, 60 percent of the new houses built in America were located in the Wildland-Urban Interface. The dynamics established by an increasing population in the interface and changing land conditions, including the effects of a changing climate, have heightened threats from fire and other natural hazards.

The Department has met these growing challenges by improving program efficiency, setting priorities, and leveraging Federal funds through partnerships and cooperative conservation. Interior's accomplishments have been many and varied, with noteworthy achievements in management excellence. Interior has made progress on all dimensions of the President's management agenda—a result achieved

despite decades-long challenges in Indian trust management, a highly decentralized organization structure, and a highly dispersed workforce. In 2007, Interior received its eleventh clean audit opinion with no material weaknesses. This is a significant improvement from 2001, when Interior's audit contained 17 material weaknesses.

Despite these successes, as public lands become increasingly important to the economy, national security, and the public, continued success will require the strategic focusing of resources to address emerging challenges, achieve key priorities, and maintain current levels of success.

INTERIOR ACCOMPLISHMENTS

The Department's accomplishments exemplify Interior's core values—**Stewardship for America with Integrity and Excellence**. These achievements, in combination with Secretary Kempthorne's leadership, create a strong foundation for improved stewardship of the Nation's resources. Since 2001, Interior:

- Restored or enhanced more than five million acres and 5,000 stream and shoreline miles in cooperation with others and restored, improved, and protected more than three million acres of wetlands, to help achieve the President's goal to protect, enhance, and restore three million acres by 2009.
- Improved park facilities for visitors by undertaking 6,600 projects at national parks and earning a 96 percent satisfaction rate from park visitors.
- Reduced risks to communities from the threat of catastrophic fire, conducting over eight million acres of fuels treatments on Interior lands through the Healthy Forests Initiative.
- Enhanced energy security by more than doubling the processing of applications for permits to drill; issued research and development leases for five oil shale projects; and increased the production of renewable energy with new wind, solar, and geothermal projects.
- Awarded \$9.8 million to 140 Preserve America projects involving public-private partnerships that serve as nationwide models for heritage tourism, historic preservation, education, and other Federal programs.
- Leveraged a four-to-one investment through a Water Conservation Challenge Grant program, generating almost \$96 million for 122 water delivery system improvements and conserving over 400,000 acre-feet of water to help meet the water needs of people across the West.
- Completed planned lease sales and generated a new five-year plan for 2007-2012 that has the potential to produce ten billion barrels of oil and 45 trillion cubic feet of natural gas over the next 40 years, enough oil during this timeframe to power about 11 million cars, plus enough liquid fuel and natural gas to heat 29 million homes. The October 2007 Central Gulf of Mexico Outer Continental Shelf lease sale generated \$2.9 billion, \$1.6 billion more than originally estimated and the second largest sale ever.
- Removed the American bald eagle from the endangered species list, marking a national achievement in wildlife conservation, and took steps to put in place a set of management guidelines to secure the future of our Nation's symbol.
- Advanced protection of the Papahānaumokuākea Marine National Monument, the largest marine-protected area in the world, with the publication of regulations codifying management measures.
- Hosted 464 million visitors to parks, refuges, public lands, and Bureau of Reclamation sites in 2007 and increased the number of fishing programs on refuges by 24 and the number of hunting programs on refuges by 34.

-
- In collaboration with other Federal land management agencies and the public, established a new National Recreation Reservation Service, a unified pass to Federal lands, and streamlined entrance and recreation fees.
 - Distributed over \$79 million to Individual Indian Monies account holders whose whereabouts were previously unknown.
 - Closed the financial books on 2007 within 43 days and obtained a clean audit opinion with no material weaknesses.

The Department's record of accomplishments since 2001 demonstrates a commitment to this Nation's public lands, with a continuous commitment to cooperative conservation. Since 2001, the Department has provided \$2.5 billion in conservation grants to achieve on-the-ground protection, restoration, and enhancement of lands and waters with partners. Beginning in 2007 and continuing with enactment of the 2008 appropriation, the Department has expanded opportunities to create a second century of excellence in parks through the Centennial initiative, implemented the landscape-scale Healthy Lands Initiative to protect wildlife and assure access to energy resources on public lands, begun to combat the methamphetamine scourge in Indian country, and improved education programs for students in Indian schools.

Beginning in 2008, the Department:

- Prepared for the 100th anniversary of the National Park Service in 2016 and worked with Congress to secure investments in park operations to improve visitor services, including staffing 3,000 seasonal employees, attracting students to Junior Ranger programs, and expanding volunteers in parks. The National Parks Centennial Challenge will invest \$24.6 million in parks in 2008, fulfilling the promise to engage partners in priority projects selected from the \$215.9 million in partner pledges for 201 eligible projects. The 2009 budget builds on the President's 2008 initiative by continuing the investments in park programs to preserve and protect the Nation's history, culture, and unique natural settings for all generations. The 2009 budget increases park operations, including the U.S. Park Police, by \$160.9 million, with another \$100.0 million in mandatory funds to match private donations through the Centennial Challenge.
- Focused on six areas in eight western States to restore and conserve land health while helping to supply energy for the Nation and maintain important access to the public lands through the Healthy Lands Initiative. The 2009 budget seeks an increase of \$14.0 million over the 2008 appropriated level of \$7.9 million to expand the benefits of this Initiative, which leverages Federal funding for the restoration of public lands critical to the sage grouse and other species.
- Initiated a multiyear program to staff, train, and equip law enforcement officers in Indian Country to stop the spread of methamphetamine and combat the drug cartels that are exploiting these communities through the Safe Indian Communities initiative. The 2009 budget proposes to increase funding for this initiative to \$26.6 million.
- Expanded efforts to improve Bureau of Indian Education programs to better meet the adequate yearly progress goals of the No Child Left Behind Act. The 2009 budget proposes to increase funding for the Improving Indian Education initiative to \$25.5 million.

Through the strategic investments proposed in the 2009 budget, the Department will build on these accomplishments and address other emerging challenges to land and resource management. The 2009 budget aligns resources to maintain performance across strategic goals for resource protection, resource use, recreation, and serving communities. The 2009 budget focus is on improving performance with increased funding for fixed costs and other targeted investments within a budget that maintains the President's commitment to fiscal restraint.

The Department's 2009 budget of \$10.7 billion in current appropriations will:

- Provide fixed cost increases throughout the Department to mitigate the impacts of pay, health benefits, and other cost increases in order to maintain staffing and capability at parks, refuges, public lands, and for programs that provide services to Indian communities, Alaska Natives, and affiliated island communities. Our budget proposes an increase of \$142.5 million for fixed costs, covering over 86 percent or more of these costs for all bureaus and offices.
- Enhance knowledge of water resources and improve the capacity of water managers to avert crises caused by water supply issues and better manage water resources to assist in endangered species recovery. We request an increase of \$21.3 million for the first water census in 30 years and to fund important basin studies, planning, and water management.
- Advance efforts to improve the status of birds, including migratory birds, and avert further declines in wild bird populations with an increase of \$9.0 million for joint venture partnerships, inventory and monitoring, the breeding bird survey, and habitat restoration. The budget continues funding the national wildlife refuge system at the 2008 level of \$434.1 million, including an increase of \$35.9 million above 2007. Conserving migratory birds is a primary goal of the refuge system, and the increased funding level will be used by refuges in 2008 and 2009 to support migratory bird conservation and habitat protection.
- In cooperation with the National Oceanic and Atmospheric Administration, collect data needed to define U.S. jurisdiction of the extended continental shelf under the Law of the Sea; improve knowledge about and implement actions to protect wildlife and habitat in ocean environments from marine debris; and undertake other ocean and coastal research and restoration activities. An increase of \$7.9 million is requested for these efforts.
- Improve the safety of the public, residents, and employees at public and tribal lands along the southwest border and restore habitat along the border with an increase of \$8.2 million that augments 2008 increases of \$3.6 million for southwest border law enforcement.
- Continue investments in the National Parks Centennial initiative, Preserve America, Healthy Lands Initiative, Indian initiatives for Safe Communities and Improving Education, cooperative conservation, energy security, climate change, and the Financial and Business Management System.

Each year more than 800 species of migratory birds brave stiff winds, harsh weather, and numerous predators to fly thousands of miles. Their final destination is the warm climate of the American south, the Caribbean, or Mexico, where they stay for the winter. These amazing travelers will then return to their breeding grounds in the north. And as they span these distances, they fascinate and bring joy to millions of our citizens. For these migratory birds, surviving their long journey depends on stopover habitat. Unfortunately, expanding civilization has made it harder for these birds to find places to stop and rest...the national wildlife refuges...provide stopover habitat, and they play a really important role in our conservation efforts.

*President George W. Bush
October 20, 2007*



MAJOR BUDGET INITIATIVES

National Parks Centennial — Americans love their national parks. For generations, parks have represented a national commitment to conservation, preservation, and family enjoyment. To continue this legacy for future generations, President Bush initiated the National Parks Centennial initiative to enhance the national park system over the decade leading to the 2016 centennial celebration. The National Parks Centennial initiative emphasizes three key themes: to engage all Americans in preserving our heritage, history, and natural resources, through philanthropy and partnerships; to reconnect people with their parks, with a special emphasis on linking children to nature; and to build capacity for critical park operations to sustain these efforts over the next century.

Responding to the President's charge to prepare for the National Park Service's 100th anniversary in 2016, the Secretary presented his report to the President on the National Parks Centennial initiative on May 31, 2007. Encapsulating the ideas and input from listening sessions and 6,000 public comments, the report frames the ten-year effort to strengthen visitor services and other programs in parks in time for the national parks centennial.

Part of this initiative is the President's National Parks Centennial Challenge, which will encourage individuals, foundations, and the private sector to donate funding for signature projects and programs by matching donations with up to \$100.0 million annually in dedicated, mandatory funding. By leveraging government investment with private philanthropy, the Centennial Challenge will enhance park services and management, invest in high-profile, nationally recognized Park Service projects and programs, and develop park educational programs to benefit all Americans. On August 23, 2007, Secretary Kempthorne announced more than 200 potential projects that would be eligible for funding under the Centennial Challenge.

Inspired by the passions of thousands of citizens and mindful that boldness matches our history, today I bring you our vision to ensure that the American love affair with national parks endures.

*Dirk Kempthorne
Secretary of the Interior
May 31, 2007*

The 2009 budget request for park operations is an historic \$2.1 billion, an increase of \$160.9 million above the 2008 enacted level. As the largest budget ever for park operations, the 2009 budget fulfills the National Parks Centennial promise by increasing funding for park operations. This funding will allow the parks to preserve our Nation's natural and cultural heritage, improve the condition of parks and park facilities, and prepare a new generation of leaders to guide NPS into the 21st century. The initiative will result in increased visitor use, understanding and appreciation of the parks, and improved condition of historic properties and cultural landscapes.

Complementing park operations, the 2009 budget includes \$25.0 million for Preserve America and Save America's Treasures grants. Launched in 2003 by the President and First Lady, the Preserve America initiative encourages States and local communities to preserve the fabric of the American story. The Administration has submitted legislation to the Congress to permanently authorize the Preserve America and Save America's Treasures programs. To date, 521 communities in all 50 States and the U.S. Virgin Islands have been designated as Preserve America communities, and \$9.8 million appropriated to NPS through 2007 has supported nearly 100 new projects in communities throughout America. The 2008 appropriation will support an additional 95 projects. The 2009 budget request includes \$10.0 million for Preserve America grants that help local communities find sustainable uses for historic assets, such as through heritage tourism. This is an increase of \$2.6 million over the 2008 enacted level. The budget also provides \$15.0 million for Save America's Treasures grants, \$4.0 million more for competitive grants than was appropriated in 2008.

Water for America — In 2007, the National Science and Technology Council reported that "Abundant supplies of clean, fresh water can no longer be taken for granted." The Council of State Governments echoed this concern, concluding that "water, which used to be considered a ubiquitous resource, is now scarce in some parts of the country, and not just in the West... The water wars have spread to the Midwest, East, and South, as well." Competition for water is increasing because of rapid population growth and growing environmental and energy needs. These water needs are escalating at a time of chronic drought and changes in water availability resulting from a changing climate.

In 2009, Interior proposes a \$21.3 million Water for America initiative that will help communities to

secure reliable water supplies through programs to develop and make available new and expanded information, technologies, and partnerships. The initiative will begin a nationwide assessment of water availability, water quality, and human and environmental water use to be completed by 2019. The assessment is the first water census in 30 years, a precursor to working with States to better manage water. Good management begins with good information. The 2009 proposal includes \$8.2 million for U.S. Geological Survey investments in science programs to support the water census, including additional investments of \$3.7 million to expand and modernize USGS streamgages.

Chronic water shortages, explosive population growth, over-allocated watersheds, environmental needs, and aging water facilities are combining to create the potential for crisis and conflict over water.

Dirk Kempthorne
Secretary of the Interior
July 10, 2006

The initiative will also evaluate alternatives to respond to changing water needs with an increase of \$13.1 million for the Bureau of Reclamation to enhance partnerships and share new technologies. At the watershed level, Interior will partner with State, local, and tribal governments to use new technologies in water planning and management and promote watershed-level solutions. Interior will also partner with urban, rural, and agricultural water users to stretch existing water supplies and implement measures to protect endangered species at high-risk watersheds in 12 States, to help avert water crises.

Birds Forever — The National Audubon Society released its annual *State of the Birds* and the *Common Birds in Decline* reports in 2007. The reports, drawing on more than 40 years of data, including results from the USGS Breeding Bird Survey, document the alarming decline of some of the Nation's most valued species. On average, populations of common birds have plummeted 70 percent since 1967 and nearly half of the shorebirds that breed in the U.S. have undergone significant declines.

Migratory bird conservation extends far beyond our borders and depends on partnerships with other nations as well as States, Tribes, conservation organizations, and many others here at home.

P. Lynn Scarlett
Deputy Secretary of the Interior
May 13, 2006

Many factors lie behind declines in wild bird populations, chief of which is the loss of habitat. Our budget implements the vision set forth in the President's October 20, 2007, announcement of a migratory bird initiative. In 2009, continuing \$35.9 million in refuge budget increases enacted in 2008 will help the Fish and Wildlife Service to improve over 200,000 acres of migratory bird habitat. Yet improving the status of birds requires conservation beyond the boundaries of Federal lands. Recognizing that the Federal government alone cannot provide the habitat necessary for birds, the budget includes increases totaling \$9.0 million to fund investments in existing programs that are key to improving information about, and conservation of, birds.

Through the cooperative conservation efforts of joint ventures in three key bird flyways, Interior will leverage the energy and talents of local conservationists and private landowners to help reverse declines in wild bird populations. The 2009 request will fund new conservation partnerships to increase habitat conservation efforts to benefit 36 targeted species, engage citizens in protecting birds through urban bird treaties, and increase survey and banding efforts to generate data to guide management actions and support strategic habitat conservation and monitoring.

On October 20, 2007, the President announced a new cooperative conservation effort with Mexico to conserve migratory birds—birds that know no border. The initiative seeks to improve migratory bird joint ventures and produce a State of the Birds report, among other things. The Department's Birds Forever initiative is complementary to the President's effort.

Ocean and Coastal Frontiers — The benefits provided by healthy and productive oceans, coasts, and Great Lakes waters are vital to America's prosperity and well-being. Recognizing the importance of these vital resources, the President's Ocean Action Plan sets forth a pioneering vision for ocean management premised on regional partnerships, State leadership, and Federal coordination.

Interior has extensive ocean and coastal responsibilities, managing 35,000 miles of coastline, 177 island and coastal refuges, 74 park units comprising 34 million acres, 92 million acres of coral reef ecosystems that include 3.5 million acres of coral reefs, and 1.8 billion underwater acres of Outer Continental Shelf lands. Interior assists the U.S. Territories and Freely Associated States in the management of 3.6 million

square miles of ocean. The Department also conducts the science needed to guide better decisionmaking in the management of these resources.

Our oceans are so vast that for most of history we thought of them as inexhaustible and indestructible. Only in recent decades have we come to realize we must take care of them as we would take care of any precious natural resource.

*Dirk Kempthorne
Secretary of the Interior
January 26, 2007*

The 2009 budget request includes substantial resources to support the Department's diverse ocean, coastal, and Great Lakes program activities and to implement the highest priorities of the Ocean Action Plan. Interior's activities align with ocean, coastal, and Great Lakes programs total approximately \$1 billion annually. An increase of \$7.9 million for the Ocean and Coastal Frontiers initiative includes \$4.0 million to define U.S. jurisdiction of the extended continental shelf under the Law of the Sea requirements to assure that the United States defines and affirms its rightful claim to these areas. Our budget also funds partnerships that will leverage Federal efforts to reverse the trend in marine debris accumulating in waters and coasts, conserve coral reefs, and improve ocean science. Marine debris kills marine life, and is so pervasive that significant numbers of albatross ingest it and die. In addition, marine debris interferes with navigation safety, negatively impacts shipping and coastal industries, and poses a threat to human health.

Safe Borderlands — Interior has an enormous responsibility along the southwest border, managing lands along 793 miles, or 41 percent of the international border with Mexico. This includes seven national wildlife refuges, six national parks, lands managed by the Bureau of Reclamation along 12 miles of the border, and public land managed by the Bureau of Land Management along 191 miles of the border. In addition, five Indian reservations span the international boundary with Mexico. The impacts of illegal immigration have been startling on these

remote lands. In 2007, nearly 200,000 illegal aliens crossed public lands, up from 17,800 in 2001—an 11-fold increase. While most of the discussion about border security has focused on the large number of illegal aliens coming to the United States, less attention has been given to narcotic traffickers, smugglers, and other criminals who operate extensively near the border and their impacts to public lands and resources. Violent, drug-smuggling operations across the border are evidenced by the 2,700 pounds of cocaine and 742,000 pounds of marijuana seized on Interior lands in 2007. As the U.S. Border Patrol constrains the flow of illegal drugs and aliens in urban areas with increased border enforcement and construction of barriers, these illegal activities and their attendant risks have shifted to rural areas and the Interior managed lands.

There has been loss to human life stemming from violent, drug-smuggling operations across the border. As a result, portions of some parks are now off-limits to all visitors because of extreme safety hazards. Drug smugglers armed with assault weapons, encrypted radios, night vision optics, and other sophisticated equipment keep Interior employees under constant surveillance. At San Bernardino National Wildlife Refuge, they even threatened harm to an officer and his family at his home if he didn't return a load of marijuana seized earlier in the day.

These are not isolated incidents. Portions of our land along the border have been closed to visitors, and in some cases even to employees, to ensure their safety. Employees cannot go to some of the park, refuge, and public lands without an escort; and their homes, vehicles, and possessions have been vandalized or stolen. The impacts to the lands and resources are extensive, including abandoned vehicles and personal property, roads and trails through sensitive areas, and elevated threats to at-risk species.

The 2009 request includes an increase of \$8.2 million to provide a safer environment for employees and visitors and to restore ecosystems along the southwest border.

**BUDGET AUTHORITY AND RECEIPTS
FOR 2007, 2008, AND 2009**
(in millions of dollars)

	2007 Actual*	2008 Estimate	2009 Request	Change from 2008
BUDGET AUTHORITY				
Total Current Appropriations (w/o supps)	10,976	11,112	10,724	-388
Supplementals	108	249	0	-249
Total Current Appropriations (w/ supps).	11,084	11,361	10,724	-637
Permanent Appropriations	4,715	5,523	5,994	+471
Total	15,799	16,884	16,718	-166
[Net discretionary BA].....	[10,987]	[11,250]	[10,625]	[-624]
RECEIPTS				
Outer Continental Shelf.....	6,763	11,120	10,159	-961
Onshore Mineral Leasing	3,922	4,568	5,496	+927
Other Offsetting Receipts	1,582	1,674	1,590	-84
Other Receipts.....	722	806	917	+111
Total	12,989	18,169	18,162	-7

* Excludes one-time disaster supplementals totaling \$28.0 million.

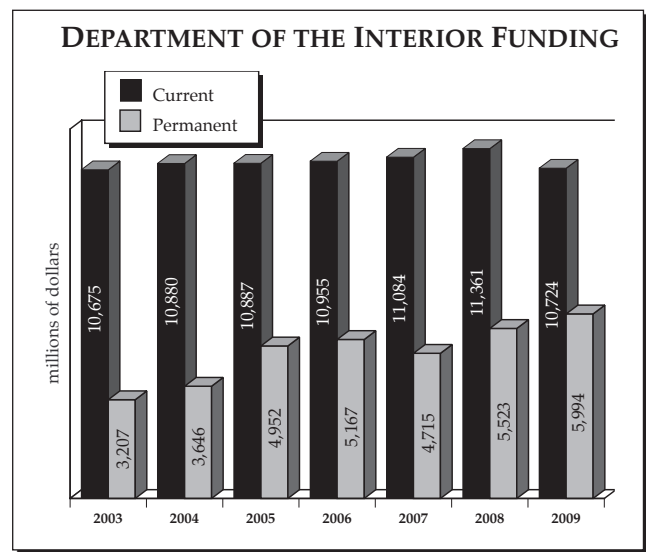
THE NUMBERS

The 2009 Interior budget request for current appropriations is \$10.7 billion, \$388.5 million or 3.5 percent below the level enacted by Congress for 2008, excluding fire supplemental funding. Within this overall reduction, our budget sustains and enhances funding for parks and public land health, conservation, water supplies and science, energy security, and the safety of Indian communities and southwest borderlands. We focus funding on these priorities and propose reductions in construction and land acquisition, areas that are duplicative or receive funding from alternative sources, and cancellation of unobligated balances. The 2009 request maintains funding for priority mission goals at a level that is slightly above the amount requested by the President in the 2008 budget.

Permanent funding that becomes available as a result of existing legislation without further action by the Congress will provide an additional \$6.0 billion for a total 2009 Interior budget of \$16.7 billion. Including permanent funding, the 2009 budget for Interior is essentially level with 2008.

The 2009 request includes \$9.8 billion for programs funded by Interior, Environment and Related Agencies appropriations. This is a decrease of \$198.9 million below the level enacted for 2008, excluding fire supplemental funding. The 2009 request for agencies under the purview of the Interior Subcommittee is \$59.0 million above the amount requested in the 2008 President's budget. The 2009 request funds \$142.5 million, or 86 percent, of anticipated 2009 fixed cost increases.

The 2009 request for the Bureau of Reclamation and the Central Utah Project Completion Act, funded in the Energy and Water Development Appropriations Act, is \$961.3 million, \$189.6 million below the level enacted for 2008.



In 2009, Interior will continue an exemplary record of producing revenue for the U.S. Treasury. The estimate for revenue collections by the Department in 2009 is \$18.2 billion, more than offsetting the current budget request. In 2008, the estimated collection of revenues is \$18.2 billion, reflecting the direction of \$2.2 billion in oil to the Strategic Petroleum Reserve.

The 2009 budget assumes the enactment of legislative proposals, many of which were presented in the 2008 President's budget, including proposals for full payment of bonuses on all new coal leases at the time of lease sale; modification of the Federal Land Transaction Facilitation Act; net receipt sharing for energy minerals; discontinuation of the mandatory appropriation from the BLM Range Improvement Fund; reallocation of the repayment of capital costs for the Pick-Sloan Missouri Basin program; and authorization for the San Joaquin River Restoration Settlement. The budget also assumes the enactment of legislative proposals to repeal provisions of the Energy Policy Act of 2005 related to permit processing, geothermal revenues and geothermal payments to counties, and ultra-deepwater research. The budget assumes enactment of legislation that would open the 1002 area of the Arctic National Wildlife Refuge to exploration with lease sales to begin in 2010, generating estimated bonus bids of \$7.0 billion in 2010 and future streams of revenue from royalty collections once production commences.

The 2009 budget assumes enactment of the legislation needed to provide a new, dedicated source of funding for the National Parks Centennial Challenge through 2018 providing up to \$100.0 million per year of mandatory funding to match private cash donations for projects and programs to prepare national parks for the next century.

The 2009 budget also assumes enactment of legislation that would authorize an increase in the price of the Federal Duck Stamp to \$25. The price of the stamp has remained at \$15 since 1991. At the same time, the price of land has increased significantly. The Duck Stamp fee increases will generate more revenues to support the acquisition of fee title and easement areas that would provide additional important breeding areas, migration resting places, and wintering areas for birds.

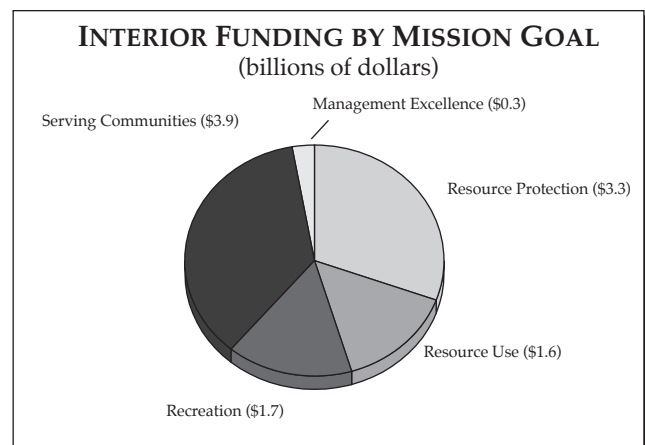
The 2009 budget proposes to cancel \$5.0 million from multiple accounts, as the balances have remained unused for some time. The budget also proposes to cancel \$24.7 million of balances in the Naval Oil

Shale Reserve Site Restoration Fund account that exceed the estimated funding needed to cover site cleanup costs and proposes to cancel \$4.5 million in the Cooperative Endangered Species Conservation Fund for uncommitted funding that was recovered from a surplus to project needs.

The 2009 budget proposes \$34.0 million in increased cost recovery fees for the Bureau of Land Management oil and gas program and estimates an increase of \$11.0 million in offsetting collections from rental receipts and cost recovery fees by the Minerals Management Service's OCS program.

A UNIFIED APPROACH TO OUR MISSION

The Department's diverse portfolio of responsibilities and programs offers immense opportunities to improve resource stewardship while meeting visitor expectations for recreation in parks and on public lands; access to domestic energy supplies; and the quality of life for Indian communities. Interior's Government Performance and Results Act Strategic Plan 2007-2012 sets ambitious goals in our four primary mission areas: resource protection, resource use, recreation, and serving communities. The twin pillars of management and partnerships and the foundation of science provide the basis for realistic and achievable goals. By bringing together the diverse responsibilities of all the bureaus and offices into an integrated whole, the strategic plan provides a blueprint for action for the Interior's 70,000 talented and skilled employees to achieve these goals.



Resource Protection — The 2009 budget includes \$3.3 billion for programs that improve the health of landscapes and watersheds, sustain biological

SUMMARY OF MAJOR CHANGES
(current budget authority in millions of dollars)
INTERIOR, ENVIRONMENT, AND
RELATED AGENCIES

2008 Enacted	9,961.2
Fixed cost changes - all bureaus / offices	[+142.5]
Initiatives	
National Parks Centennial/Operations	+160.9
National Parks Centennial Challenge (Mandatory)	[+100.0]
Water for America	+8.2
Birds Forever	+9.0
Oceans and Coastal	+7.9
Safe Borderlands	+8.2
Healthy Lands Initiative	+14.0
Safe Indian Communities	+2.9
Improving Indian Education	+1.4
BLM	
Oil and Gas/Legacy Well Remediation	+11.2
Deferred Maintenance	-10.0
Naval Oil Shale Reserve Cancellation	-24.7
MMS Energy Programs	+10.5
OSM Emergency AML Projects	-20.0
USGS	
National Water Quality Assessment	-10.9
Geologic Resource Assessments	-24.3
FWS	
Construction	-21.0
Land Acquisition	-24.4
NPS	
National Recreation and Preservation	-21.9
Land Acquisition	-22.5
Construction	-46.1
Indian Affairs	
Land and Water Settlements	-11.9
Roads Maintenance	-12.5
Housing Improvement Program	-13.6
Johnson-O'Malley Education Grants	-21.4
Welfare Assistance	-22.0
Construction	-30.5
OST Indian Land Consolidation	-9.8
Departmentwide	
Wildland Fire	+42.1
Financial and Business Management System	+33.3
Net, all other program changes	-161.0
2009 Interior Budget Request	9,762.3

ENERGY AND WATER DEVELOPMENT

2008 Enacted	1,150.9
Bureau of Reclamation	
Safety of Dams	+15.5
Water Security Initiative	+13.1
CALFED	-8.1
Animas-La Plata	-10.6
Savage Rapids Dam	-11.8
Middle Rio Grande	-16.2
Water Reclamation/Reuse (Title XVI)	-16.6
Rural Water Supply Projects	-101.5
Net, all other program changes	-53.4
2009 Energy and Water Budget Request	961.3

Total 2009 Budget Request

communities, and protect cultural and natural heritage resources.

Resource Use — The 2009 budget includes \$1.6 billion to enhance energy security by funding continued improvements in energy access and enhancing renewable and nonrenewable programs. Our budget also ensures 21st century water supplies for the Nation and supports the goals of the Healthy Forests Initiative.

Recreation — The 2009 budget includes \$1.7 billion to support recreation goals, including improved access to recreational opportunities.

Serving Communities — The 2009 budget includes \$3.9 billion to serve communities by fulfilling responsibilities for trust management, supporting services to Tribes and individual Indians, improving Indian education, and ensuring safe borderlands for visitors and Interior employees. The budget for serving communities also supports the wildland fire program, law enforcement, and the generation of relevant scientific information.

The Department continues to integrate budget with performance information. Performance is tracked for 26 representative performance measures using activity-based costing data. These data sets provide information on the Department's performance and the related costs in specific programmatic areas over a three- to five-year period. A presentation of selected performance measures appears at the end of this chapter.

**FIXED COSTS TO MAINTAIN
CORE PROGRAMS**

At over 2,400 sites, Interior's 70,000 employees maintain facilities and resources and provide services to those who use or rely on them including park visitors, wildlife watchers and hunters, stockmen and miners, Tribes and individual Indians, farmers, and electric power users.

Pay and benefits for the Department's employees are a high priority and a significant cost component of Interior's core programs, comprising 51 percent of operating budgets. The proportion of Interior's budget committed to personnel costs places it among the top three Federal agencies. This workforce composition largely reflects the need to maintain staff at the geographically dispersed locations that serve the public including 391 parks, 548 refuges, and 71 fish hatcheries, including one historic fish hatchery. As

the steward for more than 500 million acres or about one-fifth of the land area of the United States and over 165,000 facilities, Interior's programs by their very nature require staff. Interior continues to utilize the services of approximately 237,000 volunteers and extensive seasonal employees. However, the workforce capacity of the Department's programs is an essential ingredient for the uninterrupted delivery of programs and services to the American public.

The 2009 budget request includes \$142.5 million to keep pace with most increased costs in pay and benefits and other fixed costs. The pay and benefits component of the request is \$128.6 million, including a 3.5 percent 2008 pay raise, a 2.9 percent 2009 pay raise, and a 3.0 percent increase in health benefits. A total of \$22.5 million in pay and health benefits costs will be absorbed through cost savings methods. There is a reduction of \$16.9 million for one less pay day in 2009. The request fully funds 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 Department of the Interior's annual request for fixed costs is limited to a set of costs based on an agreement with the Interior Appropriations Subcommittee. The Department's fixed costs include pay and health benefits, workers and unemployment compensation, rental increases for existing space and associated security charges made by the Department of Homeland Security, and bills generated through the Department's Working Capital Fund. The Department does not include in its fixed costs request within-grade increases, nor increased costs related to postage, fuel, or other consumables. In 2006 through 2008, the budget almost completely funded Interior's defined set of fixed costs. However, since 2002, and including 2009, the Department will have absorbed \$482.0 million in fixed costs for the years when fixed costs were not substantially budgeted or did not fully reflect the increased pay rate enacted by Congress. Over this same period, the Department experienced an additional \$632 million in across-the-board reductions.

OTHER BUDGET PRIORITIES

Healthy Lands Initiative—In 2007, the Department initiated the Healthy Lands Initiative—a major, long-term effort to improve the health of public and private lands in the West. The health of Western

landscapes has been impacted by drought, wildfire, weed invasions, and stresses associated with population growth and increased development and use of the public lands.

Through the Healthy Lands Initiative, Interior bureaus are working with State and local governments, private landowners, and other interested groups to conserve and restore vital habitat on a broad, landscape-scale in key emphasis areas. This Initiative will preserve our public lands for recreation, hunting and fishing, and for their significant habitat for species, while helping to secure energy for this Nation. The Healthy Lands Initiative takes a landscape-scale approach to restoration projects and land-use planning. The Initiative considers the health of the land from ridge top to ridge top instead of acre by acre. The 2009 budget provides \$21.9 million for the Healthy Lands Initiative, an increase of \$14.0 million over the 2008 enacted level. These funds will be used to accelerate and increase efforts at the original six geographic emphasis areas, expand one of the emphasis areas, and add a seventh emphasis area in California. An additional \$8.2 million in BLM base funding also supports the Healthy Lands Initiative.

Safe Indian Communities — In 2008, the Department proposed the Safe Indian Communities initiative to help Indian Country, which is under attack from organized crime and foreign drug cartels. These cartels have taken advantage of the widely dispersed law enforcement presence on tribal lands to produce and distribute drugs, resulting in a violent crime rate in some communities that is ten to 20 times the national average. Many tribal leaders rank this as the number one public safety problem on their reservations.

The 2008 enacted budget includes \$23.7 million for the Safe Indian Communities initiative to increase our capacity to combat this growing epidemic. In 2009, we sustain this funding and provide an additional \$2.9 million, for a total Safe Indian Communities initiative of \$26.6 million. Thus, with a cumulative investment of \$50.3 million over two years, Interior will assist Tribes to suppress the production and distribution of methamphetamine by organized crime and drug cartels, address related effects including drug abuse, child neglect and abuse, and increase staffing at detention centers.

In 2009, Interior will provide additional officers for law enforcement, specialized drug training for existing officers, public awareness campaigns for

the Indian public, additional resources to protect tribal lands located on the United States border with Mexico, and additional social workers. The 2009 increase of \$2.9 million will put additional law enforcement agents on the ground in targeted communities in Indian Country and invest in more training for the current force to more effectively combat the problem. The BIA will also expand the use of a mobile meth lab to train tribal police and others about methamphetamine labs, environmental and personal safety hazards, and interdiction and investigation strategies. Funding will target communities based on a needs analysis that looks at the violent crime rate, service population, and current staffing levels.

Improving Indian Education — In 2008, Interior proposed the Improving Indian Education initiative to enhance student performance in Bureau of Indian Education schools. As one of just two Federal school systems, the other is operated by the Department of Defense, the BIE system of 184 schools should be a model of excellence and achievement of the goals of the No Child Left Behind Act. Student performance, however, has lagged. Just 30 percent of Indian schools are achieving their annual progress goals. According to the 2007 National Assessment on Educational Progress, the Nation's report card, student performance in reading and mathematics in BIE schools is lower than that of students in public schools. Through this initiative, the Department is implementing a set of education program enhancements designed to increase student achievement.

The 2008 appropriation exceeded the request, providing \$444.8 million for programs to improve student achievement, an increase of \$24.1 million over the 2007 level. The 2009 budget continues funding for these programs and adds another \$1.4 million over 2008 for several key activities. Within this funding level, increases are included for formula funding, employee displacement, and technology investments, while funding for education enhancements is reduced to the 2008 President's budget request level.

The 2009 budget continues \$5.2 million for Education Program Enhancements, a component to restructure schools under the No Child Left Behind Act and for reading programs and tutoring, mentoring, and intensive math and science initiatives at schools that are required to take corrective action to promote student achievement. In 2008, Congress provided \$12.1 million for enhancements. With the 2008 boost in funding and the continued \$5.2 million, BIE will focus on improved student achievement.

In addition to funding provided for program enhancements, the \$446.2 million 2009 budget includes a \$6.3 million increase in funds allocated by formula to all schools to improve per student funding. Funding allocated by formula is the primary source of funding for BIE's 170 elementary and secondary schools and 14 dormitories. Unlike program enhancements funding that targets schools that need corrective action, this funding directly supports all schools for core costs of operating education programs such as salaries for teachers, aides, administrators, and support staff, supplies and classroom materials, and the personnel system. In addition, the Department of Education provides nearly \$202 million to BIE to administer and provide technical support for Department of Education programs. The budget also requests \$115.4 million for construction and repair for the schools.

The 2009 budget request also includes an increase of \$1.5 million for employee displacement costs at five schools expected to convert from Bureau-operated to grant status. Funding will cover the payment of separation costs to BIE employees not eligible for retirement and who are not retained by the grantee. An increase of \$1.3 million is also requested for the information technology infrastructure that supports education program applications. The additional \$1.3 million will provide more bandwidth for the education network, which provides the means for 184 schools, 14 tribal colleges and universities, adult learning centers, and libraries to get access to e-mail, the internet, and comply with requirements for reporting.

Cooperative Conservation Programs — Through partnerships, Interior works with landowners and others to achieve conservation goals across the Nation that benefit America's national parks, wildlife refuges, and other public lands. The 2009 budget includes \$321.7 million for the Department's cooperative conservation programs, \$10.4 million more than the 2008 enacted level. These programs leverage Federal funding, typically providing a non-Federal match of 50 percent or more. They provide a foundation for cooperative efforts to protect endangered and at-risk species; engage local communities, organizations, and citizens in conservation; foster innovation; and achieve conservation goals while maintaining working landscapes.

Challenge cost share programs in FWS, NPS, and BLM are funded at \$18.1 million, a slight reduction from the 2008 enacted amount. These cost share programs provide resources to land managers to work with adjacent communities, landowners, and

other citizens to achieve common goals through conservation and restoration of wetlands, uplands, riparian areas, and other projects.

The 2009 cooperative conservation budget incorporates the Department's \$21.9 million Healthy Lands Initiative. Building on the \$7.9 million enacted in 2008 for Healthy Lands, the 2009 budget will provide increased resources for this multi-agency initiative to enlist States, local and tribal governments, industry, and non-government entities to restore habitat on a landscape scale. The BLM, FWS, and USGS will work with partners through this initiative and complete habitat projects that allow traditional uses to continue, thereby avoiding or reducing conflicts in areas where the demand for energy development and other uses competes with the needs of species and the long-term viability of wildlife habitat.

The 2009 budget for FWS cooperative conservation programs includes \$14.9 million for the Migratory Bird Joint Ventures program. This includes an increase of \$4.0 million to focus on improving the status of focal species of birds as part of the Birds Forever initiative. The 2009 budget also includes \$13.2 million for the Coastal program, \$48.0 million for the Partners for Fish and Wildlife program, \$4.9 million for the Fish Passage program, and \$5.2 million for the National Fish Habitat Action Plan.

The 2009 request for cooperative conservation programs includes \$195.9 million for FWS grant programs, an increase of \$1.9 million. This includes \$42.6 million for the North American Wetlands Conservation Fund, an increase of \$666,000 above the 2008 enacted level. The 2009 net budget for the Cooperative Endangered Species Conservation Fund is \$75.5 million, including \$80.0 million in new budget authority reduced by a cancellation of \$4.5 million in unobligated balances. This request is a net increase of \$1.7 million above the 2008 level. The 2009 budget includes \$4.0 million for the Neotropical Migratory Birds program, a reduction of \$470,000 from the 2008 level, and \$73.8 million for the State and Tribal Wildlife Grants, sustaining the 2008 funding levels.

Enhancing Energy Security — The Interior Department helps to meet the Nation's energy needs and plays a key role in ensuring energy security. Roughly one-third of the energy produced in the United States each year comes from Federal lands and waters managed by Interior. The Department's 2009 budget enhances energy security with a program that seeks to increase production while achieving

important environmental protections, attaining energy conservation goals, and expanding the use of new technologies and renewable energy sources. The 2009 budget provides an estimated \$528.1 million for energy and mineral-related programs, an increase of \$15.1 million over the 2008 enacted level.

The BLM will continue to support implementation of Section 349 of the Energy Policy Act to address the environmental risks posed by legacy orphaned wells. The 2009 request supports the remediation of the Atigaru site on the Alaska North Slope. In addition, adjustments in the BLM Oil and Gas Management program budget will increase its capacity for conducting oil and gas inspections. In 2009, as in 2008, legislation is proposed to repeal the permit processing fund and the prohibition on charging cost recovery fees for processing applications for permits to drill. The budget assumes collection of \$34.0 million in cost recoveries from processing applications for permits to drill in 2009. The 2009 budget does not continue the legislated \$4,000 APD fee included in the 2008 Consolidated Appropriations Act, but rather proposes to repeal the Energy Policy Act fee prohibition and replace the 2008 fee with permanent cost recovery fees implemented through a new regulation.

In 2009, MMS will apply \$8.5 million to increase environmental studies, resource assessments, and leasing consultations in areas of new leasing activity in Alaska and the Gulf of Mexico as identified in the 2007-2012 Five-Year Plan. These lease sales could produce as much as ten billion barrels of oil and 45 trillion cubic feet of natural gas over the next 40 years, enough oil during this timeframe to power about 11 million cars, plus enough liquid fuel and natural gas to heat 29 million homes. With an additional \$1.0 million, MMS will implement its alternative energy responsibilities by funding environmental work and permitting alternative energy projects. This increase builds on the increased funding level provided in 2008 for alternative energy and provides a total funding increase of \$6.6 million. The MMS will also use a \$1.1 million increase to develop information technology system improvements to keep pace with industry's use of geoscientific analysis of resources and ensure that lease bids meet their fair market value.

The 2009 MMS budget also includes a \$2.0 million increase to implement Office of Inspector General recommendations for improving royalty payment audits and compliance reviews, including increasing the audit staff by four FTE. An increase of \$1.7 million

will improve automated interest billing, allowing MMS to streamline and expedite interest invoicing, enhance internal controls, reduce manual intervention, allow the closure of audit cases sooner, and redirect staffing to other high-priority projects.

Climate Change — With lands that range from the Arctic to the Everglades, Interior’s managers observe the sometimes dramatic effects of a changing climate, including melting permafrost and melting glaciers, apparent long-term changes in precipitation patterns, dust storms, and sea level rise. In this dynamic context, Interior managers need the information, tools, and resources to understand on-the-ground landscape changes and develop strategies to adapt to these changes. As the largest landlord in the country, Interior is positioned to pioneer adaptive management approaches to address the effects of climate change.

Interior’s science agency, the U.S. Geological Survey, has been an active participant in the Federal Global Climate Change Science project. In 2008, the Congress provided an increase of \$7.4 million to expand high-priority research and establish a National Global Warming and Wildlife Science Center. Work has begun in earnest to examine the issues that are most pressing on land managers, including the impacts of melting permafrost on energy and other infrastructure, modeling of watersheds to better manage timing and delivery of water by taking into account changing precipitation patterns, and investigation of the potential for geologic formations to sequester carbon. Interior has also undertaken habitat restoration to promote carbon sequestration and the use of alternative energy and energy conservation in its facilities and transportation systems. Over 17 percent of Interior’s facility electricity comes from alternative energy technologies.

The 2009 USGS budget continues its climate change program of \$31.4 million, sustaining \$5.0 million of the increases enacted in 2008 by the Congress. The 2009 budget will focus on priority climate change needs to fill critical information gaps. The 2009 budget and the Department’s climate change management priorities will benefit from the results of the Secretary’s Task Force on Climate Change. The three subcommittees that comprise the task force will guide Interior’s comprehensive approach to the study and modeling of the impacts of climate change on the environment as well as guide adaptive management programs for the Department’s land managers.

Financial and Business Management System — The Financial and Business Management System is an enterprise-level, integrated, administrative management system that is replacing the Department’s existing legacy systems. When fully implemented, the project will support the business requirements of all Interior bureaus and offices including core accounting, acquisition, personal property and fleet, travel, real property, financial assistance, budget formulation, and enterprise management information. In 2006, the Minerals Management Service and Office of Surface Mining were migrated to the Financial and Business Management System. The MMS and OSM conducted financial and accounting operations on this new system in 2007 and received a clean audit for their operations. In 2008, FBMS is supporting their acquisition services, and the Department will deploy core financial, acquisition, property, and enterprise information components to BLM. The 2009 budget request of \$73.4 million includes an increase of \$33.3 million for additional deployments that will eventually allow the Department to retire duplicative legacy systems currently in operation, including 27 acquisition systems, 16 finance systems, 43 vendor databases, and 107 property management systems.

PROGRAM TERMINATIONS AND REDUCTIONS

The 2009 budget proposes program terminations in order to focus resources on high-priority core mission areas. The termination proposals include three proposed in the 2008 President’s budget – Johnson O’Malley Education grants, the BIA Housing Improvement Program, and Wildland Fire Rural Assistance grants, along with two others – the Indian Land Consolidation and the State and Federal Emergency Abandoned Mine Land programs. Program reductions that impact most of Interior’s bureaus and offices include reductions based on improved management of travel and relocation and expanded use of performance-based contracting.

Indian Land Consolidation — In 2009, with a budget reduction of \$9.8 million, the Department is not requesting funding for the Indian Land Consolidation program. The program is no longer cost effective to operate, provides a minimal benefit to Indian County, and has done little to reduce trust management costs. Interior remains committed to focusing on the critical issue of fractionation and is currently exploring other options for Indian land consolidation. A working group has been created

to explore viable options and develop a strategy that will be beneficial to both individual Indian land owners and Tribes. The Department looks forward to working with Indian Country and Congress in 2009 to address this important issue.

Johnson O'Malley Education Grants — The budget proposes to eliminate the \$21.4 million Johnson O'Malley grant program. These grants are distributed by the Tribes to address Indian student needs in local public schools. The grants duplicate similar funding made available by other Federal and State assistance programs. For example, in 2008, the Department of Education administered \$119.6 million in grants to Tribes, tribal organizations, and local education agencies for activities meeting the special educational and cultural needs of Indian students. In addition, about half of the Department of Education's \$1.2 billion in impact aid reaches districts with Indian students. The Johnson O'Malley grants do not address a focused goal for academic achievement and lack a means to measure and report on program impacts on student performance.

Housing Improvement Program — The 2009 budget proposes to eliminate the BIA Housing Improvement Program with a reduction of \$13.6 million. This program serves the same eligible population as the \$700 million Housing and Urban Development Native American Housing Assistance and Self-Determination Act program. The HUD program has authority to provide assistance to all HIP applicants. At the 2008 enacted funding level, HIP will serve about 200 Indian families, providing grants for repairs and renovations to existing homes or for construction of houses for tribal members with sufficient land suitable for housing on or near a reservation. The proposal to eliminate HIP is commensurate with priorities established during tribal consultation on the 2009 budget that emphasized programs and projects benefitting Tribes on a nationwide basis.

Office of Surface Mining State and Federal Abandoned Mine Land Projects — The 2009 budget discontinues funding for the Office of Surface Mining AML emergency projects, a reduction of \$20.0 million below the 2008 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 2009, AML grants to States total \$298.4 million, more than double the 2007 amount. With sufficient carryover funding available in 2009 to ease the transition to the States, OSM can begin

phasing out Federal responsibility for AML emergency programs.

Rural Assistance Program — The 2009 budget proposes to eliminate funding for the Wildland Rural Fire Assistance program, a reduction of \$5.9 million. As proposed in the 2007 President's budget, funding for the Rural Fire Assistance program was discontinued in 2007, and the program focus shifted to managing remaining fund balances and overseeing the closeout of the program. Congress funded the program in 2008. The Department again proposes to abolish the RFA program as a separate source of funding for assistance to local and rural fire departments. Interior will continue to use \$1.2 million in preparedness funding to provide training and personal equipment to local firefighters to help build a ready-reserve of local firefighters that can support initial and extended attack on large fires.

Travel and Relocation Expenses Reduction — The Department is striving to become more effective and efficient in its travel activities. In 2009, Interior will reduce travel and relocation expenses across the agency by \$20.0 million to achieve this goal. This is a 13 percent reduction in the current levels of travel and relocation expenses. The reduction is allocated to each bureau and office based on their percentage of 2007 reported travel and relocation expenses. In consideration of the mission essential needs in the Wildland Fire program, the reduction is not applied to fire program activities.

Several bureaus and offices have already made significant gains and reduced spending for travel through the use of modern teleconferencing technology and other means. However, greater reductions are possible and feasible with minimal impacts to ongoing programs, if tailored to the activities and missions of each agency. To achieve the targeted reduction, each bureau and office will create a strategy to manage and control travel and relocation costs incorporating the following strategies:

- Reducing the number of travelers to meetings, conferences, and seminars by sending only essential personnel, including the primary decisionmaker, presenter, or program representative.
- Limiting the number of meetings, conferences, and seminars hosted and attended to mission-critical events and prioritizing non-essential attendance.

- Increasing the use of teleconferences, video-conferencing technologies, and on-line meeting capabilities in lieu of traveling to events.
- Combining meetings, conferences, seminars, and other events to reduce the number of individual travel events.
- Expanding the use of computer-based training to limit the need for travel, particularly for standardized training that impacts a significant number of employees.
- Increasing the use of on-line booking and travel management services.

Performance-Based Contracting — Performance-based acquisition is the government’s preferred approach for acquiring services. It affords many benefits, such as competitive pricing, innovative solutions, quality services, and results that support agency missions. The Department established 2007 goals for each bureau and office in order to encourage them to reach a goal of using performance-based acquisitions on 45 percent of their eligible actions over \$25,000, to include contracts, task orders, modifications, and options. Bureaus achieved some success in meeting the goal during 2007, but most require additional effort in 2008 to achieve the target of 45 percent. The 2009 reduction of \$6.8 million is equal to the estimated savings from competitive pricing that can be achieved in 2008.

OTHER MAJOR CHANGES BY BUREAU

BUREAU OF LAND MANAGEMENT

The 2009 BLM request for appropriations is \$977.4 million. While this represents a reduction of \$30.5 million below the 2008 enacted level, the budget proposes \$973.1 million for the two operating accounts, an increase of \$10.6 million over the 2008 enacted level. The BLM budget prioritizes the Healthy Lands Initiative to conserve and restore the vital habitats on a broad landscape-scale in key geographic areas. The budget proposes a total of \$14.9 million, a \$10.0 million increase, to expand land health treatments in the six original Healthy Lands Initiative emphasis areas and to add one additional area. An additional \$8.2 million in BLM base funding also supports the Healthy Lands Initiative.

Another major thrust of the 2009 BLM budget is an increase of \$11.2 million in the Oil and Gas Management program to enable BLM to continue remediating legacy wells on the Alaska North Slope that pose significant threats to the Arctic environment. As part of the Department’s Safe Borderlands initiative, the BLM budget retains the significant law enforcement funding increase provided in 2008. The BLM budget also proposes an additional \$1.0 million for hazardous materials management activities along the southwest border to remediate environmental degradation caused by illegal immigration and reclaim abandoned mines that facilitate illegal travel in the region.

The 2009 budget for BLM includes a new line item for the National Landscape Conservation System in each of BLM’s two operating accounts. The 2009 budget includes \$22.3 million for the NLCS, comprised of \$21.8 million in Management of Lands and Resources and \$486,000 in the Oregon and California Grant Lands accounts. The 2009 budget for the NLCS sustains \$3.0 million of the 2008 operating increase for the NLCS system.

In order to fund higher priorities and maintain some of the important increases provided by Congress in 2008, while discontinuing lower priority congressional increases, the 2009 request includes approximately \$41.0 million in program reductions in BLM’s operating budget. The major reductions include \$10.0 million in Deferred Maintenance and \$4.0 million in Resource Management Planning. With elimination of the congressional increase, the Alaska Conveyance program is funded at \$33.4 million, comparable with the 2008 President’s budget request. The BLM will also achieve \$4.7 million in savings by continuing to implement administrative and organizational streamlining measures, as well as \$3.1 million in travel and relocation costs and \$1.0 million by increasing the use of performance-based contracts.

The 2009 budget request provides \$4.5 million for the BLM Construction program, a reduction of \$1.9 million below the 2008 enacted level. The budget also provides \$4.5 million for the BLM Land Acquisition program, a reduction of \$4.5 million below the enacted level.

MINERALS MANAGEMENT SERVICE

The 2009 request for MMS current appropriations is \$160.4 million, a reduction of \$660,000 below the 2008 enacted level. Collections from Outer Conti-

mental Shelf rents and cost recoveries will provide \$146.7 million, \$11.0 million more than collected in 2008. The total MMS operations budget, including offsetting collections, is \$307.1 million, \$10.3 million above the 2008 enacted level.

The 2009 MMS budget includes a program increase of \$8.5 million to implement the 2007-2012 Outer Continental Shelf Leasing program and provides a \$1.0 million increase to address the anticipated demand for offshore alternative energy project leases once program regulations are in place. An increase of \$1.1 million for geoscientific interpretive tools will allow MMS to keep pace with industry.

The budget also includes an increase of \$1.7 million to upgrade the Minerals Revenue Management Support System which will improve the timeliness and efficiency of interest assessments to payors. An increase of \$2.0 million will be used to implement recommendations from the Office of Inspector General, which will improve the mineral revenue compliance and audit program. Changes to the audit program will be guided by an MMS action plan to strengthen compliance program operations.

Reductions to the 2008 enacted level include \$8.6 million for OCS Connect, as the system moves from the development phase to implementation, operations, and maintenance, and savings of \$420,000 related to completion of system modifications in the adjustment line monitoring program in minerals revenue management.

OFFICE OF SURFACE MINING RECLAMATION AND ENFORCEMENT

The Office of Surface Mining Reclamation and Enforcement budget request is \$149.3 million, a decrease of \$21.1 million below 2008. The request for Regulation and Technology is \$118.5 million, level with the 2008 enacted level. Within this amount, there is an increase of \$500,000 to support tribal primacy. The SMCRA Amendments of 2006 authorized tribal primacy, which gives Indian Tribes the authority to regulate surface coal mining and reclamation operations on reservation land. One Tribe is expected to be ready to assume primacy by the end of 2008. Regulatory grants are funded at \$63.7 million. This is \$836,000 below the 2008 level, but sustains a regulatory program level that is \$7.3 million, or 13 percent, above the 2007 level.

Funding for the Abandoned Mine Land account totals \$30.8 million, \$21.1 million below 2008. This

reflects a reduction of \$20.0 million for Federal and State emergency projects. The 2006 SMCRA Amendments transferred AML reclamation grants to mandatory funding and provided for significantly higher payments to States than previously appropriated, beginning in 2008 — an increase of more than double the 2007 appropriated levels. Beginning in 2009, OSM will begin phasing out Federal responsibility for AML emergency projects. However, adequate carryover funding will be available to ease the transition to the States.

BUREAU OF RECLAMATION

The 2009 Reclamation budget request is \$919.3 million in current appropriations, \$188.6 million below the 2008 enacted level. The 2009 budget sustains key projects and programs while discontinuing many congressional project increases provided in 2008. Reclamation's enacted level of funding in 2008 increased by \$149.5 million over the 2008 President's budget and \$82.9 million over the 2007 level, excluding supplemental drought funding.

The 2009 budget request emphasizes Reclamation's core mission, ensuring facility integrity and site security and resolving major western water challenges. The budget includes \$13.1 million for watershed basin and other geographical studies, focused measures to protect endangered species at high-risk watersheds in 12 States, and expansion of the challenge grant program. The recast program merges the Water 2025 and Water Conservation Field Services programs to stimulate water conservation and improve water management through an integrated approach that addresses urban, rural, and agricultural uses of water.

A total of \$91.3 million is requested for the Safety of Dams program, an increase of \$15.5 million, or 20 percent from 2008. The increase is needed to address dam safety issues at several sites, while keeping the work at Folsom Dam in California on schedule. The funding includes \$71.5 million to initiate safety-of-dams corrective actions, \$18.5 million for safety evaluations of existing dams, and \$1.3 million for the Interior Dam Safety program.

The 2009 budget request for rural water supply projects is \$39.0 million, \$101.5 million below the level appropriated in 2008. The 2008 enacted level of funding for Rural Water Supply projects is more than \$85.5 million, or 156 percent, above the 2008 President's request of \$55.0 million. Reclamation allocated funding for its rural water projects based

on objective criteria, which gave priority to projects nearest to completion and projects that serve tribal needs. The 2009 budget includes \$26.2 million for the Mni Wiconi project and \$12.8 million for the rural water component of the Garrison project.

A total of \$29.0 million is requested for site security of dams to ensure the safety and security of facilities, a reduction of \$6.0 million below the 2008 level. The 2009 budget assumes that, consistent with project allocations, the operation and maintenance-related security costs for Reclamation facilities will be reimbursed by project beneficiaries.

The budget requests \$32.0 million, a decrease of \$8.1 million from 2008 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 is addressing conflicts over water supply.

U.S. GEOLOGICAL SURVEY

The 2009 budget for the U.S. Geological Survey is \$968.5 million, a decrease of \$38.0 million below the 2008 enacted level. The 2009 budget focuses on the highest priorities for research, while ensuring that USGS builds the expertise it needs to continue answering the complex scientific questions that may arise tomorrow. The budget includes \$34.9 million in program increases and \$15.0 million in fixed costs, offset by \$87.8 million in program reductions.

The 2009 budget includes increases of \$8.2 million for the Water for America initiative to conduct a water census, \$7.0 million for oceans science, \$1.0 million for the breeding bird survey, and \$3.5 million to expand activities in support of the Healthy Lands Initiative. The budget also sustains \$5.0 million for climate science.

The National Streamflow Information Program is funded at \$23.8 million, including an increase of \$3.7 million to upgrade 350 streamgages with real-time telemetry to allow better management during floods and droughts and to reinstate 50 streamgages that had been discontinued in the past, thereby enhancing support of a water census. An additional \$3.0 million will be used by the Ground-Water Resources program to improve knowledge about groundwater, and \$1.5 million will be used for cooperative geologic mapping.

Coastal and Marine Geology is funded at \$47.4 million. An increase of \$4.0 million will be used to collect data for the extended continental shelf of the Arctic Ocean, working with the National Oceanic and Atmospheric Administration, to support the Nation's claim to secure rights to mineral and energy resources in the extended continental shelf. An additional \$2.0 million will be used to conduct priority-based ocean research projects.

The 2009 budget request reflects a restructuring to create a Global Change activity. The 2009 request is \$26.6 million, a reduction of \$2.1 from the 2008 level and \$4.8 million above the 2007 level. The 2009 global change budget request includes \$21.6 million in base funds to continue climate change science, \$4.0 million to establish a comprehensive pilot program in Alaska and a national network, and \$1.0 million for climate change adaptation research. The 2009 request also includes \$4.8 million for the Climate Change Science program, which brings total climate change funding to \$31.4 million. These components will provide critical monitoring information needed for predictive modeling related to our changing climate and its effects on the landscape and the Nation's resources.

Land Remote Sensing is funded at \$62.6 million, including a programmatic increase of \$2.0 million that will allow the National Land Imaging Program to assess the future need for civil operational land imaging data and develop a blueprint to determine future needs for acquisition of satellite data to supplement Landsat 7 imagery.

The 2009 President's budget reduces funding for the Mineral Resources and the National Water Quality Assessment programs. A \$24.3 million reduction to Geologic Resource Assessments is proposed, which will result in a 2009 Mineral Resources program of \$26.3 million. A \$10.9 million reduction to NAWQA is proposed for a total 2009 program of \$54.1 million. The 2009 President's budget also reduces the Earthquake Hazards program by \$5.2 million, retaining \$49.1 million for the highest priority earthquake research projects.

FISH AND WILDLIFE SERVICE

The 2009 Fish and Wildlife Service budget request is \$1.3 billion, a reduction of \$64.6 million compared to the 2008 enacted level, with most reductions resulting from lower proposed spending in construction and land acquisition.

The request for Resource Management is \$1.1 billion, a decrease of \$13.7 million, or a decrease of roughly one percent, compared to the 2008 enacted level. The 2009 request includes \$11.1 million in program increases and \$16.0 million in fixed costs, offset by \$40.8 million in program reductions.

The 2009 refuge system budget is \$434.1 million, sustaining significant increases in the 2008 enacted level. At this level, the refuge system maintains a funding level provided by Congress in 2008 of \$35.9 million above the 2007 funding level. Increases proposed in 2009 for the refuge system include \$500,000 for marine debris monitoring and clean-up partnerships and \$400,000 for coral reef restoration planning and conservation at Palmyra Atoll National Wildlife Refuge. Additionally, there is an increase of \$1.0 million for refuge law enforcement along the southwestern border. The robust refuge budget will support our Birds Forever initiative to reverse declines in common birds and improve bird habitat.

The 2009 budget request includes an additional \$8.0 million for our Birds Forever initiative. Another \$1.0 million in support of this initiative is in the USGS budget. Through the initiative, FWS will conserve important habitat for targeted focal species and collect scientific data to support plans and guide management actions. This increase includes \$2.2 million for monitoring of birds, \$2.0 million to implement focal species plans and develop new focal species plans, and \$4.0 million for Joint Ventures. It also includes a \$666,000 increase to the North American Wetland Conservation Fund account.

In support of the Healthy Lands Initiative, the 2009 budget includes an increase of \$492,000 in the Partners for Fish and Wildlife program that will support habitat and species conservation activities in Wyoming's Green River Basin, where wildlife and energy development activities coexist.

The budget continues to provide strong support for cooperative conservation programs that sustain partnerships. State and Tribal Wildlife Grants are funded at \$73.8 million, equal to the 2008 enacted level. The Cooperative Endangered Species Conservation Fund request includes \$75.5 million for new grants, including a cancellation of \$4.5 million in unobligated balances. This is a net increase of \$1.7 million compared to the 2008 enacted level.

To better focus on managing the lands currently in the refuge system, the FWS land acquisition program

request is \$10.2 million, a \$24.4 million reduction compared to the 2008 enacted level. In 2009, projects that do not add to operations or maintenance costs of the refuge system are proposed. Additionally, the costs to administer the program are decreased to reflect this focus. Similar to the land acquisition account, FWS construction is also reduced. The construction request totals \$12.2 million, a decrease of \$21.0 million compared to the 2008 enacted level. Reductions to engineering services are made to reflect the smaller program. The National Wildlife Refuge Fund budget is \$10.8 million, \$3.2 million below the 2008 enacted level but the same as the 2008 President's budget. The Multinational Species Conservation fund includes \$4.3 million, a reduction of \$3.6 million compared to the 2008 enacted level, but the same as in the 2008 President's request.

NATIONAL PARK SERVICE

The National Park Service budget request is \$2.4 billion, an increase of \$13.9 million above the 2008 enacted level for park and related programs.

The 2009 budget includes \$2.1 billion for operations, an increase of \$160.9 million above 2008. Within the park operations budget are increases of \$7.6 million for U.S. Park Police, \$50.0 million for park base, and \$20.0 million for flexible park base projects.

To realize the full philanthropic potential for parks, the 2009 budget proposes the National Parks Centennial Challenge, a legislative proposal to provide up to \$100.0 million annually in mandatory funds to match private donations for signature projects and programs in national parks.

The 2009 budget for the National Recreation and Preservation program is \$45.5 million, \$21.9 million below the enacted level. The 2009 President's budget does not include funding for Statutory and Contractual Aid, resulting in a reduction of \$7.5 million. Funding for Preserve America grants is requested within the Historic Preservation Fund appropriation. The NRP budget proposes \$22.7 million for Cultural Programs, a program increase of \$1.3 million from 2008, including \$1.0 million to coordinate a national effort to inventory and monitor historic properties. The 2009 NRP budget request includes \$7.1 million for the Heritage Partnership program, a decrease of \$8.2 million from the 2008 level. The Heritage Partnership program was designed to provide seed money to initiate locally managed national heritage areas, not to support these areas indefinitely.

The 2009 budget request includes \$66.1 million for Historic Preservation, \$4.2 million below 2008 enacted, but \$2.4 million above the 2008 request. The Historic Preservation budget includes \$15.0 million for Save America's Treasures; \$10.0 million for Preserve America; \$39.7 million for historic preservation grants-in-aid to States, Territories, and Tribes; and \$2.0 million for the National Inventory of Historic Properties.

The 2009 budget request continues strong support of the NPS asset management program. Total construction and maintenance funding is \$644.0 million in 2009, a decrease of \$4.8 million from the 2008 level. The total includes increased funding of \$22.8 million for cyclic maintenance and \$6.0 million for parks to more fully realize the benefits of the Facility Maintenance Software System. The construction budget request of \$172.5 million includes reductions of \$32.4 million in line-item construction, \$7.0 million in construction planning, and \$5.7 million in construction program management.

INDIAN AFFAIRS

The 2009 Indian Affairs budget request is \$2.2 billion, a decrease of \$99.9 million below the 2008 enacted level.

The Operation of Indian Programs account request is \$2.0 billion, a reduction of \$59.5 million below 2008. In addition to increases of \$2.9 million for the Safe Indian Communities initiative, including funding for increased law enforcement along the southwest border, the budget includes \$2.8 million for education program increases for technology requirements and program management, and \$10.6 million for trust related activities. Reductions include the elimination of the housing improvement and Johnson O'Malley education grant programs, reductions of \$5.9 million in tribal scholarships, \$22.0 million for welfare assistance, \$12.5 million for roads maintenance, and elimination of \$12.5 million in earmarks.

The Construction budget request is \$173.3 million, a reduction of \$30.5 million from the 2008 enacted level. Included within this is the education construction budget of \$115.4 million, a reduction of \$27.6 million below the 2008 enacted level. The request includes funding for replacement of the Dennehotso Boarding School in Arizona, and replacement facilities at the Chinle Boarding School in Arizona. The education construction account also includes funding for major facilities improvement and repair projects, minor FI&R projects, and \$50.7 million for

annual maintenance. Employee housing is funded at \$1.6 million in this request.

The 2009 budget includes \$8.2 million for the guaranteed loan program, an increase of \$2.0 million. At this level, BIA will be able to guarantee up to a total of \$85.2 million in loans.

The 2009 budget request for BIA Indian Land and Water Claim Settlements of \$21.6 million includes \$11.9 million in reductions reflecting the completion of payments to the Rocky Boys Trust Fund and reduction of funding needed for the Puget Sound Regional Shellfish Settlement and the Nez Perce/ Snake River Settlement.

OFFICE OF THE SPECIAL TRUSTEE

The 2009 Office of the Special Trustee budget request is \$181.6 million, a reduction of \$7.7 million compared to 2008 enacted.

The budget includes increases of \$1.7 million to address the probate backlog; \$941,000 for the Office of Historical Accounting; and \$815,000 for trust beneficiary services. The 2009 budget also includes a reduction of \$3.3 million as a result of the completion of certain trust reform efforts reflecting efficiencies and improvements in services to beneficiaries, completion of project task efforts, and management efficiencies. The OST budget includes a reduction of \$9.8 million for the elimination of the Indian Land Consolidation program.

OFFICE OF THE SECRETARY

The 2009 budget includes \$105.9 million for Office of the Secretary - Salaries and Expenses, an increase of \$6.3 million above the 2008 enacted level. The budget includes a fixed cost increase of \$4.5 million, program increases of \$200,000 for suspension and debarment activities, \$1.7 million for central administrative services, and \$156,000 for minerals appraisal services.

OFFICE OF INSULAR AFFAIRS

The 2009 budget for Insular Affairs is \$79.9 million in discretionary funding, a decrease of \$3.3 million below the 2008 enacted level. The proposal includes fixed costs of \$227,000 and reductions in earmarks and congressional increases of \$3.6 million.

Permanent appropriations in 2009 total \$321.7 million, which includes \$208.7 million in Compact of

Free Association payments and \$113.0 million in payments to Guam and the U.S. Virgin Islands.

OFFICE OF THE SOLICITOR

The 2009 budget request for the Office of the Solicitor is \$62.1 million, \$3.7 million above the 2008 enacted level. The budget includes a program increase of \$1.4 million for information technology and \$2.4 million for fixed costs.

OFFICE OF INSPECTOR GENERAL

The 2009 budget for the Office of Inspector General is \$44.8 million, \$946,000 above the 2008 enacted level. The budget includes an increase of \$1.1 million for fixed costs.

DEPARTMENT-WIDE PROGRAMS

Wildland Fire Management — The 2009 budget moves the Wildland Fire account from BLM to the Office of the Secretary – Department-wide Programs to better align the office with the multi-bureau nature of wildland fire management. The 2009 budget request of \$850.1 million supports fire preparedness, suppression, fuels reduction, and burned area rehabilitation. With an increase of \$42.1 million above the 2008 enacted level, excluding supplemental funding of \$249.0 million, the 2009 budget request includes \$335.2 million for Suppression Operations, an increase of \$45.4 million over 2008. This budget will fully fund the expected costs of fire suppression in 2008 based on the ten-year average of suppression obligations.

Payments in Lieu of Taxes — The 2009 budget includes \$195.0 million for the Payments in Lieu of Taxes program, \$33.9 million below the 2008 enacted level. This is an increase of \$5.0 million above the 2008 President's budget, reflecting an adjustment to keep abreast of inflationary cost increases.

Central Hazardous Materials Fund — The 2009 budget for the Central Hazardous Materials Fund is \$10.1 million, an increase of \$349,000 over the 2008 enacted level. This includes an increase of \$328,000 for project remediation needs.

Natural Resource Damage and Restoration — The 2009 budget request for Natural Resource Damage and Restoration is \$6.3 million, an increase of \$136,000 over the 2008 enacted level. The proposed increase maintains funding at historic levels, including fixed costs.

Working Capital Fund — The 2009 budget request for the Financial and Business Management System is \$73.4 million, an increase of \$33.3 million. The proposed increase will support the deployment of all of the modules of the FBMS solution to OSM, MMS, and BLM, as well as the full implementation at USGS.

MANDATORY PROPOSALS

The 2009 budget is accompanied by legislative proposals that will affect receipt or spending levels in 2009 or in future years. These proposals will be transmitted separately from the budget for consideration by congressional authorizing committees. The principal proposals include:

National Parks Centennial Challenge Fund — The 2009 President's budget assumes enactment of a legislative proposal to provide a new, dedicated source of funding for the Centennial Challenge through 2018. Up to \$100.0 million per year of annual mandatory funding would be made available to match at least dollar for dollar up to \$100.0 million in private cash donations for signature projects and programs. Currently, NPS receives about \$27 million annually in cash donations, plus additional in-kind contributions. In 2008, the Congress appropriated \$24.6 million in order to begin investments in partnership projects. To date, NPS has certified a total of 201 projects, representing a total investment of \$369.9 million that could be eligible for funding under this matching program.

MMS Net Receipt Sharing — As proposed in 2008, the budget again assumes enactment of permanent net receipts sharing legislation. In order to partially cover the costs of administering the Federal mineral leasing program, the budget proposes to amend the Mineral Leasing Act to allow MMS to deduct two percent from the mineral leasing revenue payments made to States under the 50/50 Federal-State revenue sharing arrangement established by the Act. This amounts to a reallocation of one percent of the total MLA revenues. Congress included a one-time net receipts sharing provision in the 2008 appropriations act, resulting in savings of an estimated \$43.0 million in 2008. States benefit significantly from Federal onshore mineral revenue payments. In 2007, for example, States received over \$1.9 billion from these payments. Net receipt sharing ensures a more equitable Federal-State distribution of revenues, whereby the States share in the administrative costs of managing the onshore mineral leasing program that generates this revenue. This proposal is esti-

mated to generate savings of \$269 million over the five-year period from 2009 through 2013.

Coal Bonuses—The 2009 budget assumes increased revenue from coal bonuses over the next five years by requiring the full payment of bonuses on all new coal leases at the time of lease sale. The Administration will propose legislation to amend the Mineral Leasing Act to require the payment of bonuses at the time of sale, consistent with oil and gas leases. The Act currently provides that at least 50 percent of the total acreage offered for lease by the Secretary in any one year shall be leased under a system of deferred bonus payments. Under current regulations implementing the deferred bonus payment system, lessees pay the bonus in five equal installments over five years, with the first installment submitted with the bid. This proposal is estimated to generate an additional \$564.0 million in revenues over the five-year period 2009 through 2013; under current law, this revenue would be shared 50/50 with the States where the revenues are generated.

Federal Land Transaction Facilitation Act—The Administration again proposes legislation to amend BLM's land sale authority under the Federal Land Transaction Facilitation Act. The legislation will update the public lands available for disposal under FLTFA and change the distribution of the proceeds of those sales. Under the Act, BLM is currently limited to selling lands that had been identified for disposal in land use plans in effect prior to the enactment of FLTFA and makes the proceeds available for the acquisition of other non-Federal lands within specially designated areas such as national parks, refuges, and monuments. The 2009 budget proposes to amend FLTFA to allow BLM to use updated management plans to identify areas suitable for disposal; allow a portion of the receipts to be used by BLM for restoration projects; return 70 percent of the net proceeds from these sales to the Federal Treasury; and cap Interior receipt retention at \$60.0 million per year. This proposal is estimated to generate an additional \$161.0 million in revenues over the five-year period 2009 through 2013.

Arctic National Wildlife Refuge—The President's National Energy Policy aims to improve America's energy security by increasing domestic production of fossil fuels, promoting increased energy conservation, and stimulating the development of alternative fuels. The coastal plain in the Arctic National Wildlife Refuge is the Nation's single greatest onshore prospect for future oil. The 2009 budget assumes enactment of legislation opening the Section 1002

area of the coastal plain in ANWR to energy exploration and development, with a first lease sale occurring in 2010 that would generate \$7.0 billion in bonus bid receipts. The budget estimates a total of \$8.0 billion in revenue would be generated through 2013. These receipts would be split 50/50 between the U.S. Treasury and the State of Alaska.

BLM Range Improvements—The 2009 budget proposes to discontinue mandatory appropriations from the Range Improvement Fund totaling \$10.0 million annually. Legislation will be proposed to amend the Federal Land Policy and Management Act and direct that 50 percent of grazing fee receipts currently deposited in the Range Improvement Fund, the Federal share of such receipts, be deposited in the General Fund of the Treasury. The BLM would retain the ability to fund range improvements to benefit wildlife within its appropriated budget. Also, private users who directly benefit from range improvements may be willing to share in these costs. Additional private investment could decrease the need for the Federal government to fund these projects.

Repeal of Section 365 of the Energy Policy Act of 2005—The 2009 budget assumes enactment of legislation to repeal portions of Section 365 of the Energy Policy Act, which diverted mineral leasing rental receipts from the General Fund of the Treasury to a newly-established Permit Processing Improvement Fund and simultaneously prohibited BLM from establishing cost recovery fees for processing applications for permits to drill. Under the proposal, BLM will promulgate regulations to put in place cost recovery fees for processing APDs. The budget assumes the new fees will generate \$34.0 million per year beginning in 2009, more than replacing the amount that would otherwise be provided by rental receipts, thus sustaining the program's capabilities while allowing for a reduction in the BLM's regular oil and gas appropriation relative to the amount that would otherwise be needed to fund the program.

Geothermal Energy Receipts—The Administration will resubmit legislation to repeal Sections 224 and 234 of the Energy Policy Act of 2005. Prior to passage of the Energy Policy Act, geothermal lease payments were directed 50 percent to States, 40 percent to the Reclamation Fund, and 10 percent to the General Fund. The Energy Policy Act changed this beginning in 2006 to direct 50 percent to States, 25 percent to counties, and 25 percent to a new BLM Geothermal Steam Act Implementation Fund. The repeal of Sections 224 and 234 will reverse these

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

Deep Gas and DeepWater Incentives — The 2009 budget proposes to repeal Section 344 of the Energy Policy Act of 2005, which extended existing deep gas incentives in two ways. First, it mandated an increase in the royalty suspension volumes from 25 to 35 billion cubic feet of natural gas in a third drilling depth category, greater than 20,000 feet sub-sea. Second, it directed that incentives for all three drilling depth categories also be applied to leases in 200-400 meters of water. The 2009 budget also proposes to repeal Section 345 of the Energy Policy Act, which provided additional mandatory royalty relief for certain deepwater oil and gas production. Additional royalty relief for oil and gas exploration is unwarranted in today's price environment.

Federal Migratory Bird Hunting and Conservation Stamps — Federal Migratory Bird Hunting and Conservation Stamps, commonly known as Duck Stamps, were originally created in 1934 as the Federal licenses required for hunting migratory waterfowl. Today, ninety-eight percent of the receipts generated from the sale of these stamps at \$15 per stamp per year are used to acquire important migratory bird breeding areas, migration resting places, and wintering areas. The land and water interests located and acquired with the Duck Stamp funds establish or add to existing migratory bird refuges and waterfowl production areas. The price of the Duck Stamp has not increased since 1991; however, the cost of land and water has increased significantly over the past

17 years. The Administration proposes to increase these fees to \$25 per stamp per year, beginning in 2009. The increase will allow FWS to raise an estimated additional \$14.0 million in 2009, leading to acquisition of approximately 6,800 additional acres in fee and approximately 10,000 additional conservation easement acres. Total acres for 2009 are estimated at 27,700 acres in fee and 46,700 acres in perpetual conservation easements.

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 2009. A legislative proposal will be transmitted for consideration to the appropriate congressional authorizing committees.

San Joaquin River Restoration Fund — The 2009 budget reflects the settlement of *Natural Resources Defense Council v. Rodgers*. The Administration will submit authorizing legislation, the San Joaquin River Restoration Settlement Act, which will include a provision to establish the San Joaquin River Restoration Fund. Under the Settlement, the legislation will propose to redirect \$7.5 million per year of payments from the Central Valley Project Friant Division and \$9.8 million from the Reclamation Fund, into the San Joaquin River Restoration Fund, which would be available without further appropriation to implement the provisions of the Settlement.

DEPARTMENT OF THE INTERIOR FACTS

Land — Interior manages more than 500 million acres, or about one-fifth of the land area of the United States, and 700 million acres of subsurface minerals. The Department has jurisdiction over an additional 1.76 billion acres of the Outer Continental Shelf.

Parks, Refuges, Public Lands — Interior manages 391 units of the national park system, 548 national wildlife refuges, 71 fish hatcheries, as well as 17 national conservation areas and 15 national monuments in BLM's National Landscape Conservation System.

People — Interior has about 70,000 employees located in approximately 2,400 locations across the United States, Puerto Rico, U.S. Territories, and Freely Associated States.

Volunteers — Interior benefits from approximately 237,000 volunteers who provide over 8.4 million hours of service, valued at \$157 million per year.

Conservation — About 240,000 acres of high-priority abandoned coal mine sites have been reclaimed through the OSM's Abandoned Mine Lands program. The FWS acts to protect 1,922 endangered and threatened species; 1,351 are in the United States.

Revenues — Revenues collected over the last eight years vary from \$6.1 to \$14.5 billion, including revenues from energy, minerals, grazing, timber, lands sales, and other revenue producing activities. Interior's estimated revenue projections in 2009 are \$18.2 billion.

Water — The Department is the largest supplier and manager of water in the 17 western States. Reclamation manages 479 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, three percent of wind, and 50 percent of geothermal.

Visitation — Annually, more than 57.3 million visits are made to BLM public lands, 274 million visits to national park units, 40 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 1.6 million people. The BIA provides education services to approximately 44,000 students in 23 States attending 184 elementary and secondary schools and dormitories and supports 28 tribally controlled community colleges, universities, and post-secondary schools. There are 22 BIA directly operated detention centers and 189 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 ten million acres belong to individual Indians and 46 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 \$3.3 billion of funds held in over 1,800 trust accounts for more than 250 Indian Tribes, and over 370,000 open Individual Indian Monies accounts.

**DEPARTMENT OF THE INTERIOR
SELECTED PERFORMANCE MEASURES**

<input type="checkbox"/>	Met or Exceeded	<input type="checkbox"/>	Not Met	E = Estimate	No Value = New
Performance Measure	FY 2006	FY 2007			
Representative Performance Measures from Resource Protection Mission Area					
Percent of DOI stream/shoreline miles that have achieved desired conditions	86%	88% E			
Percent of DOI acres that have achieved desired conditions	58%	62%			
Number of land and surface water acres reclaimed or mitigated from the effects of natural resource degradation from past coal mining	6,983	6,658			
Percent of all migratory bird species that are at healthy and sustainable levels	61%	62%			
Percent of T&E species that are stabilized or improved	41%	45%			
Percent of baseline acres infested with invasive plant species that are controlled	1.60%	1.7% E			
Percent of historic structures on DOI inventory in good condition	52%	56%			
Percent of targeted science products that are used by partners for land or resource management decision making	93%	93%			
Representative Performance Measures from Resource Use Mission Area					
Percent of fluid mineral leases with approved Applications for Permits to Drill	47%	44%			
Number of onshore federal acres under lease for coal development	466,652	466,943			
Number of offshore lease sales held consistent with the Secretary's 2007-2012 Five Year Program	2	2			
Percent of active coal sites that are free of off-site impacts	92%	90%			
Percent of federal and Indian revenues disbursed on a timely basis per statute	95%	96%			
Water infrastructure is in fair to good condition as measured by the Facilities Reliability Rating	98%	99%			
Percent of grazing permits and leases processed consistent with applicable resource management plans	103%	79%			
Percent of allowable sale quantity timber offered for sale consistent with applicable resource management plans	80%	68%			
Percent of targeted science products that are used by partners or customers for land or resource management decision making	88%	99%			
Representative Performance Measures from Recreation Mission Area					
Percent of visitors satisfied with the quality of their experience	93%	91%			
Representative Performance Measures from Serving Communities Mission Area					
Percent of unplanned and unwanted wildland fires controlled during initial attack	96%	97% E			
Percent of acres which achieve fire management objectives as identified in applicable management plans	No Value	66% E			
Percent of communities/Tribes using DOI science on hazard mitigation, preparedness and avoidance for each hazard management activity	48%	50%			
Percent of financial information accurately processed in Trust beneficiary accounts	99.7%	99.8%			
Percent of estates closed	No Value	89% E			
Percent of BIA/BIE funded schools achieving Adequate Yearly Progress	30%	31% E			
Part I violent crime incidents per 100,000 Indian Country inhabitants receiving law enforcement services	492	374			
Ratio of Federal revenue to total revenues in insular areas	0.28	0.30			