

U.S. DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT



*Rediscovering Your Public Lands*

1 9 9 6   A N N U A L   R E P O R T



*The Grand Staircase-Escalante National Monument*



# H I G H L I G H T S

*of Fiscal Year 1996*

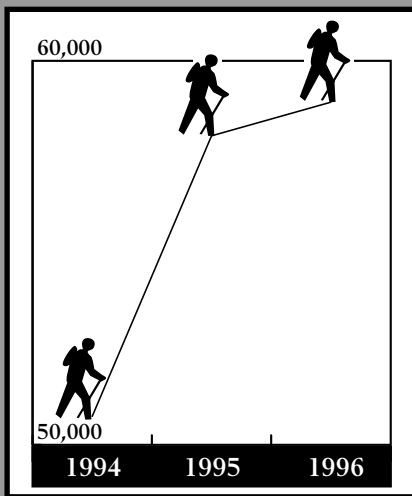
## *The Mission*

*It is the mission of the Bureau of Land Management to sustain the health, diversity, and productivity of the public lands for the use and enjoyment of present and future generations.*

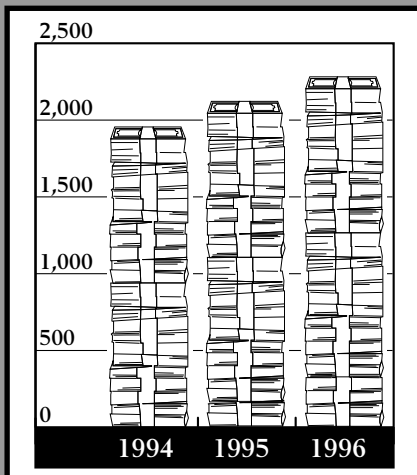
## *National Monument*

*The Grand Staircase-Escalante National Monument, created by Presidential proclamation on September 18, 1996, is BLM's first and only national monument. Managing a national monument is a significant new challenge for the BLM, but one that is consistent with BLM's mission of preserving resource values within the larger context of multiple-use management.*

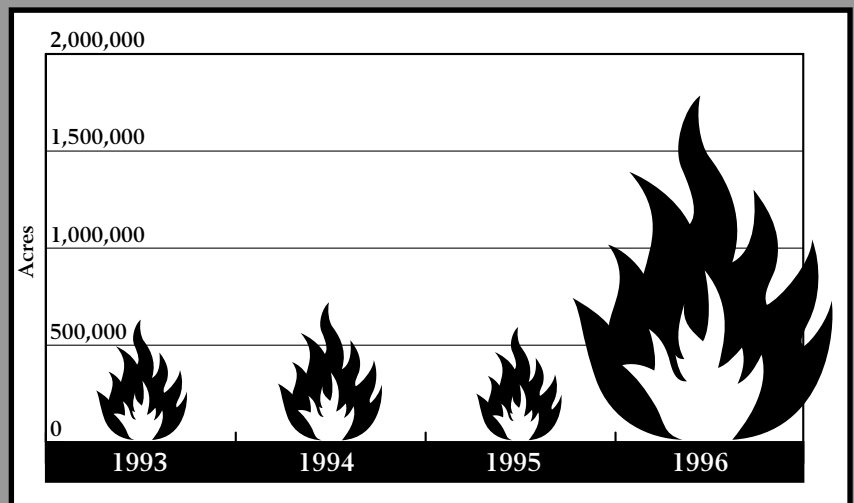
### *Recreation Visits*



### *Recreation Fee Revenues (\$000)*



### *1996 Fire Season: Fire Suppression Activities*



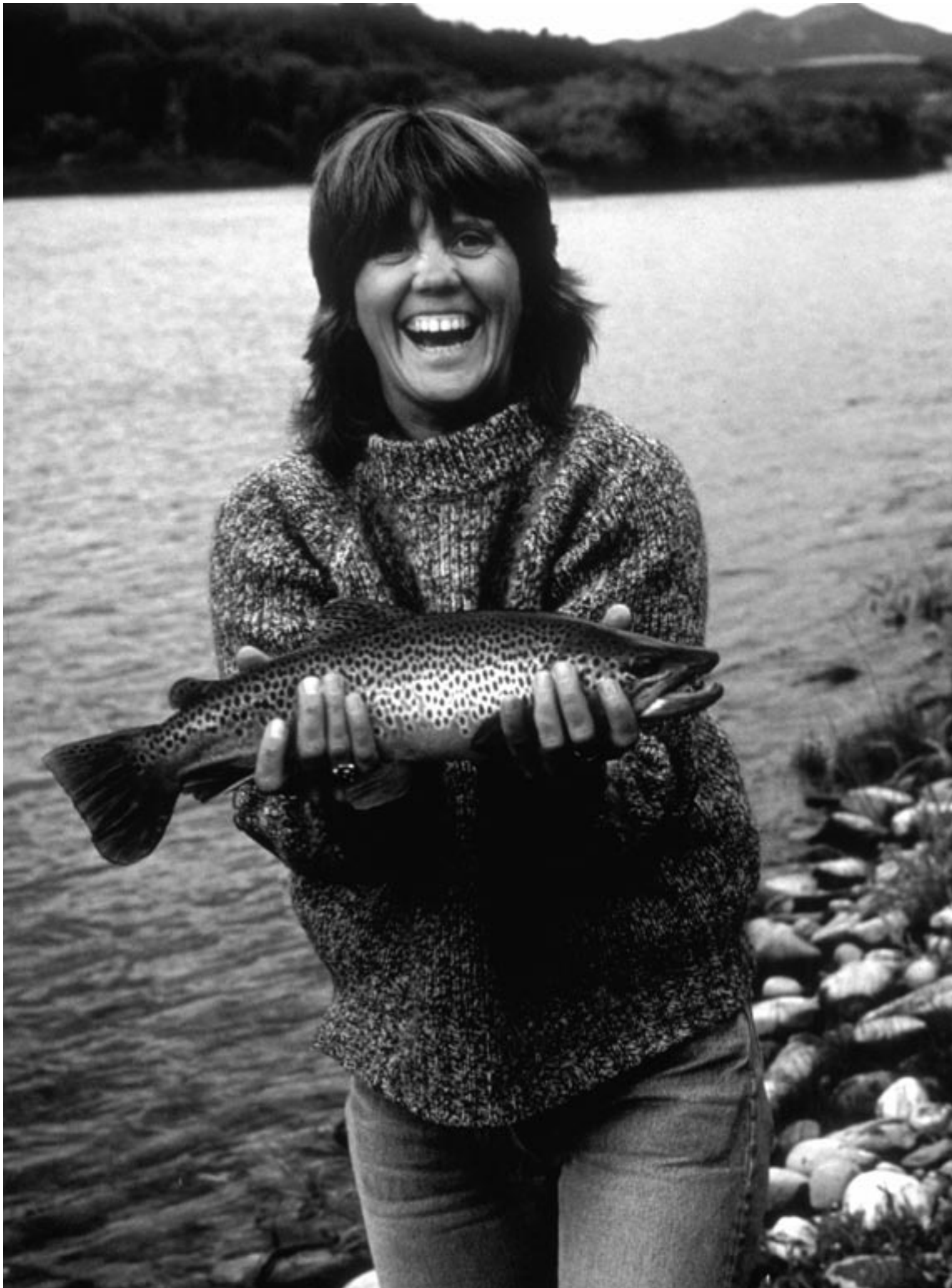




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# F O R E W O R D

## *Foreword*

### ***The Bureau of Land Management***

The Bureau of Land Management (BLM) is responsible for managing 264 million acres of land—about one-eighth of the land in the United States—and about 300 million additional acres of subsurface mineral resources. The Bureau is also responsible for wildfire management and suppression on 388 million acres.

Most of these lands are located in the western United States, including Alaska, and are dominated by extensive grasslands, forests, high mountains, arctic tundra, and deserts. The BLM manages a wide variety of resources and uses, including energy and minerals; timber; forage; wild horse and burro populations; fish and wildlife habitat; wilderness areas; archaeological, paleontological, and historical sites; and other natural heritage values.

In managing the vast public lands, the BLM performs a wide variety of functions: taking inventory of resources; preparing land use plans and assessing environmental impacts; conducting land surveys; issuing leases and other use authorizations; enforcing permit conditions; designing and constructing roads and other improvements; restoring degraded fish and wildlife habitat; identifying and protecting significant natural, cultural, and recreational resources; and monitoring resource conditions. In addition, the BLM maintains the original property and cadastral survey records of the United States. All of these activities are conducted with extensive public participation and in coordination with other Federal agencies; State, tribal, and local governments; and other affected interests.

### ***Fifty Years of Change***

Increasingly, the BLM has had to address the needs of a growing and changing West. Ten of the 12 western States with significant proportions of BLM-managed lands have among the fastest rates of population growth in the United States. More than ever, the American public values balanced use, conservation, environmental management, recreation, and tourism. Yet the more traditional land uses of grazing, timber production, and mining are still in high demand. The BLM must recognize the demands of new public land users while addressing the needs of traditional user groups and working within constricted budgets. Fortunately, the public, constituent groups, and other agencies and levels of governments are eager to participate in collaborative decisionmaking, so the BLM has been able to develop many partnerships that benefit the public lands.

The Bureau is challenged today to develop more effective land management practices, as well as to become more efficient. The BLM is proud of the significant steps it has taken to reduce administrative costs, streamline work processes, focus on customer service, and improve accountability to the American people.

### ***Accountability for Performance and Results***

As the Bureau of Land Management celebrates its 50th Anniversary, it is working to chart a new course to lead the agency into the next century. Responding to the Chief Financial Officers Act of 1990, the Government Performance and Results Act (GPRA) of 1993, the National Performance Review, and other initiatives, the Bureau has developed a draft Strategic Plan.

The Strategic Plan outlines the mission-oriented goals and objectives for the agency over the next 3-5 years. In addition, the plan proposes time-based performance targets for which progress will be measured and reported annually. This Annual Report is the second of such reports the BLM has produced--the first was for fiscal year (FY) 1995. The Annual Report will provide better and more meaningful measurements of progress toward desired resource conditions, customer satisfaction, and other results over the next several years. In 1997, the BLM will be required to develop Annual Performance Plans that link performance measures to the goals set for the agency. It is envisioned that each goal will have one or more measures of outcome in terms that are understandable and that can direct the allocation of funds and personnel, as well as management decisions. In this way, the BLM will increase its accountability to taxpayers and Congress, which provide and allocate funds for managing the public lands.

### ***A Vision for the Future***

The FY 1996 Annual Report strives to move toward providing more meaningful information, a more understandable format, and greater accountability for achieving intended results. As progress in FY 1996 is recorded, the agency looks forward to developing an FY 1997 report that addresses the goals and vision even more directly. A vision for the future is articulated in the BLM *Blueprint for the Future*:

- ◆ Provide for a wide variety of public land uses without compromising the long-term health and diversity of the land and without

sacrificing significant natural, cultural, and historical resource values;

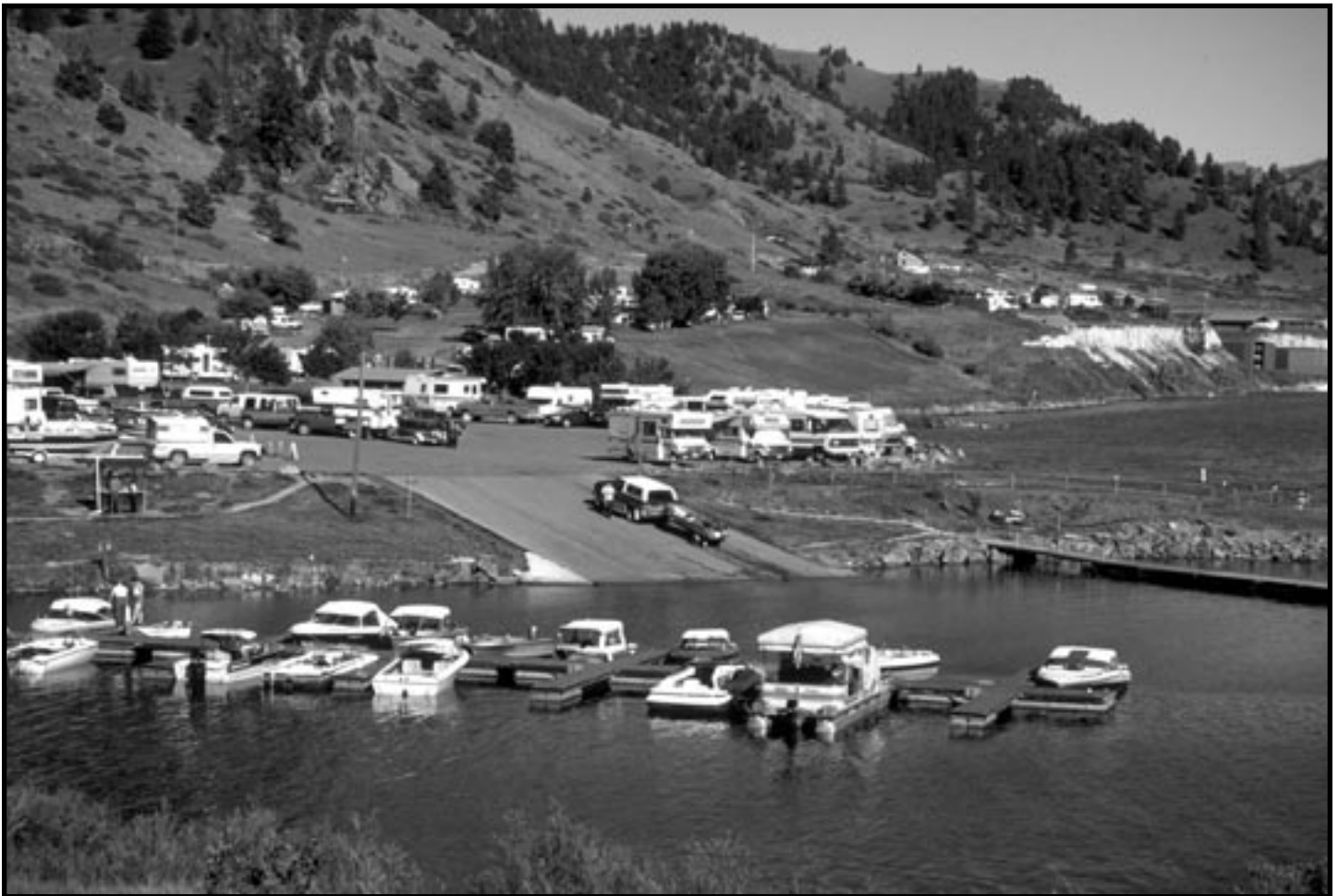
- ◆ Understand the arid, semi-arid, arctic, and other ecosystems that the BLM manages and commit to using the best scientific and technical information to make resource management decisions;
- ◆ Resolve problems and implement decisions in collaboration with other agencies, states, tribal governments, and the public;
- ◆ Understand the needs of rural and urban publics and provide them with quality service;

- ◆ Maintain a skilled and highly professional work force;
- ◆ Clearly define and achieve objectives through the efficient management of financial, human, and information resources;
- ◆ Efficiently and effectively manage land records and other spatial data; and
- ◆ Commit to recovering a fair return for the use of publicly-owned resources and to avoiding the creation of long-term liabilities for the American taxpayers.

The outline and content of this year's Annual Report is based on BLM's draft Strategic Plan goals and

on Government Performance and Results Act and Chief Financial Officers Act requirements. While GPRA does not require annual reports for FY 1996, the BLM is working toward early compliance with the Act. The Strategic Plan and associated Annual Performance Plan will not be completed until FY 1997, so the performance goals were not available throughout the Bureau at the beginning of FY 1996. The accomplishments of FY 1996 have been retrospectively organized by strategic goal, and progress toward performance goal outcomes was not measured in every strategic area. The FY 1997 Annual Report will more directly respond to the Strategic Plan's performance goals.

The following "Annual Report map" can be used as a quick reference for the location of each strategic goal.





## Page Map for the Annual Report

<b>Mission</b> <i>Sustain the health, diversity, and productivity of the public lands for the use and enjoyment of present and future generations.</i>						
		Page 13	Page 25	Page 33	Page 39	Page 45
BLUEPRINT GOALS		Serve current and future publics	Restore and maintain the health of the land	Promote collaborative management	Improve business practices	Improve human resources management
S T R A T E G I C G O A L S	Provide opportunities for environmentally responsible recreation	Restore and maintain the health of upland areas	Improve understanding of ecosystem condition, trends, and function	Improve BLM's work processes	Maintain a trained, motivated workforce to ensure support for the BLM mission	
	Preserve our natural and cultural heritage	Restore and maintain the health of riparian, wetland, and aquatic areas	Promote community-based decisionmaking	Improve business information	Institutionalize the principles of organizational diversity and establish a workforce that is representative of the national labor force	
	Provide opportunities for environmentally responsible commercial activities	Conserve and recover threatened and endangered plants and animals	Expand partnerships to implement on-the-ground activities	Improve organizational effectiveness and accountability for program performance	Provide employees with effective communication and leadership	
	Reduce threats to public health, safety, and property		Improve ownership patterns	Improve BLM's ability to effectively use automation capabilities		
	Improve land, resource, and title information		Improve the information about the BLM			
	Provide economic and technical assistance					



# DIRECTOR'S LETTER

## Director's Letter

*Our overriding concern remains  
the health of our Nation's public lands...*

This has been a remarkable year for all of us in the Bureau of Land Management. Much was accomplished in this, our 50th Anniversary year, as we prepare to meet the challenges of the remainder of the decade and the coming century.

Our overriding concern remains the health of our Nation's public lands. Conserving and restoring America's lands and rivers is central to everything we do. Here are some highlights of what we and our partners have been able to accomplish recently:

- ◆ We and the Forest Service are implementing the largest inter-agency ecosystem restoration plan in the world. The 24-million-acre Pacific Northwest Forest Plan is based on good, sound science and represents a socially responsible strategy for balancing environmental and economic concerns.
- ◆ We have implemented new rangeland regulations that, over a 10-year period, will restore 100,000 acres of riparian areas, bring 20 million acres of uplands into properly functioning condition, and improve watershed health.
- ◆ We have begun the conservation and restoration of hundreds of miles of riparian areas and critical

habitat for salmon and steelhead through a strategy called PAC-FISH.

- ◆ We are improving public land ownership patterns through the Western States Land Commissioners, trading land desirable for development for land with high conservation values.
- ◆ We have led efforts to check the spread of noxious weeds and implement a fire policy that protects lives and property while recognizing the ecological role of fire in natural systems.



Another major goal for the BLM is to improve customer service through collaborative management. A prime example is the 24 Resource Advisory Councils established throughout the western States to enable local people to sit down together and resolve local issues. These councils are hammering out standards and guidelines to ensure healthy rangelands through sound grazing management practices. Ranchers, suburban environmentalists, and others are working together to ensure the health of the public lands into the next century.

Perhaps our greatest success this past year was being given management responsibility for the newly created 1.7-million-acre Grand Staircase-Escalante National Monument. This is a historic first for the Bureau and represents a clear endorsement of BLM's capability to improve and maintain the health of the land.

The annual report you are reading is our principal performance and accountability report to the American people on our stewardship of the Nation's public lands. We thank all of those who worked with us as partners or otherwise lent their support, particularly the many volunteers who gave so generously of their time and resources to help us. Thanks to all of this support, we are able to continue our efforts to sustain the health, diversity, and productivity of our public lands.





# MESSAGE FROM THE CFO

## *Message from the Chief Financial Officer*

*We are very proud of our progress...*

The Bureau of Land Management issued its first audited financial statements at the end of fiscal year 1991, and received its first unqualified audit opinion last year. We are very proud of our progress in achieving this milestone, and I am happy to report that we have again received an unqualified audit opinion on our financial statements for FY 1996, the Bureau's 50th Anniversary year. This is a reflection of the importance and priority the agency has always placed on its stewardship responsibilities, as well as our commitment to sound financial management.

The BLM is continuing to improve its financial management systems. Last year we implemented several new external system interfaces to the financial management system that have increased data timeliness and reduced manual processing. We implemented two new releases of our accounting system software and improved our reporting of financial data to our stakeholders and program managers. Perhaps the most significant systems change was the implementation of a new property subsystem. Last year the subsystem was initially implemented for personal property, and this year we completed this implementation process. Through all these accounting system changes and improvements, we have made data integrity and accuracy our principal objective.

We continue to be a financial management leader within the Department of the Interior. The Department's best practices study ranked the BLM among the very best in the Department in terms of financial practices and efficiencies. Our payments function is one of the most cost-effective and economical. We are also leading the Departmentwide standard accounting classification advisory

team that will improve recording and reporting of accounting data.

The Bureau's Executive Leadership Team undertook an effort, now known as efficiency initiatives, to look at our current processes and find ways to accomplish them more economically. The team identified 49 different processes, and BLM employees an additional 18, to be studied. Some of these initiatives have yielded, or will yield, substantial ways to avoid future costs. For example, by better managing our space utilization we expect to avoid about \$4.5 million in costs over the next three years. By changing management practices and estimates we expect to avoid about \$3 million in our vehicle and heavy equipment fleet costs. We also expect to avoid about \$2 million a year in costs by changing some of our policies and procedures regarding household moves of transferring employees. With all of these efficiency initiatives taken together, we expect a cost avoidance of almost \$12 million over the next several years.

The Bureau has vigorously undertaken several reengineering efforts as a

result of customer information, and the agency is actively participating in a number of Departmentwide initiatives. We are nearing completion of a radical reengineering of our acquisition process, moving toward the implementation phase of the billing and collection reengineering process, and finishing the reengineering report on the use authorization process. The Bureau participated in the Departmentwide reengineering of the management control process (currently being implemented), and we are actively participating in the Department's travel reengineering laboratory. These reengineering efforts should produce considerable savings.

The Bureau is committed to excellent customer service and to research regarding customer expectations. We conducted another customer survey last year and received some encouraging feedback. Of those who responded, 91% said the BLM offers prompt, courteous service; 90% said the BLM provided the information they requested; 88% said they were fully informed of the procedures that apply to grants, agreements, contracts, and permits; and 83% said BLM's facilities, such as campgrounds and developed trails, are safe, clean, and attractive.

These results reflect our commitment to customer service. We will continue these customer surveys to measure our performance and direct our resources accordingly.

Finally, the BLM has made considerable progress in preparing a Bureauwide Strategic Plan as required by the Government Performance and Results Act. We have agreed upon goals and objectives and have developed many of the performance measures needed to gauge our success. These are discussed in greater detail later in this report.





# B L M

## *A Brief History*

*...Congress encouraged the settlement of the land...*

The Bureau of Land Management celebrated its 50th Anniversary in 1996. However, the Bureau's history actually reaches back over 200 years to the beginnings of our Nation.

### *The Early Years*

The BLM's roots go back to the Land Ordinance of 1785 and the Northwest Ordinance of 1787. These laws provided for the survey and settlement of the lands that the original 13 colonies ceded to the Federal government after the War of Independence. As additional lands were acquired by the United States from Spain, France, and other countries, Congress directed that they be explored, surveyed, and made available for settlement. In 1812, Congress established the General Land Office in the Department of the Treasury to oversee the disposition of these federal lands.

As the 19th century progressed and the Nation's land base expanded further west, Congress encouraged the settlement of the land by enacting a wide variety of laws, including military bounties; grants for the construction of wagon roads, canals, and railroads; the homesteading laws; the Mining Law of 1872; the Desert Land Act of 1877; and the Timber and Stone Act of 1878.

All these statutes served one of the major policy goals of the young country — settlement of the Western territories. With the exception of the Mining Law of 1872 and the Desert Land Act of 1877 (which was amended), all have since been repealed or superseded by other statutes.

### *The BLM is Formed*

The late 19th century marked a shift in Federal land management pri-

orities with the creation of the first national parks, forests, and wildlife refuges. By withdrawing these lands from settlement, Congress signaled a shift in the policy goals served by the public lands. Instead of using them to promote settlement, Congress recognized that they should be held in public ownership because of their other resource values.

In the early 20th century, Congress took additional steps toward recognizing the value of the assets on public lands and directed the Executive Branch to manage activities on the remaining public lands. The Mineral Leasing Act of 1920 allowed leasing, exploration, and production of selected commodities such as coal, oil, gas, and sodium to take place on public lands. The Taylor Grazing Act of 1934 established the U.S. Grazing Service to manage the public rangelands. In 1946, the Grazing Service was merged with the General Land Office to form the Bureau of Land Management within the Department of the Interior.

When the BLM was created, there were over 2,000 unrelated and often conflicting laws concerning manage-

ment of public lands. The BLM had no unified legislative mandate until Congress enacted the Federal Land Policy and Management Act of 1976 (FLPMA). In FLPMA, Congress recognized the value of the remaining public lands by declaring that these lands would remain in public ownership. Congress also gave us the term "multiple use" management, defined as "management of the public lands and their various resource values so that they are utilized in the combination that will best meet the present and future needs of the American people."

### *The BLM Today*

While adhering to the FLPMA multiple-use mandate, the BLM has kept pace with new laws, court decisions, and changing public demands.

Americans increasingly value the public lands for their environmental resources, the recreational opportunities they offer, their cultural resources, and—in an increasingly urban world—their vast open spaces. FLPMA's multiple-use mandate requires the BLM to balance the public's newer demand for more recreation with more traditional uses—including commodity extraction and grazing.

As the BLM celebrates its 50th Anniversary in 1996, it looks forward to continuing its service to the public while strengthening its partnerships with other Federal agencies; State, Tribal, and local governments; and all who use or care about the public lands. Through its collaborative approach to management, the BLM will ensure the health, diversity, and productivity of the public lands for the use and enjoyment of present and future generations of Americans.







# H E L I U M

## *Helium Operations*

*...transferring the responsibility for and operation  
of the Federal helium program to the BLM...*

The Helium Act of March 3, 1925, and the Helium Act Amendments of 1960 authorized the Federal government to acquire, process, transport, and conserve helium for domestic use. Under the Act, the Bureau of Mines purchased and stored 32 billion cubic feet of helium for conservation purposes. To accomplish this conservation program, a 425-mile government-owned pipeline connecting helium extraction plants with the helium storage field was constructed.

The services currently provided under the Federal helium program include maintaining the Federal gov-

ernment's helium storage and pipeline system, providing fee-based storage and redelivery service of crude helium for private helium companies, and recovering royalty and fee sales owed to the government for helium recovered from leaseholds. These services were administered through the Bureau of Mines. In September 1995, Congress enacted legislation to close the Bureau of Mines and transfer any remaining functions to other agencies. On March 12, 1996, the Secretary of the Interior signed Secretarial Order 3198 transferring the responsibility for and operation of the Federal helium program to the BLM, including all

management authority necessary to carry out those responsibilities. Implementation of this order included the transfer of personnel, funds, facilities, programs, records, and property.

The Helium Privatization Act of 1996 will end BLM's production, refining, and marketing of refined helium in 1998. However, the operation of the helium storage system for both government and private helium storage and collection of helium royalties and fee sales will continue. In addition, the requirement to provide operating, statistical, and financial information to Congress will remain.





# BLU E P R I N T G O A L

## *Serve Current and Future Publics*

*The goods and services the BLM provides are economically significant both to the Nation as a whole and to the economies of many western communities...*

**A**s one of the Nation's principal natural resource management agencies, the Bureau of Land Management provides a variety of goods and services to the American people. Some of these goods and services are resource based and are directly tied to the public lands and resources managed by the BLM. Other goods and services provided by the Bureau are an outgrowth of its land management responsibilities and involve sharing technical expertise and capabilities with other Federal agencies and with State, Tribal, and local governments. The goods and services the BLM provides are economically significant both to the Nation as a whole and to the economies of many western communities.

Goods and services in six broad areas are discussed in this section:

- ◆ Provide opportunities for environmentally responsible recreation.
- ◆ Preserve our natural and cultural heritage.
- ◆ Provide opportunities for environmentally responsible commercial activities.
- ◆ Reduce threats to public health, safety, and property.
- ◆ Improve land, resource, and title information.

- ◆ Provide economic and technical assistance.

### ***Provide Opportunities for Environmentally Responsible Recreation***

#### **Background**

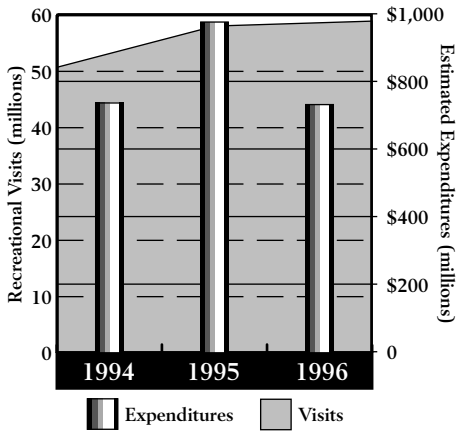
In the last 10 years, an explosive growth has occurred in the more traditional recreational pursuits of fishing, camping, river rafting, winter sports, motorized sports, and wildlife viewing. The BLM has also experienced a dramatic growth in visitation to the public lands, from about 51 million in 1994 to almost 59 million in 1996.

The kind of leisure opportunities offered by the BLM emphasize wide-open landscapes. And BLM's public

lands offer an incredible array of resources for recreational activity — 205,000 miles of fishable streams, 2.2 million acres of lakes and reservoirs, 6,664 miles of floatable rivers along 746 river segments, and 533 boating access points. The BLM's 64 National Back Country Byways and 300 Watchable Wildlife sites offer breathtaking beauty and adventure. In addition, BLM-managed habitat provides homes to more than 3,000 species of mammals, birds, reptiles, fish, and amphibians. Big game abound on the BLM public lands in the West — 373,000 pronghorn, 19,000 bighorn sheep, 940,000 caribou, 1.3 million deer, 30,000 moose, 23 million waterfowl, and millions of small game animals.

The BLM public lands contain 9 National Historic Trails, 2 National Scenic Trails, and 26 National Recreation Trails encompassing 4,500 miles. These public lands also provide millions of miles of excellent and inspiring multiple-use trails available for motorcyclists, hikers, equestrians, and mountain bikers. BLM's public lands, which are located in 10 of the 12 fastest growing western States, also attract an associated recreation service industry that is an increasingly important component of the local economy in many western communities.





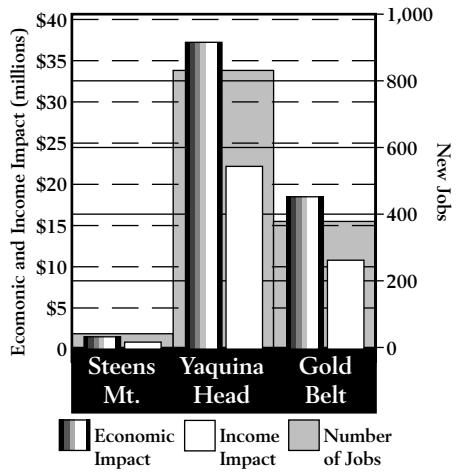
While the demand for recreation and tourism opportunities on the public lands continues to increase, budget allocations have not kept pace with increasing costs and will likely remain flat as Congress and the Administration work to eliminate the current deficit crisis and balance the Federal budget. In the past, the BLM relied heavily on Congressional appropriations as the traditional means for supporting recreation management efforts. Currently, the BLM is experiencing an estimated \$50 million annual shortfall to implement its recreation program. In 1996, the Bureau aggressively embraced the recreation fee pilot demonstration program and will continue to develop creative and innovative alternative funding sources and resources to accomplish its mission.

**Performance Measures**

**1. By 2001, collaboratively develop a methodology to determine the economic impacts and opportunities of recreation and tourism occurring on public lands.**

The BLM has been actively working to develop a methodology to determine the economic impact of recreation on the public lands. The Bureau is also assisting the Department of the Interior in developing estimates of the economic impact of outdoor recreation activities on public lands. The BLM is creating a Bureauwide tourism

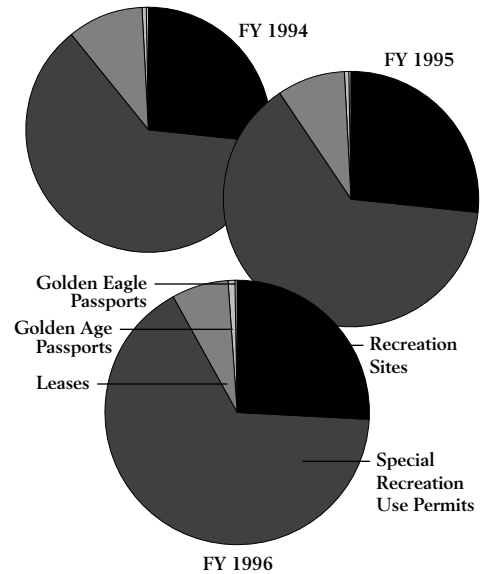
and marketing strategy and an implementation plan. The BLM has participated in the various State Governor’s Conferences on Travel and Tourism and played a leading role in coordinating the Western Summit on Tourism and the Public Lands. In addition, the Bureau cooperated with the Forest Service and several academic institutions in developing a methodology to systematically quantify the economic and social impacts of leisure and recreational use of the public lands. The BLM tested the economic impact measures at three pilot recreation sites — Steens Mountain, Oregon; Yaquina Head, Oregon; and Gold Belt, Colorado. The results from these three pilot sites indicated that recreation on the BLM public lands is a major contributor to the daily quality of life for local and regional economies. The estimated recreation-related economic impacts for the pilot sites are as follows:



**2. Increase and retain recreation fee revenue to eradicate the infrastructure maintenance backlog and increase external funding to augment recreation operational costs.**

The BLM has revised existing guidance to increase the efficiency of and cost recovery for Special Recreation Permits; added four recreation sites for fee collection under existing authorities; and, in conjunction with the National Park Service,

Forest Service, and Fish and Wildlife Service, identified 17 recreation sites to participate in this first phase of the pilot demonstration fee program.



**3. By 2001, improve and expand co-management agreements and partnerships with other key private, State, Federal, Tribal, and local recreation and tourism providers.**

The BLM cannot effectively provide recreation opportunities alone, particularly in areas where there are many providers within a region. Tourism partnerships provide the framework for obtaining consensus across a broad spectrum of community interests, agency goals, and visitor needs. The BLM aggressively pursues partnerships that encompass both recreation and tourism issues.

Several significant accomplishments occurred this year to expand partnerships and co-management. The Bureau:

- ◆ Signed 22 “Golden Partnership” agreements with private organizations and interest groups to commemorate the BLM’s 50th Anniversary.
- ◆ Expanded a partnership with the Disney Corporation and show-



cased an exhibit on the BLM's 50th Anniversary.

- ◆ Developed a plan for Phase II of Wonderful Outdoor World (WOW) and hosted events in Arizona.
- ◆ Coordinated the National Trails Symposium.
- ◆ Hosted over 20 trails events during National Trails Day.
- ◆ Participated in a National Trails Day event in cooperation with the Forest Service.
- ◆ Coordinated the National Fishing Week kick-off in Washington, DC.
- ◆ Coordinated the Partners Outdoors Fair.
- ◆ Created a partnership database listing over 1,800 entries.
- ◆ Coordinated the Partners Outdoors V annual meeting.
- ◆ Spearheaded the creation of a forum for coordinating research with all Federal land management agencies.
- ◆ Coordinated the Sixth Annual Great Outdoors Award Celebration.

#### ***4. Expand outreach activities in interpretation, environmental education, and user stewardship programs.***

- ◆ Provided 160 interpretive kiosks, 80 contact stations, and 45 visitor centers to inform visitors of the resource and recreation opportunities on the public lands.
- ◆ Created a World Wide Web home page to highlight the many

diverse and challenging recreational opportunities on the public lands.

- ◆ Designated two additional Back Country Byways, increasing the program to 64 BLM Back Country Byways totaling 3,179 miles. Produced several audio tours for highways.
- ◆ Collaborated with reporters of major magazines such as *Field & Stream* and *Newsweek* in producing special inserts on recreational and leisure opportunities on the public lands.
- ◆ Continued cooperative activities with businesses and nongovernmental agencies in promoting the Leave No Trace and Tread Lightly stewardship programs, improving availability to the Izaak Walton League and the Boy and Girl Scouts.
- ◆ Continued many active on-site interpretive programs for geology, wildflowers, natural and cultural resources, and general resource management.
- ◆ Installed new wayside exhibits on 20 sites on the public lands.
- ◆ Finalized several interpretive site plans that will be implemented in FY 1997 with the assistance of various BLM partners and grant funds.

The BLM was honored by President Clinton with a Presidential Proclamation for the BLM's 50th Anniversary. The President wrote, "Let us all rededicate ourselves to restoring and preserving America's natural abundance. Working together, we can ensure that the country we leave to future generations holds the same promise and opportunity as the one we inherit-

ed." The Bureau was also recognized for two excellent interpretive pieces by prestigious organizations. The Black Hills Back Country Byway brochure was awarded the top prize by the American Recreation Coalition. And BLM's Fire Ecology poster won an award from the National Association for Interpretation.

#### ***5. By 2001, collaboratively develop a management tool to measure the social benefits and satisfaction associated with outdoor recreation by the general public on public lands.***

To pursue this goal, the BLM has been participating in pilot studies to determine the applicability of benefits-based management. Techniques and other procedures developed during this initial phase will provide the foundation for future management in this area. The BLM also cooperated with the Forest Service on developing new customer comment cards.

## ***Preserve Our Natural and Cultural Heritage***

### **Background**

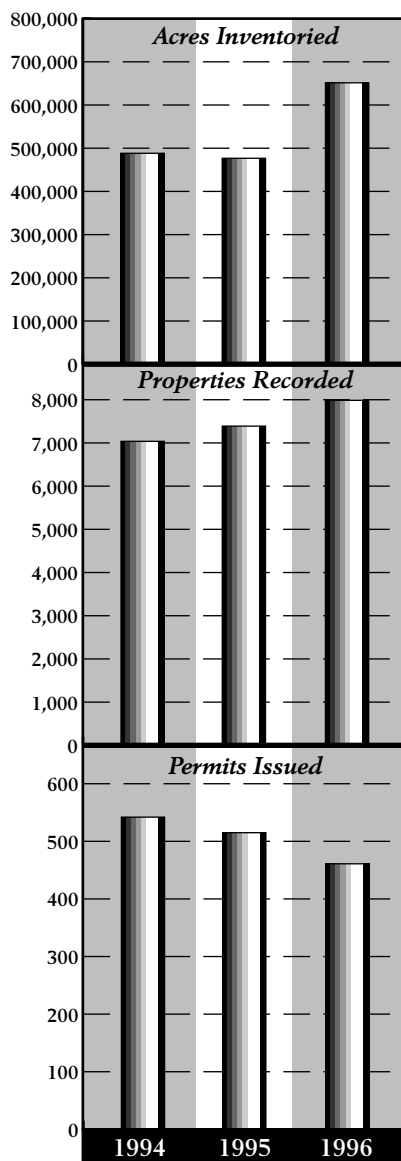
The Federal government is responsible for protecting and preserving paleontological localities and archaeological and historical sites, including museum collections derived from these areas; wild free roaming horses and burros; wilderness or wilderness study areas; Wild and Scenic Rivers; rare, vulnerable, and representative habitats, plant communities, and ecosystems; the Grand Staircase-Escalante National Monument; Areas of Critical Environmental Concern; and other outstanding natural areas. The 264 million acres administered by the BLM are the most ecologically and culturally diverse and scientifically important lands managed by any Federal agency.

## Cultural Heritage

In fiscal year 1996, the BLM:

- ◆ Began talks with the Advisory Council on Historic Preservation and the National Conference of State Historic Preservation Officers to reach an agreement streamlining compliance with the National Historic Preservation Act. A signed agreement is anticipated in the first half of FY 1997. The agreement would streamline BLM's compliance

*Cultural Resource Management Activities*



process by cutting out routine external consultation, making oversight of the process an internal function, and making field managers explicitly responsible for results.

- ◆ Consulted with over 150 Native American tribes and Alaska Native villages and corporations pursuant to the requirements of the Native American Graves Protection and Repatriation Act.
- ◆ Completed the final steps in the Native Graves Protection and Repatriation Act repatriation process by publishing *Federal Register* Notices of Intent to Repatriate for the states of Alaska, Arizona, Idaho, Nevada, and Wyoming.
- ◆ Made progress in the area of National Historic Trails, including implementation of the interagency memorandum of understanding on National Historic Trails.
- ◆ Completed one final Comprehensive Management Plan and made progress on four other plans related to National Historic Trails.

## Natural Heritage

- ◆ The Grand Staircase-Escalante National Monument, created by Presidential proclamation on September 18, 1996, is BLM's first and only national monument. Managing a national monument is a significant new challenge for the BLM, but one that is consistent with BLM's mission of managing preservation values within the larger context of multiple-use management. Work has already begun on a management plan for

the Monument, due to the Secretary in 1999, that will involve significant contributions from State, local, and Tribal governments, as well as the public. In the coming year the Bureau and its Utah State Office will begin the task of on-the-ground management for this important national treasure.

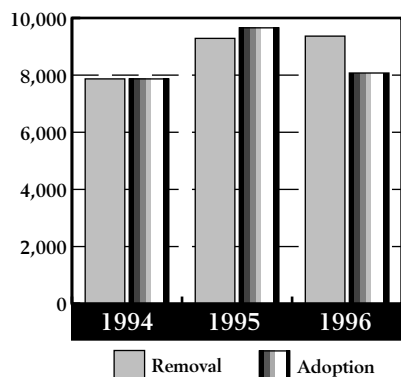
- ◆ A total of 692 Areas of Critical Environmental Concern, totaling over 10 million acres, have been designated on the public lands nationwide for their fish, wildlife, and botanical values.
- ◆ Conservation strategies are being implemented to conserve more than 30 declining species before they become critically endangered. These efforts bring together Federal agencies, States, scientists, and private landowners to conserve these species before they require listing under the Endangered Species Act.
- ◆ The Interagency Wilderness Strategic Plan was completed and signed by the heads of all of the Federal wilderness management agencies.

Wilderness Areas	No. of Sites	Acres
Designated	136	5,227,000
Pending	561	16,965,000
Study Areas	622	17,401,000

- ◆ The Willowa River in northeastern Oregon (of which BLM manages a 10-mile segment) was added to the National Wild and Scenic Rivers System at the request of the Governor.
- ◆ The Bureau prepared extensive analysis on Utah wilderness legis-

lation introduced in the 104th Congress. The BLM also developed procedures and initiated the review of certain public lands in Utah to determine if they contain wilderness characteristics.

- ◆ Wild horse and burro populations were monitored and managed. Wild horse and burro removals and adoptions are shown in the accompanying graphic.



- ◆ The BLM continued to develop a comprehensive program for managing paleontological resources by developing standards and procedures for the management and preservation of scientifically significant resources. Paleontological resources will now be given full consideration in the Bureau's planning system, and mitigation will be undertaken where significant resources are threatened by surface-disturbing activities.
- ◆ The Society of Vertebrate Paleontology conferred upon the BLM the Society's first Good Stewardship Award. This award recognizes 50 years of work by the Bureau to manage and protect paleontological resources.

## *Provide Opportunities for Environmentally Responsible Commercial Activities*

### **Economic Contribution of Commercial Activities on Public Lands**

**Background:** BLM-administered public lands provide a number of important commercial goods and services, such as minerals, timber, grazing, and realty (rent), all of which have market value. These commercial uses contribute to national and State economies and employment. In general, the value of production on public lands depends on the private demand for these resources, the effectiveness of BLM's provision of goods and services to users, the availability of resources on public lands, and BLM's decisions regarding any tradeoffs to maintain land ecosystems' health and sustainability.

The estimated value of the various commercial goods and services produced on the public lands is a good measure of their direct economic contribution. The amount of economic activity directly added to national and State economies by these land uses is called value added and consists of the production value of these uses.

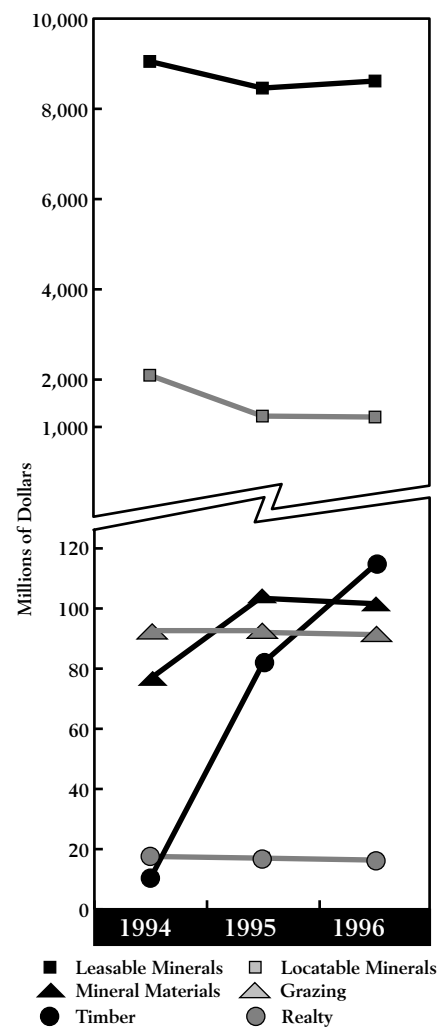
In addition to direct economic production effects, there are indirect output and employment impacts of these activities at the national and State levels. These indirect impacts can be added to the direct production value to obtain the total economic impact. Still another impact is the Federal revenue (excluding income tax) generated from resource uses on the public lands; the States receive a large share of this revenue.

**Trends in the Value of Current Uses:** As shown on the following chart and table, the FY 1996 estimated marketable value of production occurring

on public lands is around \$10.5 billion. This production is dominated by mineral lease production—oil, gas, and coal—which has changed little in recent years and is currently valued at \$8.8 billion. Locatable minerals production (metals) on mining claims is also significant but has decreased, because of the patenting of claims, to \$1.3 billion. Mineral material production (sand and gravel) value is modest and has increased (due to better monitoring and economic growth) to around \$102 million.

The value of timber produced (most of it comes from Oregon and California) has recently recovered from very low levels to around \$113 million with the release from litigation and the implementation of the President's Forest Plan. Production dropped to very low levels because of

*Value of Commercial Public Land Uses*



*Production Value and Economic Impact from the Public Lands*

the injunctions related to the spotted owl/old growth controversies but has now recovered to about 20% of the high late-1980s levels. The value of livestock produced on public lands declined slightly and is at a modest level of about \$92 million. It declined in FY 1996 because of drought and reduced livestock prices. The value of realty actions (rights-of-way, rent of land) is around \$16 million on the public lands and is decreasing.

**Economic Impact:** The total direct and indirect economic output/gross sales impact of the commercial uses is shown in the accompanying table and amounts to \$23.9 billion. Employment impacts amount to a sizable 188,675 jobs. This output and employment impact is mainly from the minerals areas. However, the employment and output generated in other areas such as range and timber is also important because of its great significance to certain regions of some western States. Federal revenues are \$1.1 billion, mostly from leasable minerals.

**Outlook:** The outlook for leasable minerals production value is for little change from current levels. On the other hand, the outlook for locatable minerals production value is for continued sharp decline as claims are patented and companies move out of the country to better prospects. However, much of the locatable decline is due to public lands transferring to private ownership, which has little real economic impact. Mineral materials production will probably continue to grow moderately as western States urbanize and need more sand and gravel.

Timber production value should stay at current recovered levels or decline slightly because of a reduced timber resource. Little change in livestock grazing production is expected, given that grazing activity is expected to remain constant; it might increase in later years when rangeland quality

Resource Use	Value FY 1996 (\$ millions)	Employment Impact FY 1996	Output Impact FY 1996 (\$ millions)	Revenue FY 1996 (\$ millions)
Leasable Minerals	8,832	149,260	19,430	994
Locatable Minerals	1,300	28,860	3,380	0
Mineral Materials	102	2,264	265	6
Grazing	92	4,398	396	15
Timber	113	3,616	384	88
Realty	16	277	38	8
<b>Total</b>	<b>10,455</b>	<b>188,675</b>	<b>23,893</b>	<b>1,111</b>

improves. Realty (rental) prospects are uncertain.

**Customer Satisfaction with Use Authorizations**

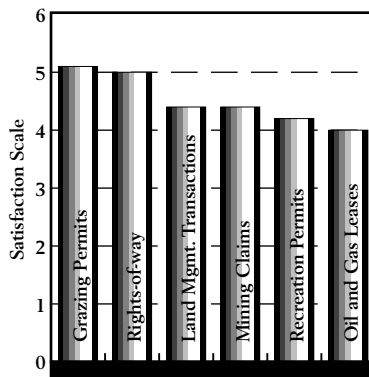
The BLM is committed to improving the quality of service we provide to our customers and stakeholders and takes great pride in providing the best possible service to the public. In June and July of 1995, we conducted our first national survey, using a random sample of over 7,000 customers. These customers were grouped according to the products or services they receive most often from the BLM in the areas of information access, recreation and education, and use

authorization. The groups encompassed the vast majority of BLM's day-to-day customers. Six selected categories of use authorization activities were surveyed; the customers' satisfaction ratings are presented in the accompanying figure.

The survey asked customers a variety of questions in different categories. Customers rated their experiences with BLM on a scale of 1 to 7, with 1 meaning "needs improvement" and 7 meaning "excellent." Among the six categories of use authorization, grazing permits and rights-of-way scored the highest, 5.1 and 5.0, respectively, while the oil and gas rating was the lowest at 4.0. In addition, four cross-cutting themes appeared repeatedly: fair and consistent enforcement, reasonable rules, communication, and streamlining internal processes.

Since this is the first survey of this nature, the results will serve as the baseline against which future survey results can be compared. We plan to repeat this survey at 2- to 3-year intervals. To repeat it more frequently would not allow the BLM adequate time to make improvements against which customer satisfaction could be measured. The Bureau is currently

*Customer Satisfaction*



redesigning selected use authorization processes to improve customer and stakeholder services. The BLM's goal is to reduce total workload and processing cycle time (two issues of most concern to our customers) by at least 25 percent. Implementation of the new design will begin in FY 1997.

Because the national survey will not be repeated yearly, the BLM gets continuous customer feedback by using a comment card process. These comment cards are given to visitors at BLM sites and mailed to frequent BLM customers. The comment cards are categorized by product or service in the same manner as the national survey, but the questions asked are more general. The comment card is designed to allow us to gauge overall satisfaction and to identify opportunities to act on reports of good or poor service more readily. Since the beginning of the comment card process in February 1996, we have been able to determine that 90 percent of the respondents were either satisfied or extremely satisfied with BLM's customer service. Findings from the comment cards will also be used to help focus on any additional customer concerns for the next detailed programmatic survey.

### Increased Cost Recovery

The Bureau has begun new efforts to recover costs and use other revenue-enhancing methods to increase and retain funds for BLM's use. This effort will enable us to continue meeting our mission and legal mandate to manage public lands effectively. The BLM established a "Revenue Enhancement Team" to develop a plan for enhancing revenue-producing activities to the maximum extent possible, consistent with existing authorities and policies.

The BLM has been recovering costs for work performed for some time and recovered more than \$44 million in FY 1996. The new effort will attempt to maximize the collections from existing sources while

exploring new alternatives. The Mineral Leasing Act and the Federal Land Policy and Management Act (FLPMA) are two authorities used frequently for cost recovery. These two Acts authorize cost recovery from right-of-way permits, wild horse adoptions, leases and permits, filing fees, service fees, grazing fees, and donations/contributions. Other acts authorize document preparation and copying fees, mining claim recording fees, recreation use permit fees, the sale of salvage timber, communication site fees, hazardous material cleanup costs, and the mitigation of impacts to wetlands.

Some current cost recovery efforts are not cost-effective. The BLM is seeking appropriate authority through legislation to collect new and additional revenues. These fees will significantly increase our cost recovery abilities. The Bureau is also considering methods that would allow fees collected to be returned to their point of origin.

As the BLM develops new efforts and receives additional authorities, the field offices will receive increased revenue returns. This will enable us to provide better customer service at the point where fees are collected.

### *Reduce Threats to Public Health, Safety, and Property*

#### Background

The BLM administers several programs designed to achieve the strategic goal of protecting public health, safety, property, and resources. These programs respond to many challenges, among them the illegal dumping of hazardous materials, mining waste, orphan wells, theft and degradation of Federal property and resources, wild-fire, continuing facilities engineering/maintenance demands, safety hazards, and law enforcement needs. Program

activities include fire management, law enforcement and resource protection, abandoned mine lands, hazardous materials management, facilities maintenance, and health and safety. Response capability and responsiveness are the central focus of BLM's public safety programs. The BLM responds to more than 150 emergency incidents related to hazardous contamination annually. Wildfires, natural resource damage occurrences, and criminal activities on public lands all require funding and personnel. In a typical year, the BLM suppresses over 2,700 wildfires that burn over 900,000 acres. Prevention is also a priority. The Bureau endeavors to reduce risk factors and engage in active cost avoidance/cost recovery. Integrating risk/hazard reduction and protection components into all BLM mission activities is an overarching goal for our safety programs.

#### Fire Management



**Description:** The BLM carries out wildland fire protection responsibilities, provides aviation services, and manages fire to help restore and maintain wildland health and to achieve resource and land management objectives on 264 million acres of public lands. The Bureau works in a uniquely close, integrated partnership with the Forest Service, other Department of the Interior wildland management agencies, and State and local governments. The BLM is the host and principal management agency for the National Interagency Fire Center in



Boise, Idaho, which is recognized around the world as the center of excellence for wildland fire technical support and management. The Bureau also manages the Alaska Fire Service, which provides protection for all Department of the Interior and Alaska Native lands. And finally, the BLM is involved in public education in the areas of fire prevention and the role of fire in the environment.

***Accomplishments  
for Fiscal Year 1996***

- ◆ The BLM completed 252 prescribed fire projects covering 50,282 acres, for the benefit of forestry, range, wildlife, watershed, and hazard reduction.
- ◆ Despite a record fire season in which occurrence was almost 50% higher than the previous 10-year average, over 80% of the fires were contained at less than 100 acres, and there were no fatalities or critical injuries directly related to fire activities.
- ◆ New advancements in prevention techniques were developed in conjunction with the Forest Service and other Interior agencies during the record fire season in the Southwest.
- ◆ With over 26,000 flight hours, 1996 was approximately 20% above average for aircraft use due to high fire suppression activity. Despite this, there were no aircraft accidents or personal injuries in 1996.
- ◆ Cooperation with U.S. military organizations resulted in increased utilization of available technology and provided previously military-only contractors with a new venue for research and development.

- ◆ The BLM developed and implemented an aviation management strategic plan that is intended to improve communications, distribute more responsibility to field offices, and emphasize safety awareness. This plan will have positive effects into the next decade.
- ◆ The increased use of the national fire danger rating system indices to predict fire potential led to efficiencies through the prepositioning of critical resources, saved suppression funds, and reduced overall damages.

**Law Enforcement and Resource Protection**



**Description:** The BLM employs 206 law enforcement officers (56 special agents and 150 rangers) tasked with providing visitor services and resource protection. BLM officers conduct high-priority investigations that target the protection of resources and help ensure compliance with both Federal criminal laws and land use regulations on public lands under BLM's management jurisdiction.

***Accomplishments  
for Fiscal Year 1996***

- ◆ Initiated 7,708 investigations and enforcement actions.
- ◆ Issued 3,965 citations.

- ◆ Opened 2,866 investigations.
- ◆ Made 389 arrests.
- ◆ Convicted a notorious archeological thief in Utah and several high-profile Cactus Theft/Lacey Act violators in Arizona.
- ◆ Prosecuted timber theft in Oregon, resulting in financial recoveries.

**Abandoned Mine Lands**



**Description:** Abandoned mine lands pose significant safety and environmental hazards to the public, to natural resources, and to ecosystems. The BLM manages abandoned mines on public lands through identification and remediation of high-priority hazards. Abandoned mine activities in most States currently concentrate on public safety issues and concerns. In Colorado and Montana, where water quality issues are significant, the BLM is spearheading an interagency effort to clean up abandoned mines on a watershed basis.

***Accomplishments  
for 1993 to 1995***

- ◆ Identified 6,650 abandoned mine safety hazards.
- ◆ Identified 890 abandoned mine environmental hazards.
- ◆ Remediated 537 other mine hazards with States.

- ◆ Accomplished the following through partnership agreements with several States:
  - Abated over 300 mine hazards in Nevada.
  - Produced and distributed a video and brochure on abandoned mine hazards for the public in Utah.
  - Located numerous abandoned mine hazards (e.g., 58 open shafts and adits and 21 open pits) in a proposed off-road vehicle recreation area.
  - Addressed abandoned mine watershed cleanup issues with Montana and Colorado, other Federal agencies, industry, and private interest groups.

### Hazardous Materials Management



**Description:** The BLM engages in hazardous material emergency response actions, site evaluations, and prioritization of cleanups in accordance with laws and regulations. This involves working with the Environmental Protection Agency, State environmental quality departments, counties, and potentially responsible parties (both public and private) to fund and expedite the cleanup of hazardous sites. Those sites that are an imminent threat to public health and safety, as well as those sites that are under a consent order and can therefore generate penalties and fines, are a priority for the Bureau.

### Accomplishments for Fiscal Year 1996

- ◆ Cleaned up 86 sites.
- ◆ Worked with potentially responsible parties (PRPs) to clean up 78 sites.
- ◆ Took 74 emergency response actions.
- ◆ Cleaned up 35 sites by working with the States.
- ◆ Fenced off the Monite hazardous materials site in Nevada; the Bureau is currently transporting and disposing of TNT and its derivatives found at the site.

In addition to these activities, the BLM is pursuing multiple potential responsible parties for cost recovery at the Bunker Hill and Pine Creek sites in Idaho. And at Lee Acres, New Mexico, the Department of Energy is designing and placing a test landfill cover at the site, resulting in a significant cost savings to the BLM.

### Facilities Maintenance



**Description:** The BLM, through its facilities maintenance program, provides professional engineering services and corrective and scheduled maintenance for BLM-owned buildings, recreation facilities, water and sewer systems, and transportation systems (roads, trails, bridges) on the public lands.

### Accomplishments for Fiscal Year 1996

- ◆ Maintained 1,300 buildings and 890 recreation sites.
- ◆ Maintained and improved 10,700 miles of roads and 13,700 miles of trails.
- ◆ Completed 40 solar energy projects—utilizing solar energy for water pumps, data collection stations, and lighting—at the Red Rocks Visitor Center.

### Health and Safety



**Description:** The BLM employs safety personnel to provide safety services to employees and the general public. The objective of the BLM safety program is to:

- ◆ Avoid accidents and prevent harm to people, property, and the environment.
- ◆ Enhance the productivity of BLM employees by providing a safe and healthy work environment.
- ◆ Ensure the well-being of the publics we serve.
- ◆ Improve the health of the land and its resources.

### ***Accomplishments for Fiscal Year 1996***

- ◆ Office of Workers' Compensation costs to the Bureau in 1996 totaled \$5,322,194, a 9% decrease from the previous year.
- ◆ The BLM's Arizona State Office received the DOI/BLM safety award in 1996 for having no lost-time injuries.
- ◆ The BLM published its first annual report for health and safety.

### ***Improve Land, Resource, and Title Information***

#### **Background**

The BLM is the official custodian of land use and title records for the public and acquired lands of the United States. The BLM is also responsible for the official survey of all public lands, including the legal identification of all Federal land boundaries and the maintenance of the Public Land Survey System.

In 1982, the number of requests for use of Federal lands became overwhelming for the number of staff available. In response to this, the Bureau began recording new Federal lease and title transaction information in electronic form on the mainframe computer in use at that time. There are currently 64,000 active mineral leases and over 530,000 active and closed cases in the electronic database. Recognizing that the electronic recordation system was rudimentary and foreseeing the day when the case and land status data could be combined with the spatial coordinate data for which the Bureau is responsible, work was soon begun to define the requirements for a system that would automate the case processing activities and enable a spatially accurate portrayal of the Federal lands and leases on those

lands. The resulting system would be known as the Automated Land and Mineral Records System (ALMRS).

### **Accomplishments for Fiscal Year 1996**

By the end of 1996, all lease, land status, and case information, as well as a significant geographic coordinate database (GCDB), had been collected and subjected to extensive quality assurance testing. An office automation and data communications network has been installed as the basic platform to enable BLM staff to access the ALMRS application. The first two of three components of the software application itself were completed in 1996. In 1997 the final software component will be completed and pilot tested in New Mexico. The BLM intends to install the additional computing power necessary to operate ALMRS as upgrades after operational testing and acceptance of the ALMRS application. This project will ensure the availability of integrated land status and geographic coordinate information of a high and measurable quality to BLM staff in at least three State Offices in 1997 and the remaining nine State Offices in 1998. The system will be available to the public initially at 12 BLM public rooms around the country. Public on-line remote access will be available shortly thereafter.

The BLM is also developing an Automated Fluid Minerals Support System (AFMSS), which will automate oil and gas exploration, drilling, and other permitting activities on Federal lands. The AFMSS system will share data with the ALMRS system and operate on the same operating system over the same data network. The first release of AFMSS will replace two national legacy systems and a variety of local office applications, and will gradually replace many of the manual, hardcopy systems currently in use. AFMSS release 1.0 will be deployed in

FY 1997 in the approximately 35 BLM offices conducting oil and gas operations, inspection, and enforcement activities. An electronic interface has been established between AFMSS and the BLM's sister agency, the Minerals Management Service, which has its own production and royalty system, for the sharing of production and well data. In addition, the AFMSS project will develop, test, and begin deployment of electronic permitting and reporting for oil and gas operators in FY 1997. This will be accomplished by allowing transmission of files over the Internet or by using a World Wide Web site.

The BLM is also engaged in a major effort to preserve and improve access to public land information. The General Land Office records project is being undertaken in the BLM's Eastern States Office. This project is automating historical records to make them more accessible to the public (e.g., CD-ROM) and simultaneously preserving these records, which date back to the Nation's early history.

The BLM's FY 1996 cadastral survey emphasis supported land and realty actions (i.e., land exchange, land acquisition, and trespass abatement) and boundary surveys of various special land management designations such as wilderness, Wild and Scenic Rivers, and National Conservation Areas. In FY 1996 the BLM completed well over 300 cadastral survey projects totaling almost 10,000 miles. These included work for other Federal agencies, State governments, and private companies and citizens.

### **Performance Measurements**

Access to ALMRS and AFMSS and data accuracy are the primary measurements of performance. Neither system will be implemented until 1997. However, the quality-tested case data is used by the BLM staff in their daily work and is available by computer in the public rooms at

BLM's 12 State Offices. A few geographic coordinate databases were made available to the public in 1996 via Internet from BLM servers.

Workload Measure	FY 1995	FY 1996
States with ALMRS test databases loaded	1	2
Workstations installed	2,527	745
Pilot application installs	4	11
Data accuracy	92%	96-98%
AFMSS databases loaded	0	0
Pilot application installs	0	2 <i>test only</i>
Data accuracy	NA	NA

## Provide Economic and Technical Assistance

### Background

BLM-managed public lands generate substantial revenue for the Federal government. Much of this revenue is returned in direct payments to States and counties. These are distributed to local governments to pay for such things as schools, roads, and salaries of county commissioners.

### Accomplishments for Fiscal Year 1996

In support of the President's Pacific Northwest Forest Plan, the

BLM runs the Jobs in the Woods ecosystem investment program. In its third year, FY 1996, \$7.77 million went to local displaced workers for watershed restoration work in Oregon and Northern California. These funds supported 150 projects and created approximately 195 jobs. The BLM also directly supported six demonstration projects that provided jobs and training for displaced workers.

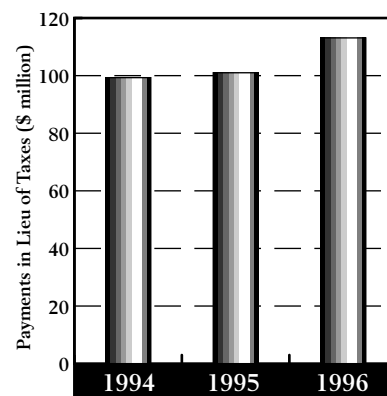
The BLM continues to provide the co-chair of the Regional Community Economic Reinvestment Task Force, a Federal-State partnership for economic assistance and development of new employers and jobs.

The BLM is an active member of the National Rural Development Partnership, which is an official alliance of 40 Federal agencies, 20 public interest groups (including the National Governors Association and National Association of Counties), and 40 State Rural Development Councils. State council members represent the State Governor and State agencies, Federal agencies that are present within the State, local governments, Tribes, non-profit organizations, and the private sector.

This year a BLM senior executive served as the chair of the National Rural Development Council, speaking to State Council meetings in Alaska, Florida, Maine, and South Dakota, and to the Rural Coalition on the Navajo Reservation. In Wyoming, the BLM planning chief served as vice-chair of the State Council. State BLM offices have also been active in Idaho, Colorado, Montana, Oregon, and New Mexico State Councils.

On September 18, 1996, the President proclaimed the Grand Staircase-Escalante National Monument in southern Utah. The Secretary has directed the Bureau to integrate its Monument planning with local community development, a significant step beyond what the BLM has done in the past. The BLM has provided funds to Kane County, Utah, to support their involvement in the Monument planning process, including public involvement, socio-economic analysis, infrastructure requirement determination, and an analysis of opportunities to serve the tourists expected to be drawn to the Monument.

The Bureau calculates and sends the Payment-in-Lieu-Of-Taxes (PILT) payments that are designed to help public lands counties (under a Congressional formula). To date, this has been the only Bureauwide quantitative measure of assistance.







# BLU E P R I N T G O A L

## *Restore and Maintain the Health of the Land*

*To ensure that future generations of Americans will have the opportunity to enjoy the benefits of their inherited legacy of public land, the BLM seeks to restore and maintain the health of the land...*

As a manager of the Nation's public lands, the BLM seeks to ensure that the condition of those lands is maintained and, where feasible, improved. The public lands are a significant source of natural resources, including water, forage, timber, and minerals. Public lands also provide habitat for a wide variety of animal communities and are often the most critical source of habitat for threatened, endangered, or sensitive species. Healthy lands are able to support human use, including forage production, vegetation harvest, recreation, and tourism. To ensure that future generations of Americans will have the opportunity to enjoy the benefits of their inherited legacy of public land, the BLM seeks to restore and maintain the health of the land.

In determining desired resource condition and management practices, the BLM uses a landscape approach that involves looking at large enough areas to be able to assess lands interconnected by functions and/or processes. Landscapes consist of upland areas (those areas not normally inundated by water), aquatic areas (the areas of water flow), and riparian/wetland areas (consisting of the transition zone from banks to upland areas).

The BLM will continue to work with others to identify ecosystem condition, improve our understanding of what is required to keep ecosystems healthy, and determine what is necessary to restore degraded ecosystems.

Cooperative actions are required because the Bureau may sometimes lack the capability to unilaterally maintain and restore the health of the land.

The following strategic areas are discussed in this section:

- ◆ Restore and maintain the health of upland areas.
- ◆ Restore and maintain the health of riparian, wetland, and aquatic areas.
- ◆ Conserve and recover threatened and endangered plants and animals.

### *Restore and Maintain the Health of Upland Areas*

Upland areas are areas that are located away from streams, lakes, and other water bodies. These areas include rangelands, forests, deserts, and



other landscapes. Upland areas are influenced by geology, topography, and climate, as well as human uses and activities.

### **Watersheds**

Soil, water, and air management provides for the protection of water and soil quality, watershed values, and air resources on the public lands by decreasing salinity and nonpoint water pollution runoff from the public lands and by providing the basic data and technical information needed for sound land management decisions.

Specific activities include resource evaluation and the interpretation and application of soil, climate, air, and water quality data in developing projects and mitigating impacts, thereby contributing to the design of best management practices, to dam inspections, and to soil survey work. During 1996, the BLM prepared watershed analyses on 129,000 acres of Pacific Northwest old-growth forests and an additional 950,000 acres outside of western Oregon. In addition, 98 new projects were completed in 1996 to improve water and soil quality and reduce soil loss and erosion, and 584 existing projects were maintained. On-the-ground vegetation and land treatments, including efforts on the Rio Puerco in New Mexico, totaled 6,680 acres. And prescribed fire was applied to almost 28,000 acres to improve watershed values and habitat. Finally, the BLM documented almost 2,600 water

rights, including 2,000 in the Snake River Basin.

BLM efforts proceed to decrease salinity discharges from public lands. In particular, the Bureau has continued to work with other agencies to reduce saline runoff and overall salinity in the Colorado River. This includes decreasing grazing on the 17,000-acre Sunshine Allotment in Arizona and plugging saline wells in Colorado and Utah.

The BLM is participating as a full partner in such efforts as Colorado's Grand Mesa Slopes municipal watershed improvement, Idaho's Trail Creek Cooperative Watershed Plan, Montana's Blackfoot River Challenge, Utah's Salt Well Wetland expansion, and Wyoming's Upper Muddy Creek Watershed project.

### Rangeland Studies

The BLM's Ecological Site Inventories (ESIs) are used to establish baseline data to support both monitoring and activity planning, and to decide the extent, condition, and potential of upland management areas. During FY 1996, nearly 1,315,300 acres of upland habitat were inventoried using the ESI method.

Monitoring of grazing allotments is a key component of BLM's management responsibilities. This provides the mechanism for determining whether management actions are meeting specific resource objectives. The BLM rangeland monitoring program gathers information on forage utilization (amount of forage consumed by livestock and wildlife), actual use (number of livestock and wildlife), climate/precipitation (as measured), and trend (changes toward or away from resource objectives). Interdisciplinary monitoring studies have been established on approximately half of BLM's total livestock allotments, including 87 percent of the high-priority allotments. In 1996, the BLM monitored 4,513 grazing allotments to analyze changes in vegetation and ecological conditions.

The BLM monitoring evaluation process determines the overall effectiveness of on-the-ground management actions and assesses progress toward meeting specific management objectives. During FY 1996, the BLM evaluated 450 grazing allotments.

### Grazing Allotment Categorization

Categorization of grazing allotments requires placing allotments in one of three categories, based on similar resource characteristics. This helps identify needed management actions and intensity. Allotments requiring improvements, called Improve or "I" allotments, are given the highest priority. Allotments where current resource conditions need to be maintained are called Maintain or "M" allotments, while allotments where custodial management is most appropriate are referred to as Custodial or "C" allotments.

*Selective Management Process as of 1995*

Allotment Category	No. of Allotments	Acres
"I"	5,195	94,914,775
"M"	5,482	42,217,996
"C"	10,470	18,556,115
No Category	617	8,477,067

**Note:** The BLM has concentrated its management efforts on the "I" category allotments, especially on areas at risk.

### Standards and Guidelines Development

Over the past year each State, in consultation with local Resource Advisory Councils, has been developing standards of rangeland health and guidelines for grazing management. These standards shift the objective on

public lands from producing forage or other commodity products to maintaining the functional processes of rangeland ecosystems, i.e., the basic soil and water interactions that hold rangeland ecosystems together.

Livestock grazing is an important use on public lands that contributes significantly to the economic stability of many western communities. The BLM authorizes some 10 million animal unit months (AUMs) of livestock use annually to about 19,000 operators.

The public lands are divided into 22,000 grazing allotments or areas encompassing 165 million acres in the western States. In Alaska, nearly 16,000 reindeer graze on 5 million acres. Grazing allotments can include private, other Federal, and State lands intermingled with public rangelands, necessitating close coordination with other interests. BLM's grazing administration activities are designed to manage livestock grazing in a manner that meets land use plan objectives and protects or enhances resource conditions, while also meeting livestock operator needs through the timely issuance of grazing billings, permits, and leases and the efficient handling of other administrative requirements.

Range use supervision continues to receive emphasis to ensure that grazing is managed to achieve upland and riparian area objectives and that the terms and conditions of permits and leases are met.

### Noxious Weed Management

Noxious weed management programs protect the health of the land by preventing and controlling the spread of noxious, invasive plants on public lands. One of the greatest obstacles to maintaining healthy ecosystems and restoring impaired ecosystems is the rapid expansion of noxious weeds; these invasive plants dominate many sites and often cause permanent damage to plant communities. Noxious weeds are spreading at a rate of thousands of acres per day. Weeds current-

ly infest about 8.5 million acres, or 5 percent, of the BLM's 180 million acres in the conterminous United States (i.e., excluding public lands in Alaska).



The BLM developed a strategy, "Partners Against Weeds, An Action Plan for the Bureau of Land Management," to prevent and control the spread of noxious weeds on BLM lands through cooperation with partners. About 7,000 copies of the strategy were distributed to a variety of individuals and groups throughout the United States and Canada. The plan lists seven goals and associated actions necessary for implementing an improved weed management program:

- ◆ Prevention and Detection
- ◆ Education and Awareness
- ◆ Inventory
- ◆ Planning
- ◆ Integrated Weed Management
- ◆ Coordination
- ◆ Monitoring, Evaluation, Research, and Technology Transfer

Numerous noxious weed management actions were taken throughout the Bureau:

- ◆ The BLM published the "Communication and Environmental Education Plan for Noxious Weeds on Public Lands"

which outlines national-level communication and outreach efforts.

- ◆ In cooperation with the National Science Teachers Association, the BLM wrote an article and developed a poster on the High Plains that included a discussion of noxious weeds. This appeared in the September 1996 issue of *Science and Children* magazine.
- ◆ The Bureau developed a poster, "Invasive Weeds-A Growing Pain," with eight pages of classroom activities printed on the reverse side. Partnership funding for this project will enable the BLM to reprint this poster in the February 1997 issue of *Science Scope* magazine.
- ◆ The agency distributed a variety of existing brochures, posters, videotapes, and slide shows to many groups and organizations.
- ◆ The BLM's National Training Center, in cooperation with BLM's National Weed Team, is developing a strategy to incorporate the principles of noxious weed management as part of healthy ecosystems into the core curriculum for managers, interdisciplinary teams, and appropriate technical training.
- ◆ Training in two weed management courses is provided for the Bureau's employees.
- ◆ The Bureau designated four weed demonstration areas in Idaho, Montana, Oregon, and Utah to highlight what can be accomplished for weed management through cooperative efforts and partnerships.

- ◆ Each state has developed at least one weed pilot project involving partnerships at the local level.
- ◆ The BLM has been an active partner in sponsoring Colorado Weed Awareness Week, the Utah Squarrose Knapweed tour, a Perennial Pepperweed Symposium in Oregon, Montana's Beaverhead County Weed Awareness Day, the Snake River Weed tour in Idaho and Oregon, and an Invasive Weed Tour around the Washington, DC, area.
- ◆ The BLM assisted the Department of the Interior in developing a National Weed Strategy and helped sponsor the Western Weed Coordinating Council meeting in Albuquerque.
- ◆ Colorado weed-free forage regulations were developed in partnership with other Federal and State agencies.
- ◆ The Bureau is using the "fire/weed model" as a prevention tool in detecting and treating new weed populations and is also using BLM fire crews in weed detection and control.
- ◆ The BLM has significantly increased its use of biological control agents against spotted, diffuse, and squarrose knapweeds and leafy spurge.
- ◆ A total of 142,000 acres were treated this year. In addition, inventory and mapping cooperative efforts within the States are ongoing.

### Emergency Fire Rehabilitation

Emergency fire rehabilitation funding was utilized to rehabilitate burned acreage at risk for undue soil

loss, water quality degradation, vegetation loss, and adverse effects from invasive annual plants. These activities included watershed projects (structural modifications where needed), reseeding using ground or aerial equipment, fencing where necessary, and the resultant post-project management and monitoring.

The BLM has been increasing its use of native plant material to rehabilitate burned acreage. The Bureau has been making very effective use of cooperative neighbors, from Fish and Game agencies to ranchers and mining companies or other volunteers. The emergency fire rehabilitation program ensures that seed is checked for the presence of weed seed and evaluates projects for the presence of invasive weeds after implementation.



Over 3,500 wildfires occurred on BLM-administered lands in FY 1996, with almost 1.8 million acres burned. Some 144 emergency fire rehabilitation plans were written and implemented on 306,863 acres. These plans should significantly reduce the amount of erosion while maintaining or improving the condition of the Nation's wildlands.

### Forested Lands

Declining forest health has increased the need to reduce stocking in overly dense stands, to salvage dead and dying timber, and to reintroduce fire into many forest ecosystems. Restoration and maintenance of healthy upland areas include forest stand improvement projects designed

to control stand densities as well as treatments to prepare the site for reforestation. In FY 1996, about 67 million board feet of salvage sales were offered, approximately 53,000 acres of stand improvement projects were accomplished, and about 22,000 acres were reforested.

In addition to appropriated funding, the Bureau invested nearly \$4 million from the Forest Ecosystem Health and Recovery Fund--a fund generated through the sale of salvage timber.

- ◆ The Medford District in Oregon has initiated a number of projects to reduce stand densities, lower fuel loadings, and revitalize tree and shrub communities. These projects have been designed with the close cooperation and collaboration of the Applegate Partnership, a community group established to help guide Federal actions. To date, several thousand acres have been treated and additional treatments are being designed.



- ◆ The BLM is working in partnership with Northern Arizona University on the Mount Trumbull Ponderosa Pine Restoration Project. This project is designed to restore old-growth ponderosa pine stands to presettlement conditions by controlling forest density and using prescribed burning.

### Wild Horse and Burro Management

Wild horse and burro management ensures the maintenance of viable populations of healthy, free-roaming horses and burros in balance with available public land resources. Emphasis has been placed on determining appropriate wild horse and burro population levels, implementing on-the-ground herd management, and adjusting wild horse and burro populations to appropriate management levels through fertility efforts. In 1996, the BLM removed 9,365 wild horses and burros from the public land and placed 8,074 animals with qualified applicants through the adoption program.



Beginning in the winter of 1995, prolonged and severe drought affecting a large area in Nevada, Utah, and Arizona reduced the amount of forage and water available to wild horses and burros. In addition, large population numbers contributed to increased stress on both the animals and the land. Emergency removals were initiated in southern Nevada, where the conditions were most severe. This action, which removed about 3,000 more animals than originally planned, was taken to lessen stress and avert animal deaths, as well as to protect the public lands from resource damage.

### Plant and Animal Populations

The BLM is committed to providing the opportunity to view, and to

improving the visitor's knowledge of ecology, wildlife, and plants. Fish, game, and wild plants generate many millions of dollars in revenue as a result of nature viewing, wildlife and nature photography, ecotourism, bird watching, hunting, and native subsistence.

The BLM increased opportunities for both consumptive and nonconsumptive use in FY 1996 by improving habitat, maintaining and increasing access, and developing new Watchable Wildlife sites and interpretive areas. Many of these activities were accomplished through cost sharing arrangements with private and State partners. New statistics will be developed in FY 1997 to determine the trends in public land visitors' use of biological resources; a decrease in consumptive use and increase in nonconsumptive use is predicted, thus mirroring the current national trend.

A major growth area in terms of wildlife and plant use on public lands is nature viewing and interpretation. The BLM maintains Watchable Wildlife sites on public lands. The number of these sites is expected to increase gradually to the year 2000 and then level off as the demand is met and the best sites have been developed.



## *Restore and Maintain the Health of Riparian, Wetland, and Aquatic Areas*

### Background

Riparian, wetland, and aquatic habitat management encompasses

over 16 million acres of lentic wetlands (lakes and ponds) and 180,600 miles of lotic riparian areas (rivers and streams). In the arid regions of the western United States, these areas are extremely important to fish and wildlife as well as livestock. In Alaska, wetland areas are critical to waterfowl production. Restoring riparian, wetland, and aquatic areas can reduce flooding, improve water quality, extend the seasonal availability of water, protect adjacent aquatic habitats, and improve the condition of the entire watershed, including the numbers and kinds of aquatic species in the watershed.

The structural components of riparian area vegetation are an important habitat feature of wetlands and riparian areas. For instance, the complex structure, wood, and canopy provided by cottonwood riparian habitat is much more valuable to fish and wildlife than streamside meadow habitat. Birds benefit greatly from the presence of trees and shrubs along streams and ponds. Fish and other aquatic species benefit from the shelter and pools and eddies produced by woody debris in the stream and from the reduced water temperatures due to the shade produced by trees and shrubs. Riparian area trees and shrubs also are used for nesting, roosting, and breeding. The BLM encourages the return of native riparian-wetland vegetation by removal of invading exotic vegetation such as salt cedar (tamarisk).

Watershed and water resource management provides for the protection of water quality and quantity and watershed values. This is achieved on the public lands by decreasing salinity and nonpoint water pollution runoff. Water resources are allocated, conserved, and developed through instream flow, surface and groundwater assessments, and other practices. Basic water resource data and technical information is supplied to assist in sound multiple-use land management decisions and the development of standards for rangeland health.

Specific activities include resource evaluation and the interpretation and application of soil, climate, air, and water quality data in project development and impact mitigation. Other activities include the design of best management practices, dam inspections, soil surveys, and watershed analyses.

### Accomplishments for Fiscal Year 1996

The BLM started assessing the functioning condition of riparian-wetland areas about 6 years ago. The accompanying table shows functioning condition:

Functioning Condition	Lotic (Riparian) Habitat Areas (miles)	Lentic (Wetland) Habitat Areas (acres)
Properly Functioning	143,544	12,666,826
Functioning but At Risk	14,242	144,374
Non-functional	5,799	10,878
Unknown	17,010	3,301,372

The BLM is focusing its riparian restoration effort on those areas that are functioning but at risk. These are the areas that are most at risk of being degraded if action is not taken to protect or restore them.

The FY 1996 restoration efforts included the implementation of 283 riparian projects and maintenance of 493 projects. Implementation and maintenance of these projects, combined with on-the-ground management actions, resulted in improvement of about 6,000 acres of lentic wetland areas and 1,600 miles of lotic riparian areas. Not only was functioning condition improved, but there was also improvement in the structural diversity of riparian vegetation.



During 1996 the BLM prepared watershed analyses on 129,000 acres of Pacific Northwest old-growth forests and an additional 950,000 acres outside of western Oregon. About 100 watershed improvement projects were completed to improve water and soil quality, reduce soil loss and erosion, and control runoff. In addition, 584 existing watershed projects were maintained to improve and continue their effectiveness. On-the-ground vegetation and land treatments, including efforts on the Rio Puerco watershed in New Mexico, total 6,680 acres. Prescribed fire was applied to almost 28,000 acres to improve watershed values and habitat.

The BLM continues to identify water sources, file water rights claims, and participate in State water rights adjudications. In 1996 the BLM documented almost 2,600 water rights, with about 2,000 of these claims documented in compliance with the requirements of the Snake River Basin Adjudication. In addition, a number of instream flow assessments were conducted to support water qualifications requirements for water rights filings.

Partnership activities are important, and BLM partners help fund a wide variety of wetland, riparian, and aquatic habitat work on BLM lands. Organizations such as Trout Unlimited, the National Fish and Wildlife Foundation, Ducks Unlimited, and State game and fish departments helped fund over 100 BLM projects and provided over \$1 million in non-Federal funds for riparian, wetland, and aquatic projects in FY 1996.

The BLM is contributing to numerous efforts that benefit healthy wetlands, riparian, and aquatic areas. These include:

- ◆ Funding the San Pedro National Riparian Conservation Area.
- ◆ Carrying out a variety of Bring Back the Natives projects in cooperation with Trout Unlimited.

- ◆ Working with other Federal agencies to develop the Recreational Fishery Resources Conservation Plan.
- ◆ Sponsoring a variety of events to support National Fishing Week.
- ◆ Examining the relationship between riparian areas and populations of the Southwest willow flycatcher.
- ◆ Funding a coordinator position for the Intermountain Joint Venture Area for implementation of the North American Waterfowl Conservation Plan.

BLM riparian, wetland, and aquatic areas provide important recreational and cultural fishing opportunities and waterfowl hunting opportunities. Recreational fishing activities contributed significantly to the well-being of local economies throughout the West.

### *Conserve and Recover Threatened and Endangered Plants and Animals*

#### **Background**

BLM lands provide habitat for nearly 300 listed or proposed threatened and endangered plant and animal species and numerous other species that are candidates for Federal listing under the Endangered Species Act. The BLM's threatened and endangered species program strives to (1) manage habitats of special status plants and animals to avoid endangering the species; (2) recover populations of listed species so that the protections afforded by the Endangered Species Act are no longer necessary; and (3) conserve significant natural areas, such as rare, vulnerable, and representative habitats, plant communities, and ecosystems.

#### **Protecting and Recovering Listed Species**

The BLM works closely with the Fish and Wildlife Service, National Marine Fisheries Service, other Federal agencies, States, individual scientists, and private landowners to develop and implement programs for recovering federally listed species to the point where the protections of the Endangered Species Act are no longer needed.

- ◆ The BLM has helped develop and implement more than 75 threatened or endangered species recovery plans. The Bureau is a principal land management agency for the recovery of the Mojave population of the desert tortoise; reintroduction of the California condor in Arizona; recovery of the northern spotted owl in Oregon and California; reintroduction of the black-footed ferret in Utah, Wyoming, Montana, and Colorado; recovery of Colorado River basin fishes; and recovery of Pacific Coast anadromous fishes.



- ◆ For the first time in more than 70 years, California condors will be flying over the Colorado Plateau because of a collaborative effort between the BLM, Fish and Wildlife Service, Arizona Department of Game and Fish, and others to reintroduce this endangered bird to the wild.

## Preventing Endangerment of Candidate and Sensitive Species



BLM lands provide habitat for more than 900 vulnerable or declining species that are either candidates for Federal listing or designated BLM sensitive species. The BLM focuses early

conservation efforts on these species to protect them before they need to be listed under the Endangered Species Act. Interagency conservation strategies are currently being implemented to conserve more than 30 candidate and BLM sensitive species before they become critically endangered. These efforts reduce threats to vulnerable species while there are still a number of options available to manage the species and their habitats.

## Conserving Significant Natural Areas

The BLM seeks to prevent the endangerment of species by conserving the rare, vulnerable, and representative habitats, plant communities, and

ecosystems on which they depend through the designation and special management of Areas of Critical Environmental Concern. A total of 692 Areas of Critical Environmental Concern, encompassing over 10 million acres, have been designated on the public lands nationwide for fish, wildlife, and botanical values.





# B L U E P R I N T G O A L

## Promote Collaborative Management

*...where the BLM manages habitat, and other agencies or private interests have a stake in resources associated with the land, the BLM must actively cooperate to help them meet their goals...*

Ownership patterns in the West are fragmented. Watersheds, habitats, plant and animal populations, viewsheds, and human uses cross jurisdictional boundaries. In addition, the financial and personnel resources available to the BLM are limited. So the Bureau must work with and through others in order to understand resource conditions and trends and implement appropriate on-the-ground management practices. And these practices must be implemented on a landscape or ecosystem basis in many instances to increase the opportunity for sustainable success.

To meet community needs, the BLM cannot act unilaterally. For example, where the BLM manages habitat, and other agencies or private interests have a stake in resources associated with the land, the BLM must actively cooperate to help them meet their goals. Specific examples of the need for collaborative management include:

- ◆ State fish and game departments, which manage the fish and wildlife that depend on public land habitats for food and shelter.
- ◆ The Environmental Protection Agency, which must monitor and set standards for water and air that flow across BLM lands, as well as communities that rely on clean air and water.
- ◆ The Fish and Wildlife Service, which manages threatened and endangered species and migratory waterfowl.

- ◆ The National Park Service, which relies on adjacent landowners to minimize visibility-restricting air pollutants and perhaps to provide overflow services for visitors.
- ◆ State, Federal, and local government agencies responsible for fire management and protection.

The collaboration goal cuts across each of the other blueprint goals and is instrumental in meeting the mission of the agency.

The BLM is committed to building effective partnerships in four inter-related areas: gathering and sharing information about the land, making land use decisions, implementing on-the-ground activities, and adjusting ownership patterns. To help foster such management partnerships, the BLM is also committed to improving the quality of information available to Congress, other agencies, nongovernmental organizations, land users, and the general public about the public lands and the BLM. These partner-



ships are reflected in the following goal statements:

- ◆ Improve understanding of ecosystem condition, trends, and function.
- ◆ Promote community-based decisionmaking.
- ◆ Expand partnerships to implement on-the-ground activities.
- ◆ Improve ownership patterns.
- ◆ Improve the information about the BLM.

### *Improve Understanding of Ecosystem Condition, Trends, and Function*

#### Background

The BLM is developing data and techniques to measure ecosystem conditions. This information is used to evaluate trends, which, in turn, allows the Bureau to improve its land and resource management practices.

#### Accomplishments for Fiscal Year 1996

- ◆ Completed a strategic plan for science.
- ◆ Created a BLM National Science Council responsible for recommending priority scientific information needs, identifying

emerging natural resource issues, and working on national-level science initiatives.

- ◆ Developed, in collaboration with our science partners, a process for identifying, prioritizing, and meeting our research and scientific information needs. This process is designed to mesh with the research planning procedures of the U.S. Geological Survey - Biological Resources Division.
- ◆ Worked with the National Biological Service to develop and test new vegetation measurement techniques.
- ◆ Performed research and development work on ecological condition assessment techniques.
- ◆ Developed a qualitative assessment methodology for rangelands (Pellant method).
- ◆ Worked collaboratively with the Environmental Protection Agency on indicators of rangeland health (Whitford project).

### ***Promote Community-Based Decisionmaking***

#### **Background**

Community-based decisionmaking is a key element of the BLM's approach to collaborative management. The Bureau's successes over the past few years have been based on our ability to work effectively with people. The BLM will continue to foster community-based stewardship in towns and communities across the West.

#### **Accomplishments for Fiscal Year 1996**

- ◆ In keeping with the emphasis on collaborative stewardship in the

Federal Land Policy and Management Act (FLPMA), Secretary Babbitt created 24 Resource Advisory Councils in 14 western States. These councils provide a balance of views among various interests concerned with the management and use of the public lands. Nominated by their governors, council members receive training in rangeland ecosystems and collaborative decisionmaking. They play a critical role in developing local/regional ecological standards and guidelines for grazing use, and work with ranchers, other public land users, States, and academia. The standards and guidelines will be determined by the BLM, which fully expects to recharter the councils in 1997 to provide for continuity and additional advice in the years to come.

- ◆ The Green River Basin Advisory Committee evolved from the search for common ground by both local and regionally based industry and environmental groups having an interest in the resources of southwestern Wyoming and northwestern Colorado. The governors are involved; the BLM facilitates the work of the committee. Local community views have been heard in a series of public meetings held in Wyoming and Colorado. The Committee reached consensus on several important issues relating to developing natural gas resources in the Basin while protecting the environment. The Assistant Secretary has directed BLM to replicate this success for other areas and issues.

- ◆ The BLM contributed significantly to the preparation of the Council on Environmental

Quality's report on the Effectiveness of the National Environmental Policy Act (NEPA). Major themes include strategic planning, public involvement, and an interdisciplinary, place-based approach to decision-making. These will be used to help the BLM develop new guidance on community-based decisionmaking during the coming year.

- ◆ In anticipation of this new guidance, the BLM did not start any traditional Resource Management Plans (RMPs)/integrated Environmental Impact Statements (EISs) this year. No plans were completed in FY 1996, compared to nine in FY 1995. Five scheduled RMPs were delayed, and four are still under protest. One of the plans on hold forms the basis for the Grand Staircase-Escalante National Monument Management Plan. Three Idaho plans are on hold in order to incorporate results of the Columbia River Basin Ecosystem Management Plan.

Fiscal Year	1994	1995	1996
Resource Management Plans Adopted	1	9	0
Resource Management Plans In Use	90	99	99

### ***Expand Partnerships to Implement On-the-Ground Activities***

#### **Background**

The BLM is laying the foundation for more open and cooperative relationships on the ground. It is working



with organizations, individuals, governments, and other agencies to develop more effective ways to provide a structure for sustaining the health, diversity, and productivity of the public lands for the use and enjoyment of present and future generations.

Regional collaborative efforts are proving to be valuable tools in helping managers minimize costs, reconnect with land managers on the ground, and foster community understanding. These efforts are increasing in scope.

### Accomplishments for Fiscal Year 1996

- ◆ The BLM Volunteer Program provides a method for volunteers to make valuable contributions on public lands in their own community. Volunteers help the BLM educate the public about local land management activities and provide vital assistance to the BLM. In 1995, a total of 19,626 volunteers donated 1.2 million hours with an estimated value of \$13.6 million.
- ◆ The BLM and Forest Service often share common customers and are working to provide service to the public more cost effectively. Regional partnerships were established in 1996 to improve customer service at the local district and forest level through the "Trading Post" initiative. Sites were designed to provide more customer-friendly business practices and deliver services in the most cost-effective way.
- ◆ In 1996, BLM joined with 22 national organizations and interest groups signing "Golden Partnership Agreements" commemorating the BLM's 50th Anniversary. These organizations designated almost 200 sites on BLM public lands that offer

diverse recreational opportunities. In these agreements, the organizations and the BLM pledged to identify additional sites and to encourage environmentally sound



and socially responsible stewardship of the public lands. Recreation opportunities at the designated sites will be promoted through various communication networks and collaboration involving projects on the ground.

- ◆ Twenty-four Resource Advisory Council (RACs) were formed to provide a method of facilitating the cooperative exchange of information in the West by involving local publics in on-the-ground land management decisions. The RACs help bring diverse interests together to focus on achieving healthy public lands. These councils provide advice to the Secretary of the Interior through the BLM regarding the preparation, amendment, and implementation of land use plans.
- ◆ Partnerships and collaboration are being initiated on the ground in increasing numbers. In May 1996, the BLM signed a landmark Memorandum of Understanding with The National Association of Counties (NACo) and has assigned personnel to work with them. NACo has worked with the President's Council on Sustainable Development and the

U.S. Conference of Mayors. Together they have established the Joint Center for Sustainable Communities (JCSC). This partnership will provide technical assistance, training, sustainable development literature, and materials and funding toward visioning and collaborative planning.

- ◆ America's Outdoors, Center for Conservation, Recreation, and Resources, in Milwaukee, Wisconsin, is a cooperative effort of the BLM, Forest Service, and National Park Service. This inter-agency information center, which promotes public use and understanding of federally managed lands, received Vice President Al Gore's "Hammer Award" for its contribution to building a government that works better and costs less. The center promotes outdoor recreation on Federal lands, encourages conservation and stewardship of all lands, supports the efforts of teachers and others to provide environmental education programs, and provides a single, convenient location for the public to obtain services and information from the three participating Federal natural resource agencies.

### *Improve Ownership Patterns*

#### Background

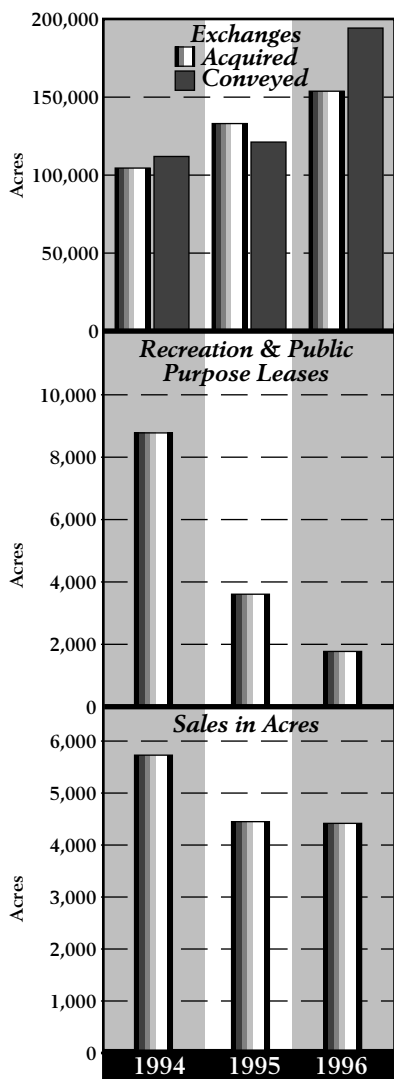
The settlement of the United States has resulted in public land ownership patterns that could be more logically and effectively managed through consolidation for both private and public purposes. In and near urban areas, overall public benefit can often best be served by making lands available to State, local, nongovernmental, or private entities for community expansion. Similarly, there are some

lands in non-Federal ownership that contain regionally or nationally significant resources that could be managed in a more effective manner by the Federal natural resource management agencies to improve the overall health of the landscape. Land consolidation actions increase management control and improve customer service through better land management configurations.

### Accomplishments for Fiscal Year 1996

- ◆ In FY 1996 the Bureau made significant progress toward achieving its long-term goals for consolidating public lands in the West. Several private interests also

#### Land Consolidation Actions



benefitted from the consolidation of private ownership patterns.

- ◆ The BLM, through its numerous field offices, conducted negotiations and completed exchanges and other realty actions with numerous State, local government, and private entities.
- ◆ Land exchanges continued to be a high priority. This ultimately provides better resource management for public lands while making other lands available for commercial development. Many exchanges result in the acquisition of lands that contain priceless natural resource and cultural values that are not adequately reflected in a simple reporting of acres acquired.



- ◆ Recreation and Public Purpose Act grants to local governments provided property benefits and services to communities for parks, schools, and recreational activities.
- ◆ The withdrawal review process was simplified in FY 1996, providing an opportunity for better consolidation of land holdings.
- ◆ Right-of-way actions protected resources (e.g., power, water, access, etc.) while enhancing the potential development and management of ownership patterns.

## Improve the Information about the BLM

### Background

The BLM manages 264 million acres of land and an additional 300 million acres of subsurface mineral leasing on behalf of the American people. It is critical that the public be fully informed about the management of its lands and understand the diversity and value of these publicly owned resources. In fiscal year 1996, the BLM made significant strides in improving the quality of public land information.

### Accomplishments for Fiscal Year 1996

- ◆ A major tool in improving our public land information has been the Internet. The BLM launched its own website in February of 1996. Anyone with access to the Internet can obtain newly released BLM news, State-specific public land information, details of future BLM events, speech texts, legislative and regulatory actions, and other information about the BLM and its programs and services. As of December 1996, the BLM primary national web page alone had received more than 100,000 "hits"—an indication of its effectiveness as a communication tool. The BLM website has also helped reduce paper usage and has improved overall efficiency.
- ◆ The BLM's land managers realize that it is essential to form partnerships to effectively achieve the agency's goals. The BLM's Intergovernmental Group is developing an extensive network of contacts with other government agencies and with national-

level leaders of intergovernmental organizations.

- ◆ The Environmental Education and Volunteers Group has improved the quality of information by focusing on current, on-the-ground resource management challenges and opportunities. The Group is working in partnership with other natural resource organizations to develop high-quality, field-tested educational resources for both youth and adult audiences. Last year, the Group coordinated National Public Lands Day events across the country, National Trails Day, events at the Boy Scout Jamboree, and other educational projects that promote volunteerism and conservation education.
- ◆ During the past year, we have made significant progress in reducing and streamlining our regulations, making them easier to

use and understand. The next edition of the *Code of Federal Regulations* (CFR) will contain only one book on BLM regulations instead of the two that had existed for many years. In addition, sections of the CFR have been reduced significantly by streamlining and using tables instead of text.

- ◆ All those involved in rewriting our regulations have received “Plain English” training, which means that our new regulations are written more clearly and concisely. The Plain English initiative has proven highly effective in improving the quality of information available inside and outside the BLM. In the Vice President’s National Performance Review report to the President, the Department of the Interior was cited for its leadership in the use of Plain English.

- ◆ Another important step to improving the quality of public land information was the production of the first annual edition of *Public Rewards from Public Lands*. This publication documents the value of public lands and their revenue-raising potential in a clear, easy-to-understand format. It has helped carry BLM’s message about the public lands to Congress, the media, and the general public.
- ◆ *Public Land Statistics* continues to be widely used and is relied upon as the only source of information of its kind. Last year, the information was reorganized using BLM’s *Blueprint for the Future* as a guide. By improving the quality of information about public lands, we are more effective in responding to requests from Congress, the Administration, and others.



# BLUEPRINT GOAL

## Improve Business Practices

*Today, taxpayers want government that works better,  
costs less, and produces results...*

The BLM requires business systems, administrative support, infrastructure, timely information, and budget/financial programs to operate and accomplish its goals. This support is essential to each office and employee, as well as to many of the Bureau's customers and stakeholders.

The BLM is undergoing many changes. Technology, the environment, the economy, societal values, population shifts, and other factors all influence the products and services that BLM provides and the way it operates. Today, taxpayers want government that works better, costs less, and produces results. The BLM has responded by reducing its workforce, working within a constrained budget, reengineering business processes, improving information systems, reducing the cost of work space, and improving accountability for achieving strategic goals.

The Bureau is also being guided by the requirements of the Government Performance and Results Act of 1993 (GPRA). This Act requires Federal agencies to:

- ◆ Be accountable for achieving program results.
- ◆ Measure performance against established goals and report publicly on progress.
- ◆ Promote a focus on results, service quality, and customer satisfaction.

- ◆ Help Federal managers improve service delivery by providing them information about the end results of their programs.
- ◆ Improve Congressional decision-making by providing more objective information on achieving statutory objectives and the relative effectiveness and efficiency of Federal programs and spending.

Along with GPRA, the BLM is responsible for implementing the Chief Financial Officers Act of 1990 (CFO Act). The CFO Act was passed by Congress to improve the quality of financial data, its uses, and reporting. The act provides for:

- ◆ More effective financial management
- ◆ Improvement of accounting systems
- ◆ Production of complete, reliable, timely, and consistent financial information

- ◆ Provision of quality financial information to budget decision-makers, reflecting long-term costs not usually conveyed in a cash-based budget
- ◆ Appointment of a Chief Financial Officer
- ◆ OMB-mandated formats for annual reporting, including activities; accomplishments; financial results, condition, problems, and needs; how well the mission is being accomplished; what needs to be done to improve performance; and comparisons of actual expenses with budget authority

The BLM must also meet the requirements of the Federal Managers' Financial Integrity Act of 1982, and, through the CFO report, provide audited financial statements, the financial status of the agency, and a report of the status of internal accounting and administrative control systems.

The following strategic areas are being pursued to meet the changing needs of the Bureau:

- ◆ Improve BLM's work processes.
- ◆ Improve business information.
- ◆ Improve organizational effectiveness and accountability for program performance.
- ◆ Improve BLM's ability to effectively use automation capabilities.



## ***Improve BLM's Work Processes***

### **Background**

The BLM accomplishes its mission through many work processes and tasks. To build a more efficient and effective work organization, we are managing our work processes and tasks more effectively.

The BLM is facing a constrained fiscal environment as the United States moves forward with the important goal of balancing the Nation's budget. Bureauwide efforts have been launched to streamline and redesign work processes, thereby redirecting labor time/costs and travel costs to higher priority areas and enhancing customer service.

Because we are at the beginning of redesign implementation, it is still too early to gather data against our performance measures. Our performance measures will include customer satisfaction data, numbers of work processes redesigned, cycle time reduction within work processes, travel and per diem dollars saved and redirected to higher priority areas, labor dollars and time reallocated to higher priority work, and data on procurement actions.

### **Accomplishments for Fiscal Year 1996**

At the beginning of FY 1996, the BLM began the redesign of six major work processes: Land and Minerals Use Authorization (excluding mining law administration), Protest and Appeals, Billings and Collections, Procurement and Acquisition of Goods and Services, Legislative Responses, and Alaska Land Transfers. The redesigns were completed in FY 1996. For FY 1997, our goal is to begin the implementation of these redesigned work processes.

## ***Improve Business Information***

### **Background**

The firefighter, ranger, range conservationist, and biologist rely heavily on business and financial support in fulfilling their mission and performing their jobs. This year was an incredibly busy fire-support year, with record-breaking numbers of employee and vendor payments. The delivery of these services involves significant costs. However, despite this unanticipated workload and the need to meet targeted administrative reductions, the Bureau continued to improve its business and financial systems.

Performance measures were not established at the beginning of the fiscal year, so the Bureau was not able to collect data to measure performance. However, there were many significant accomplishments in FY 1996.

### **Accomplishments for Fiscal Year 1996**

The Bureau accomplished the following in fiscal year 1996:

- ◆ Finalized a Strategic Plan to better focus our business workforce.
- ◆ Reduced our headquarters and administrative costs to less than 20% of our overall expenditures.
- ◆ Improved manager access to business information, which is now beginning to appear on our Intranet homepage.
- ◆ Improved the quality of property data as reflected in the unqualified audit opinion from the Department of the Interior Inspector General.



- ◆ Reduced the cost of delivery of some of our services; examples include:
  - A total of \$1.8 million in cost avoidance for work and storage space.
  - Continued reductions in administrative personnel supporting procurement, property, and financial systems.
  - Reduced cost of the Federal Financial System through the Departmental Administrative Service Center.
  - Implementation of the fixed assets subsystem of the Federal Financial System, a substantial savings over other proposals.
  - Discontinuance of most of our working capital fund stores accounts.
  - Reduction of our fleet and heavy equipment costs.

Improvements to our business and financial systems allow us to spend more of our program dollars on the ground for the purpose intended by our customers. FY 1996 was a productive year in terms of our achievements, and we expect to continue to improve our business systems and business information, reducing the cost of doing business across the Bureau.



## ***Improve Organizational Effectiveness and Accountability for Program Performance***

### **Background**

To implement the goal of improving business practices, the BLM needs to improve its organizational and programmatic effectiveness, efficiency, and accountability performance.

The BLM is a diverse, mission-complex, and geographically dispersed agency. With almost 10,000 employees located in over 200 offices responsible for managing 264 million acres of surface lands in some 30 States, BLM management is challenged to provide simple processes that promote efficiency and effectiveness.

As used here, effectiveness includes the degree to which customer requirements are met in terms of mission-oriented results. Efficiency, which is also important, describes the relative cost of producing products and services that lead to results. Accountability involves BLM's capability to render a verifiable record of actual accomplishments.

BLM management is reviewing the Bureau's processes for tracking achievement of planned goals and objectives and for tracking managerial accountability, with a goal of improving the utility and viability of these processes.

The BLM's *Blueprint for the Future* defines the goals and results expected for the agency. Performance progress toward achieving results will be reported publicly each year in the Annual Report.

For FY 1996, GPRA-oriented performance measures were not established at the start of the year, so data collected by the BLM was not arrayed in that manner. However, significant progress has been made toward the

goals that existed for FY 1996, and a framework for goals, objectives, and measures for all mission and internal business areas has been established.

The BLM anticipates providing managers with greater flexibility for work procedures in return for greater accountability for results achieved. This accountability will be implemented agencywide by linking individual achievement to the accomplishment of organizational goals.

### **Accomplishments for Fiscal Year 1996**

During 1996, the BLM focused efforts on customer service as a means of identifying areas for improvement and providing a baseline for measuring satisfaction with BLM products. Internal and external customers were surveyed to identify areas for improvement. The BLM also established several collaborative partnerships with private sector and other government interests. These efforts will enhance BLM's ability to work more effectively to achieve its desired results.

Accomplishments for FY 1996 that were not specifically documented in agency performance goals include the following:

- ◆ Implemented customer service initiatives, including a survey of customer satisfaction, and piloting Trading Post sites jointly with Forest Service field offices in Colorado and Oregon.
- ◆ Consolidated Federal Land Policy and Management Act (FLPMA) and CFO reports into this Annual Report.
- ◆ Reduced unnecessary red tape throughout offices as a result of the National Performance Review Laboratory and other initiatives.
- ◆ Reduced and simplified official manuals.
- ◆ Implemented continuous improvement and quality processes to take the place of after-the-fact evaluations and audits.
- ◆ Worked with 14 Federal natural resource agencies to develop compatible performance measures of condition, articulation of individual roles, and definition of potential for leadership of the Natural Resources Performance Measurement Forum.



- ◆ Made internal information and business and management data available to employees over BLM's Intranet.
- ◆ Made initial information on the organization, BLM program management, and productivity available to a broad external audience via the Internet homepages.
- ◆ Focused on using outcomes (mission-oriented results) as a measure of effectiveness while examining work outputs for budgetary and efficiency purposes.
- ◆ Reorganized the Headquarters office and made changes in the field organizational structure that support the managerial stewardship of BLM programs, accountability for results, and organizational efficiencies.

### Performance Measures for Fiscal Year 1998

Throughout 1994, 1995, and 1996, the Department of the Interior, the Office of Management and Budget, sister agencies, stakeholders, and constituents have been and will continue working with the BLM to formulate and refine its plan for implementing effectiveness and accountability measures. Much progress is anticipated over the next several years. Two potential new measures have been identified thus far:

- ◆ *Satisfaction with Annual Report*  
This measure will describe reported satisfaction with BLM's Annual Report, as measured by reader satisfaction reported in comment cards included in the report and on the Internet.

- ◆ *Use of Funds to Meet Planned Objectives*  
This measure will compare the planned use of funds with the actual use of funds, as reported by State Offices and the Headquarters Office.

No budget/workload measures exist at this time for these goal areas.

## ***Improve BLM's Ability to Effectively Use Automation Capabilities***

### Background

The BLM is committed to effectively applying its considerable investment in information technology to reduce the amount of time and work effort needed to make high-quality management decisions and deliver services to the public.

Two major pieces of legislation affecting information technology were passed in 1996 that require implementation in 1997. The Information Technology Management Reform Act (ITMRA) requires agencies to acquire, manage, and evaluate their information technology as investments and to do so at the highest levels of the organization. The Freedom of Information Act (FOIA) amendments require the

availability of documents in electronic form and the creation of "Electronic Reading Rooms." The BLM positioned itself in FY 1996 to effectively comply with the provisions of both of these laws.

The time needed to retrieve necessary reference information and the time needed to perform business functions are measures of performance. Accurate baseline performance measurements were not made in 1996. Baseline measurements will be made in 1997.

### Accomplishments for Fiscal Year 1996

During 1996, the BLM concentrated on applying automation to improve performance of both its internal business practices and those directly affecting the public. An inventory of all automated applications was undertaken in 1996 to identify automated applications that collect the same or similar data, or that have the same general purpose. This inventory was undertaken to identify candidates for redesign and incorporation into re-engineered business practices in order to be more effective and minimize system maintenance costs.

Within the BLM, an infrastructure was completed enabling virtually all of its employees to communicate by elec-

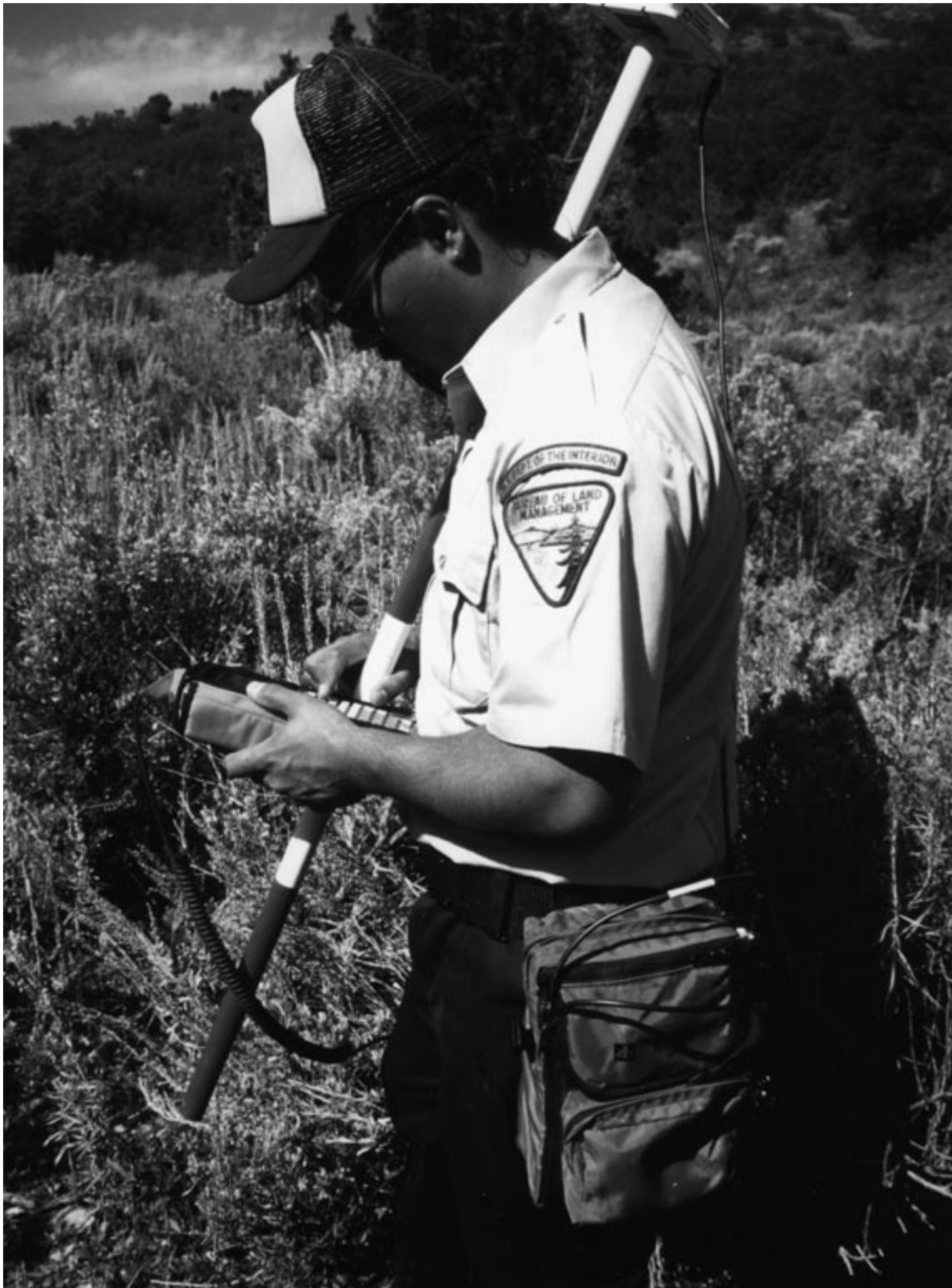
Workload Measure	1995	1996
Databases available electronically to BLM staff and managers	20	36
Reference documents available electronically to BLM staff and managers	0	1,500 on BLM's Internet and Intranet sites
Number of staff with access to e-mail and electronic documents	5,200	9,000 (plus an additional 10,000 non-BLM staff within DOI)
Databases available electronically to the public	5	20
Reference documents available electronically to the public	0	950 documents on BLM's public Internet sites

tronic mail—to prepare, send, and receive documents electronically throughout the Bureau and the Department of the Interior via an internal network, and with other Federal and State agencies with which it routinely does business via the Internet. A national Intranet site and several local sites were created to post reference material for immediate access by employees. These capabili-

ties enable employees to find needed information more quickly, to transfer documents, and to make better-informed decisions.

Direct service to the public has been improved by making frequently sought information on the Internet available through a World Wide Web site ([WWW.BLM.GOV](http://WWW.BLM.GOV)), with links to information on public lands of a more local nature at several of our State

Office sites. In addition, the BLM has issued a Letter of Intent with the U.S. Postal Service to cooperate in an effort to provide services to the public electronically through the Internet or at publicly located kiosks. The BLM also undertook an initiative in 1996 to develop the capability for oil and gas operators to electronically file requests for the permits and “notices of intent” required by regulations.



# BLU E P R I N T G O A L

## *Improve Human Resources Management*

*The BLM recognizes its obligation to professionally develop and prepare those who will become stewards of the Nation's public lands...*

The fundamental viability of the public lands and the well-being of those who use and work upon those lands depends upon the public servants employed by the Bureau of Land Management. The BLM recognizes its obligation to professionally develop and prepare those who will become stewards of the Nation's public lands.

The nationwide Human Resources Management (HRM) Program provides for the adaptation of employees to the working environment of the BLM. Combining the elements of workforce assessment, analysis, recruitment, training, and career development, as well as outreach to communities through equal employment opportunity and related initiatives, HRM provides leadership in shaping BLM's workforce of the future.

Fiscal Year 1996 was a transitional period for the BLM in the area of human resources management. Despite two governmentwide furloughs, uncertainty created by the protracted appropriations process for the year, hiring freezes imposed by the Department of the Interior, and preparations for a realignment of the Washington Office organization, a substantial amount of program assessment and development work was completed, much of which was in support of planned programmatic initiatives for fiscal year 1997.

The BLM Strategic Plan, which is currently being developed, provides the foundation for performance evaluation. Success on the job will be measured in terms of the individual's contribution to successful outcomes that

relate specifically to BLM's mission responsibilities and goals. Effective performance as a team member, as well as quality work, will be the basis for employee reward programs. BLM's overriding responsibility to its employees is to create a work environment that supports excellence and productivity by ensuring harmony, providing motivation, and focusing on results rather than workloads.

BLM's workforce strives to structure its programs to mirror the demographic make-up of the country, not only to respond to social and economic realities, but also to comply with Federal policies for equal opportunity. Accordingly, the Bureau recognizes and accepts its obligation to create a working environment that supports the acceptance of emerging paradigms and changing values, fosters collaboration and the sharing of knowledge, promotes cooperation and learning, preserves mutual respect among its employees and diverse publics, and maintains continuing individual com-

mitment to BLM's unique mission for natural resources management.

To advance this role for Human Resources Management, the following goals have been established:

- ◆ Maintain a trained, motivated workforce to ensure support for the BLM mission.
- ◆ Institutionalize the principles of organizational diversity and establish a workforce that is representative of the national labor force.
- ◆ Provide employees with effective communication and leadership.

### ***Maintain a Trained, Motivated Workforce to Ensure Support for the BLM Mission***

#### **Background**

The BLM seeks to create a working environment in all headquarters and field duty stations in which all employees are trained, motivated, and oriented toward producing positive outcomes. These elements are essential in supporting the successful achievement of BLM's many mission responsibilities. The BLM proposes to create this environment through a program of systematic employee training and development, the use of outcome-oriented performance appraisals, and the linking of individual performance to BLM's Strategic Plan.



## Accomplishments for Fiscal Year 1996

The BLM took definitive steps in FY 1996 to establish a foundation for accurately assessing workforce needs, to bring future training programs on line, and to ensure a sound basis for future HRM program development. These steps included:

- ◆ Drafting a three-year plan for developing a comprehensive curriculum of training products for equal employment opportunity (EEO) and HRM program practitioners, managers, supervisors, and other employees.
- ◆ Completing the groundwork required to train EEO and HRM practitioners in mediation following BLM's issuance of a national policy on the application of alternative dispute resolution (ADR).
- ◆ Anticipating the use of distance-learning methodologies (video conferencing) to bring HRM issues to employees in the field on a more direct and timely basis. The first two such programs are planned for the spring of 1997.
- ◆ Training managers, supervisors, and other employees in the Department of the Interior's new Performance Management System, which links performance to BLM's Strategic Plan; ensuring that employees have results-based performance standards on record for FY 1996 and FY 1997.
- ◆ Completing an assessment of BLM's record of training in HRM subject-matter areas over the previous five-year period. The results of this assessment will serve as the basis for a Bureauwide policy on HRM

training to be issued during FY 1997.

- ◆ Surveying other Federal agency organizational training programs in preparation for defining base competencies for BLM employees during FY 1997.
- ◆ Making specific provisions in FY 1997 work plans to support the conduct of training programs in diversity, ADR, and other HRM-related subjects, utilizing classroom and distance-learning methodologies.
- ◆ Providing practical, day-to-day guidance to managers and supervisors on HRM matters through the issuance of the "Human Resources Management Handbook."
- ◆ Completing a strategic plan for the HRM program that will provide direction and a means for measuring progress in FY 1997 and beyond.
- ◆ Conducting a survey regarding employee satisfaction to establish baseline data for measuring improvement in employee morale and fulfillment in FY 1997 and beyond.

### ***Institutionalize the Principles of Organizational Diversity and Establish a Workforce that is Representative of the National Labor Force***

#### **Background**

The BLM seeks to develop a working environment that promotes and fosters respect, dignity, and a sense of community by inculcating an under-

standing of organizational diversity in its day-to-day operations, by correcting the underrepresentation of minorities and women throughout the various program areas, and by ensuring effective communication between people—both within and outside of the organization.

## Accomplishments for Fiscal Year 1996

The Bureau took definitive steps in FY 1996 to expand its capability for effective outreach to the various minority communities, to systematize its approach to workforce management, and to establish means for measuring progress in the future. These steps included:

- ◆ Shifting the emphasis on targeted recruitment and outreach initiatives to key administrative officials in BLM's field organization.
- ◆ Completing the groundwork for the execution of agreements with key minority-serving organizations. New agreements were originated with the National Association for Equal Opportunity in Education, Historically and Predominantly Black Colleges and Universities, and the International Association of Black Professional Fire Fighters. Ongoing coordinative relationships were maintained and strengthened with the Hispanic Association of Colleges and Universities and other minority-serving organizations such as the Hispanic Coalition.
- ◆ Establishing the capability at all BLM offices to access EEO data.
- ◆ Conducting a comprehensive analysis of the nationwide BLM work force. This data was subsequently used in defining specific



affirmative employment program goals for the next three years and for developing detailed performance measurement plans to move toward representational parity in selected occupations by the year 2000.

- ◆ Adopting and disseminating nationwide the Department of the Interior's new standard for Senior Executive Service (SES) performance in the areas of workforce diversity and equal employment opportunity.
- ◆ Continuing to use the Joint Apprenticeship and Training Program to recruit candidates for career seasonal positions in the fire program.

### ***Provide Employees with Effective Communication and Leadership***

#### **Background**

This goal area is the responsibility of all BLM managers and employees. The BLM has about 10,000 employees

and is spread over much of the western United States, with a few offices east of the Mississippi River. Technology has offered BLM opportunities for improving communications at a time when being able to work in teams and collaborate with others is essential. Improved communication is essential to the morale of employees, the efficient completion of quality work, and the resolution of the many issues encountered in BLM's daily work.

#### **Accomplishments for Fiscal Year 1996**

The following accomplishments improved communication and information exchange throughout the nationwide organization:

- ◆ Continued the weekly publication, by electronic mail, of the "Director's Letter to All Employees" concerning significant activities and issues of broad organizational concern and interest.
- ◆ Drafted the BLM Strategic Plan, which includes the mission, vision, blueprint goals, and performance goals for the agency.

- ◆ Provided the Weekly BLM Highlights report to employees.
- ◆ Extended BLM's electronic mail capability to virtually all offices and individual employees throughout the nationwide BLM organization.
- ◆ Instituted the quarterly Managers' Forum to provide a platform for discussing important HRM program issues and a means of regularly disseminating information on significant BLM programs and initiatives.
- ◆ Used satellite down-link capabilities to video teleconference with employees throughout the BLM.
- ◆ Established hyperlinked homepages on the Internet for the BLM, States, and Bureau programs (WWW.BLM.GOV)



# MANAGEMENT CONTROL

## The BLM's Management Control Program

...emphasizes improvement throughout the work cycle...

### Accomplishments for Fiscal Year 1996

In April 1994, the BLM began streamlining its management control process to reduce unnecessary paperwork as required by the Office of Management and Budget (OMB) and to redesign management systems consistent with National Performance Review (NPR) objectives. Implementing these initiatives in the BLM in FY 1996 resulted in a 50% reduction in paperwork associated with BLM's management control process.

In June 1995, the BLM further streamlined its management control process in response to additional NPR initiatives, revised OMB guidance, and Department of the Interior (DOI) streamlining initiatives. The OMB and DOI guidance granted greater flexibility and discretion to agencies in determining the scope and frequency of reviews and in making more effective use of alternative evaluation sources. During FY 1996, the BLM used a General Accounting Office audit report and an Office of Inspector General audit report as alternative sources of information to meet management control review requirements for two of its five scheduled reviews.

The results of management control reviews conducted during FY 1996

indicate that BLM's systems of management, administrative, and financial controls provide reasonable assurance that the objectives of the Federal Managers' Financial Integrity Act have been achieved.

Actions taken by the BLM during FY 1996 resulted in correction of one material weakness concerning reconciliation for real property with accounting system balances. In addition, the BLM was successful in completing scheduled FY 1996 corrective actions on the remaining three material weaknesses: inadequate range monitoring, oil and gas production accountability, and oversight of the Trans-Alaska Pipeline System.

### Redesign of Evaluation Process

In October 1995, the BLM redesigned its evaluation process to incorporate the new requirements for accountability specified in the Government Performance and Results Act. The newly designed evaluation process emphasizes improvement throughout the work cycle and uses both a Field Review Process (self-assessment) and a National Review Process (validation). These processes are linked by the use of performance data consisting of customer feedback, benchmarking, and performance measures. In addition to providing an

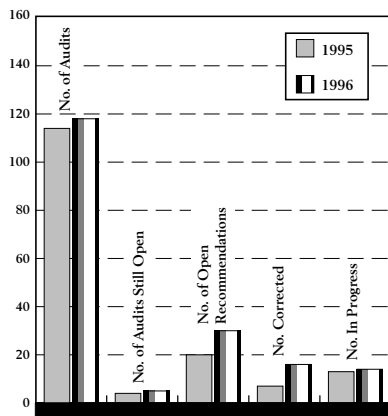
opportunity to recognize excellence, share ideas, identify best practices, and consider new goals for performance, the new evaluation process will be instrumental in developing and meeting strategic planning goals and objectives and developing budget justifications.

Implementation of BLM's redesigned evaluation process will result in the availability of more accurate and timely data for decisionmaking, improved use of resources supported by good data, and improved customer service and resource conditions. Implementation of the redesigned evaluation process will also reduce the number of BLM evaluations conducted each year from approximately 150 reviews to less than 10. Implementing guidance is being developed and pilot tests of the redesigned evaluation process will begin in March 1997.

### Audits

The Government Auditing Standards, issued by the Comptroller General of the United States, require government officials and employees to be accountable for managing public programs. We have taken the audits completed in the last 2 years (for comparison) and aligned them with the Bureau's strategic goals in the accompanying Audit Report Summary table.

Status of Audits and Recommendations



Audit Report Summary

BLM Blueprint Goals	DOI Inspector General		Other Federal Audits		Non- Federal Audits	
	1995	1996	1995	1996	1995	1996
<i>* These audits are properly represented under both blueprint goals.</i>						
Serve current and future publics	4	4	—	—	101 *	100 *
Restore and maintain the health of the land	1	—	—	—	—	—
Promote collaborative management	—	—	—	—	—	—
Improve business practices	1	2	7	12	101 *	100 *
Improve human resources management	—	—	—	—	—	—
<b>TOTALS</b>	<b>6</b>	<b>6</b>	<b>7</b>	<b>12</b>	<b>101</b>	<b>100</b>

# FINANCIAL STATEMENTS

## *Overview of the Financial Statements*

*We believe this is a reflection of the priority and significance that the BLM places on sound financial management...*

This section of the Annual Report presents BLM's financial statements. We believe these statements are a fair and accurate presentation of our financial position and results of operations. This is reflected in the unqualified audit opinion rendered on these financial statements by the independent auditors. We believe this is a reflection of the priority and significance that the BLM places on sound financial management.

### *Limitations of the Financial Statements*

The financial statements have been prepared to represent the financial position and results of operations of the BLM pursuant to the requirements of the Chief Financial Officers Act of 1990. While the statements have been prepared from the books and records of the BLM in accordance with the guidance provided by the Office of Management and Budget, the statements differ from financial reports used to monitor and control budgetary resources that are prepared from the same books and records.

The statements should be read with the realization that they are for a component of a sovereign entity, that liabilities not covered by budgetary resources cannot be liquidated without enactment of an appropriation, and that payment for all liabilities other than for contracts can be abrogated by the sovereign entity.

### *Funding of the BLM*

The Bureau is funded by (1) Congressional appropriations; (2) reimbursements for work per-

formed by the BLM on behalf of other Federal agencies or for the public, including State and local governments; (3) collections of public land revenues that are available to fund BLM operations; and (4) donations made to the Bureau.

BLM's funding increased by about 4% in FY 1996. Appropriated funding sources increased by almost \$41 million (4%), despite a \$29 million (5%) reduction in the Bureau's major operating appropriation. The increase was principally due to a \$12 million (12%) increase in BLM's payments in lieu of taxes appropriation and a one-time \$40 million increase for emergency flood damage repair.

Other revenues, including trust fund revenues, used to fund the BLM decreased slightly in FY 1996. There was, however, a substantial increase in collections by the BLM in FY 1996. These collections increased about 39%, and the collection amounts available to the BLM increased by about 31%.

The BLM was authorized three new funding sources in FY 1996. We are now entitled to use up to \$2 million in collections for managing communication sites. We were also authorized to use fees collected at specific recreation fee demonstration sites for managing these sites. Finally, Congress authorized us to use receipts from cer-

tain timber sales for specific purposes. We have taken full advantage of the communication site authority; the remaining two items will be implemented in FY 1997.

### *Contingent Liabilities*

Claims on government resources that are likely to arise in the future are considered contingent liabilities. The BLM currently has no pending legal actions that, in the opinion of management, would result in a material contingent liability. However, actions required by statute to remediate hazardous waste on the public lands may represent a substantial claim on BLM's future resources.

As part of its responsibility to administer the public lands, the BLM is potentially responsible for cleaning up hazardous material sites and disposal facilities on the public lands. It is also responsible for the proper management and tracking of hazardous wastes resulting from operations on the public lands. The Comprehensive Environmental Response, Compensation, and Liability Act of 1980 requires Federal agencies to report sites where hazardous wastes are or have been stored, treated, or disposed of, and requires responsible parties, including Federal agencies, to clean up releases of hazardous substances.

The BLM, along with other Department of the Interior agencies, faces major challenges in cleaning up hazardous substance releases on the public lands. Virtually all of these releases arise from non-BLM and non-Federal uses of the lands, such as illegal dumping, transportation spills, landfills, mining operations, pipelines, and agricultural uses.



In its previous annual reports, the BLM acknowledged that the costs of cleanup and payment of judgements or settlements of claims could exceed \$1 billion over the long term. However, this estimate is not recorded in BLM's financial records or shown in its financial statements. At this time it is not possible to estimate the comprehensive costs of public lands cleanup liability or to determine the portion of such costs that will represent a claim on BLM's resources. Substantial portions of the costs of cleanup will be incurred by, or recovered from, responsible parties. It is also likely that the bulk of costs incurred to pay judgements or settlements would be borne by the U.S. Treasury's judgement fund and not BLM's resources.

The \$1 billion estimate is not based upon pending litigation and does not reflect the draft GAO guidance on costing such liability. It does, however,

represent a potential future claim upon budgetary resources that will arise over time under existing statutes governing the management and disposition of hazardous wastes and reclamation of land and resources.

### ***Deferred Maintenance***

The BLM purchases or constructs infrastructure assets such as buildings, roads, water and sewer systems, recreational facilities, and transportation systems consisting of roads and trails. These assets permit the enjoyment and use of the public lands for recreation, revenue generation, and other purposes.

The BLM currently maintains more than 5,000 buildings, recreation sites, and bridges, as well as over 88,000 miles of roads and trails. Maintenance funding for the BLM in FY 1996 was \$44,072,000

(\$41,319,000 appropriated funds, \$2,258,000 user fee collections, and \$495,000 transferred from other agencies). The BLM estimates that its maintenance backlog at September 30, 1996, was \$274,802,000, a decrease of more than \$19 million from September 30, 1995.

Since the bulk of public land improvements are not held for sale or for the generation of revenue, any impairment in the value of individual assets is not considered significant by management in measuring the financial results of the BLM. Public land improvements are held principally for the use and enjoyment of the public and the Bureau. BLM management believes that increased maintenance would benefit public land improvements, but the system of assets, taken as a whole, is maintained in a state of repairs that permits the use and management of the public lands.

## Principal Financial Statements

BUREAU OF LAND MANAGEMENT  
 COMBINED COMPARATIVE STATEMENTS OF FINANCIAL POSITION  
 SEPTEMBER 30, 1996 AND 1995  
 (dollars in thousands)

	1996	1995		1996	1995
<b>Assets:</b>			<b>Liabilities and Net Position:</b>		
Entity Assets:			<b>Liabilities:</b>		
Intragovernmental Assets:			Liabilities Covered by Budgetary Resources:		
Fund Balances with Treasury (Note 2)	\$ 444,688	\$ 345,389	Intragovernmental Liabilities:		
Accounts Receivable (Note 3)	13,819	14,859	Accounts Payable	\$ 11,423	\$ 9,017
Governmental Assets:			Debt to Treasury (Note 8)	1,365,204	1,373,204
Accounts Receivable, Net (Note 3)	1,697	7,102	Governmental Liabilities:		
Travel Advances	104	176	Accounts Payable	19,350	20,135
Cash in Imprest Funds	563	523	Accrued Payroll and Benefits (Note 9)	21,365	20,521
Operating Materials and Supplies	1,667	1,583	Undistributed Collections (Note 10)	145,391	111,609
Inventory, Net (Note 4)	7,211	9,046	Deposit Funds (Note 11)	18,771	21,558
Gas and Storage Rights, Net (Note 4)	1,079	1,081	Deferred Credits (Note 12)	101,352	56,599
Stockpile Materials (Note 4)	366,235	367,371	Total Liabilities Covered by Budgetary Resources	<u>1,682,856</u>	<u>1,612,643</u>
Property and Equipment, Net (Note 5)	278,923	297,190	Liabilities Not Covered by Budgetary Resources:		
Total Entity Assets	<u>1,115,986</u>	<u>1,044,320</u>	Intragovernmental Liabilities:		
Non-Entity Assets:			Workers and Unemployment		
Intragovernmental Assets:			Compensation Payable (Note 13)	8,134	7,362
Fund Balances with Treasury (Note 2)	166,502	132,778	Governmental Liabilities:		
Governmental Assets:			Accrued Annual Leave (Note 14)	39,461	38,022
Accounts Receivable, Net (Note 3)	514	2,336	Total Liabilities Not Covered	<u>47,595</u>	<u>45,384</u>
Unmatured Timber Sales Contracts (Note 6)	99,670	55,538	by Budgetary Resources		
Total Non-Entity Assets	<u>266,686</u>	<u>190,652</u>	Contingent Liabilities (Note 15)		
Total Assets (Note 7)	<u>\$1,382,672</u>	<u>\$1,234,972</u>	Total Liabilities	<u>1,730,451</u>	<u>1,658,027</u>
			<b>Net Position:</b>		
			Unexpended Appropriations (Note 16)	344,431	256,243
			Invested Capital	268,680	286,087
			Cumulative Results of Operations	(969,959)	(976,015)
			Donations	47,062	47,062
			Trust Fund Balances	9,602	8,952
			Future Funding Requirements	(47,595)	(45,384)
			Net Position	<u>(347,779)</u>	<u>(423,055)</u>
			Total Liabilities and Net Position	<u>\$1,382,672</u>	<u>\$1,234,972</u>

The accompanying notes are an integral part of these statements.



BUREAU OF LAND MANAGEMENT  
 COMBINED COMPARATIVE STATEMENTS OF OPERATIONS AND CHANGES IN NET POSITION  
 FOR THE FISCAL YEARS ENDED SEPTEMBER 30, 1996 AND 1995  
 (dollars in thousands)

	1996	1995
<b>Financing Sources, Revenues, and Collections:</b>		
Financing Sources:		
Appropriated Capital Used	\$ 990,004	\$1,017,976
Revenues:		
Sales of Goods and Services - Public	9,568	8,712
Sales of Goods and Services - Intragovernmental	48,557	51,008
Gain on Disposition of Assets	672	552
Trust Fund Revenue	8,241	8,205
Collections (Note 17):		
Gross Receipts	169,261	122,116
Less Receipts Transferred or to be Transferred to Treasury or Other Agencies	(133,763)	(94,992)
Total Financing Sources, Revenues, and Collections	<u>1,092,540</u>	<u>1,113,577</u>
<b>Expenses:</b>		
Operating Expenses (Note 18)	1,047,943	1,070,345
Cost of Goods Sold - Public	4,750	4,733
Cost of Goods Sold - Intragovernmental	11,434	14,298
Depreciation	19,782	18,457
Interest Expense - Debt to Treasury		73,644
Interest Expense - Other	108	179
Unfunded Annual Leave	1,439	(112)
Unfunded Workers and Unemployment Compensation	772	(531)
Total Expenses	<u>1,086,228</u>	<u>1,181,013</u>
Excess (Shortage) of Financing Sources, Revenues, and Collections Over Total Expenses	\$ <u>6,312</u>	\$ <u>(67,436)</u>
<b>Changes in Net Position:</b>		
Net Position, Beginning Balance	\$ (423,055)	\$ 302,480
Prior Period Adjustment (Note 19)		(701,583)
Excess (Shortage) of Financing Sources, Revenues, and Collections Over Total Expenses	6,312	(67,436)
Nonoperating Changes (Note 20)	<u>68,964</u>	<u>43,484</u>
Net Position, Ending Balance	\$ <u>(347,779)</u>	\$ <u>(423,055)</u>

The accompanying notes are an integral part of these statements.

BUREAU OF LAND MANAGEMENT  
 COMBINED COMPARATIVE STATEMENTS OF CASH FLOWS  
 FOR THE FISCAL YEARS ENDED SEPTEMBER 30, 1996 AND 1995  
 (dollars in thousands)

	1996	1995
<b>Cash Flows From Operating Activities:</b>		
Excess (Shortage) of Financing Sources, Revenues, and Collections Over Total Expenses	\$ <u>6,312</u>	\$ <u>(67,436)</u>
Adjustments Affecting Cash Flow:		
Appropriated Capital Used	(990,004)	(1,017,976)
Decrease (Increase) in Accounts Receivable	8,267	13,159
Decrease (Increase) in Other Assets	(41,211)	4,117
Increase (Decrease) in Accounts Payable	1,621	(104,326)
Increase (Decrease) in Debt to Treasury	(8,000)	63,644
Increase (Decrease) in Other Liabilities	76,592	27,968
Loss (Gain) on Disposition of Assets	(672)	(553)
Depreciation	19,782	18,457
Unfunded Expenses	2,211	(643)
Total Adjustments	<u>(931,414)</u>	<u>(996,153)</u>
Net Cash (Used) by Operating Activities	<u>(925,102)</u>	<u>(1,063,589)</u>
<b>Cash Flows From Investing Activities:</b>		
Proceeds from Sales of Property and Equipment	2,575	2,182
Purchases of Property and Equipment	(46,088)	(59,403)
Net Cash (Used) by Investing Activities	<u>(43,513)</u>	<u>(57,221)</u>
<b>Cash Flows From Financing Activities:</b>		
Appropriations (Current Warrants)	1,245,960	1,193,819
Transfers of Cash from Others	222,077	91,493
Transfers of Cash to Others	(360,833)	(219,381)
Withdrawals		(2,724)
Rescission of Budget Authority from Closed Funds	(5,566)	(2,543)
Net Cash Provided by Financing Activities	<u>1,101,638</u>	<u>1,060,664</u>
Net Cash Provided (Used) by Operating, Investing, and Financing Activities	133,023	(60,146)
Fund Balances with Treasury, Beginning Balance	<u>478,167</u>	<u>538,313</u>
Fund Balances with Treasury, Ending Balance	\$ <u>611,190</u>	\$ <u>478,167</u>
<b>Supplemental Disclosure of Cash Flow Information:</b>		
Total Interest Paid	\$ 8,108	\$ 10,179

The accompanying notes are an integral part of these statements.

# FINANCIAL STATEMENTS

## Notes to Principal Financial Statements

(dollars in thousands)

### Note 1 - Summary of Significant Accounting Policies

#### A. Basis of Presentation

These financial statements have been prepared to report the financial position and results of operations of the Bureau of Land Management (BLM), as required by the Chief Financial Officers Act of 1990. The combining financial statements present financial information by fund group. They have been prepared from BLM's financial records in accordance with the form and content of agency financial statements as specified by the Office of Management and Budget (OMB). The statements have been prepared in accordance with OMB Bulletin No. 94-01 and the BLM accounting policies that are summarized in this note. These statements are different from the financial reports submitted to OMB for purposes of monitoring and controlling the obligation and expenditure of budgetary resources.

#### B. Reporting Entity

The BLM, a bureau of the Department of the Interior (DOI), was established on July 16, 1946, through the consolidation of the General Land Office and the Grazing Service in accordance with the provisions of Sections 402 and 403 of the President's Reorganization Plan No. 3 of 1946 (60 Stat. 1097). The BLM's functions are set forth in Section 301 of the Federal Land Policy and Management Act of 1976 (43 USC 1731).

On March 12, 1996, Interior Secretary Babbitt signed Order Number 3198, transferring the Department's Helium Operations from the U.S. Bureau of Mines to the BLM. This was done under the authority of Section 2 of

Reorganization Plan No. 3 of 1950 (64 Stat. 1262), as amended. The helium production fund was established by the Helium Act (50 U.S.C. 10), enacted March 3, 1925, and amended by the Helium Act Amendments of 1960 (P.L. 86-777).

The accompanying combined financial statements include all appropriated funds, as well as all other funds for which the BLM maintains financial records. Financial records are maintained by fund types as described below:

**1. General Funds:** These funds consist of expenditure accounts used to record financial transactions arising from Congressional appropriations as well as receipt accounts. The principal general fund expenditure accounts maintained are:

- a. Management of Lands and Resources
- b. Wildland Fire Management
- c. Payments in Lieu of Taxes
- d. Oregon and California Grant Lands

**2. Special Funds:** The BLM maintains both special fund receipt accounts and special fund expenditure accounts. Collections made into special fund expenditure accounts are not considered BLM revenue; they are classified instead as appropriated capital. Collections made into special fund receipt accounts are earmarked by law for a specific purpose but are not generated from a continuing cycle of operations. Receipts are deposited as collected. Funds deposited into special fund receipt accounts typically arise from sales of public lands and materials, sales of timber, fees and commissions, mineral leases, and other charges for services provided by the BLM to users of the public lands. Amounts deposited into special fund receipt

accounts are subject to various distribution formulas as specified by law.

**3. Revolving Funds:** The BLM maintains a Working Capital Fund (WCF) as a single administrative unit established to finance and account for services and commodities furnished to various program activities. The WCF was established in 1978 under Section 306 of the Federal Land Policy and Management Act of 1976 (Public Law 94-579) with an initial investment of \$2,000 in appropriated funds. Since that time, additional equity has been provided through intragovernmental transfers or donations of inventories, capital equipment, and other assets. Transfers or donations are made without reimbursement to the donating activity. All additional income of the WCF has been generated through charges to BLM's programs or other government agencies. The services provided by the WCF include motor vehicles, stores, a sign shop, a Departmental forms center, and the collection and disbursement of receipts from surface management of the Naval Oil Shale Reserve under an October 2, 1987, memorandum of understanding with the Department of Energy. In addition, the WCF provides funding for travel advances and petty cash funds held by imprest fund cashiers.

In addition to the WCF, Helium Operations is funded through a public enterprise revolving fund. This fund was established with monies from the U.S. Treasury to manage the Federal helium program, which includes helium production, storage, conservation, and sales activities. Funding for current management of this program is provided by sales of helium.

**4. Trust Funds:** The BLM maintains two trust accounts to carry out specific programs under trust agreements

and statutes. The Land and Resource Management Trust Fund contains monies contributed by non-Federal organizations for resource development, protection, and management; conveyance of lands omitted in original surveys; and public surveys requested by individuals. The Alaska Townsite Trustee Fund receives money from the sale of town lots to non-natives and is available to cover the expenses involved in selling and maintaining townsites.

**5. Deposit Funds:** These funds are maintained to account for receipts awaiting proper classification or receipts held in escrow until ownership is established, at which time proper distribution can be made. Refer to Note 11.

### C. Basis of Accounting

The BLM maintains its accounting records on both an accrual accounting basis and a budgetary accounting basis. Under the accrual method, revenues are recognized when earned and expenses are recognized when incurred, without regard to the receipt or payment of cash. Collections received and transferred to others are accounted for as described in section D below. Budgetary accounting facilitates compliance with legal constraints and controls over the use of Federal funds. Significant interfund balances and transactions have been eliminated, with the exception of WCF transactions.

### D. Financing Sources, Revenues, and Collections

The BLM receives most of the funding needed to support its programs through annual, multiyear, and no-year appropriations that may be used, within statutory limits, for operating and capital expenditures. Additional amounts are obtained through reimbursements for services performed for other Federal agencies.

All revenues (e.g., reimbursable agreements) are recognized when earned. These revenues may be used to offset the cost of producing products or furnishing services, and to recover overhead costs.

Collections are amounts that the BLM receives on behalf of others; most are either passed to the U.S. Department of the Treasury (Treasury) or distributed to other governmental agencies. Gross receipts are reported as cash is received, while amounts billed but not yet received are included in both accounts receivable and undistributed collections. Bad debt expenses relating to those receivables are not considered to be a BLM expense; they are charged against undistributed collections. Transfers of receipts to Treasury and others are reported on the accrual basis. That portion of the transfers that will not be disbursed until the subsequent fiscal year is also included in undistributed collections. Thus, the net position of the BLM is not affected by these activities relating to collections, whether they be billings, bad debt expenses, or timing differences between the receipt of such collections and their subsequent disbursement.

Helium fund sales are authorized by Chapter 10 of Title 50 of the United States Code, enacted March 3, 1925, as amended by Public Law 86-777, dated September 13, 1960, entitled "Helium Act Amendments of 1960". Paragraph 167a(4) authorizes the Secretary to, "dispose of, by lease or sale, property, including wells, lands, or interest therein, not valuable for helium production, and oil, gas, and byproducts of helium operations not needed for Government use, except that property determined by the Secretary to be 'excess' within the meaning of section 3(e) of the Federal Property and Administrative Services act of June 30, 1949, as amended (40 U.S.C. 471 et. seq.); and to issue leases to the surface of lands or structures thereon for grazing or other purposes when the same may be done without

interfering with the production of helium..."

Funds received under this chapter, including funds from the sale of helium or other products resulting from helium operations and from the sale of excess property, are credited to the helium production fund. This fund is available without fiscal year limitation to carry out the provisions of the "Helium Act," including any research relating to helium. Amounts accumulating in the fund in excess of amounts the Secretary deems necessary to carry out the Helium Act and contracts negotiated thereunder are paid to Treasury and credited against any amounts borrowed from Treasury.

The Helium Fund is authorized to retain all receipts, which include, but are not limited to, fees, penalties, interest, and administrative charges on past due receivables and proceeds from the sale of its assets. Fees, penalties, interest, and administrative charges are credited to a revenue account and are recorded as a financing source. Gains and losses are computed when assets are sold and recorded as a financing source or use of finances respectively.

### E. Fund Balances with Treasury

The BLM does not maintain cash in commercial bank accounts. Cash receipts and disbursements are processed by Treasury. Fund balances with Treasury include appropriated, revolving, and trust funds that are available to pay current liabilities and finance authorized purchase commitments. Also included are various other receipt and expenditure funds. Cash balances held outside Treasury are not material. Further details on fund balances with Treasury are contained in Note 2.

### F. Accounts Receivable

Accounts receivable consist of amounts owed to the BLM by other Federal agencies or by the public.

Amounts earned through the provision of services to the public are not recognized as receivables until billed. Receivables from other Federal agencies and certain State government agencies are recognized when the revenue is earned. The BLM recognizes bad debts arising from uncollectible accounts receivable by establishing an allowance for doubtful accounts based upon past experience in collecting accounts receivable and analysis of outstanding balances. See Note 3 for additional information concerning accounts receivable.

### **G. Inventory and Operating Materials and Supplies**

Except for Helium Operations, BLM's inventory and operating materials and supplies consist of materials and supplies that will be consumed in future operations. Inventory is held by the WCF for use in BLM's resource management programs and is also maintained for sign construction, employee uniforms, and the DOI forms function. Inventory on hand is stated at cost using the average cost method. For years prior to FY 1995, operating materials and supplies on hand were also reported as assets, valued at average cost. Beginning in FY 1995, operating materials and supplies were accounted for based on the purchases method. Under this method, operating materials and supplies are expensed when purchased. The purchases method of accounting is in accordance with Statement of Federal Financial Accounting Standards Number 3, published October 27, 1993, by the Office of Management and Budget.

The helium inventory held for sale is the actual above-ground refined helium at the end of the fiscal year, plus an estimate of the amount of stockpile helium to be sold in the following fiscal year. The helium stockpile inventory is stored in a partially depleted natural gas reservoir. The cost to pur-

chase the stockpile helium was \$12.058 per mcf. The volume of helium is accounted for on a perpetual inventory basis. Each year, the amount of helium is verified by collecting reservoir data and using generally accepted petroleum engineering principles to calculate the volume. The calculated volumes support the volume carried in the inventory. At a reservoir abandonment pressure of 25 psia, 95 percent of the stockpile is deemed recoverable. The amount of helium that is eventually recovered will depend on the future price of helium and the ability to control the mixing of native gas and stockpile helium. Gas and storage rights for the storage of helium are recorded at cost. A depletion allowance is computed annually to record the gas consumed in the processing of helium for sale.

Helium Operations' consumable inventory consists of tools, supplies, small machinery, etc., consumed in the production and extraction of helium. The items in inventory are physically verified and adjusted annually. The moving average method is used to value all helium inventories.

Except for Helium Operations, BLM's inventory is not held for sale, nor is any of the inventory or operating materials and supplies balance held in reserve for future use or sale. There is no excess, obsolete, or unserviceable inventory or operating materials and supplies, nor is there any inventory held for repair. The BLM does not hold any other related property, including forfeited property, foreclosed property, seized property, commodities, or stockpile materials. Note 4 provides more information on BLM's inventory.

### **H. Property and Equipment**

This category consists of acquired lands; structures, facilities and improvements; automated data processing (ADP) software; equipment

and vehicles; construction in progress; and property being held pending disposition. Prior to FY 1995, roads, trails, and bridges were also included in this category.

During 1995, the Federal Accounting Standards Advisory Board issued Exposure Drafts for two Statements of Recommended Accounting Standards that affect reporting for property and equipment. The first of these is entitled Accounting for Property, Plant, and Equipment; the second is Supplementary Stewardship Reporting. The standards recommend different accounting treatments for different types of property, plant, and equipment (PP&E). The standards provide for a distinction between general PP&E and stewardship PP&E. The former are PP&E used to provide general government services or goods. The latter include stewardship land—all land held by the Federal government that is not acquired for or in connection with an item of general PP&E—and heritage assets, including PP&E that have historical or natural significance.

The standards recommend that Federal entities establish appropriate capitalization thresholds. The BLM has established a capitalization threshold of \$250 per facility/site for real property components of general PP&E. Prior to FY 1995, the BLM had no minimum capitalization threshold for real property. The capitalization threshold for personal property remains unchanged.

The standards provide for capitalized property to continue to be reported on the Statement of Financial Position. PP&E that are not capitalized—because they are under the capitalization threshold, or because they are stewardship PP&E—are to be expensed in the period of acquisition. The standards require a stewardship report to be developed to provide relevant information regarding stewardship PP&E. We have included stewardship information this year, even

though the standards do not require a complete stewardship report until FY 1998.

Capitalized property and equipment are recorded as follows:

1. General PP&E real property is capitalized at cost if the aggregate cost of the site/facility is \$250 or more. Acquired land associated with capitalized assets is recorded separately from the structures, facilities, and improvements. Structures such as buildings that are used by the BLM but administered by the General Services Administration or other Federal agencies are not recognized as BLM assets.
2. Purchased ADP software is capitalized at cost if the acquisition cost is \$5 or more and the estimated useful life is 2 years or more. Internally developed software is not capitalized.
3. Equipment and vehicles are capitalized at cost if the acquisition cost is \$5 or more and the estimated useful life is 2 years or more.
4. Costs are accumulated in a construction in progress account for capitalizable general PP&E under construction or being acquired in incremental stages until the property is completed or totally acquired. At that time, the property is transferred to the appropriate asset account(s).

Depreciation for WCF vehicles and heavy equipment is recorded using the straight-line method, based upon useful lives ranging from 2 to 20 years with a 20 percent residual value.

Depreciation for non-WCF equipment and purchased ADP software is based on useful lives of up to 30 years, with a residual value of 10 percent. Except

in the Helium Fund, depreciation is not recognized for structures, facilities, and other improvements. The basis for capitalization of donated property and equipment is the estimated fair market value.

Information on property and equipment values is found in Note 5.

### **I. Liabilities**

Liabilities represent the amount of monies or other resources that are likely to be paid by the BLM as the result of transactions or events that have already occurred. However, no liability can be paid by the BLM absent an appropriation. Liabilities for which an appropriation has not been enacted are, therefore, classified as liabilities not covered by budgetary resources, with no certainty that the appropriations will be enacted. In addition, BLM liabilities arising from sources other than contracts can be abrogated by the Government, acting in its sovereign capacity.

Debt to Treasury is a liability of the Helium Fund. Borrowings occurred at various dates. Amounts borrowed became due 25 years from the date the funds were borrowed and are now past due.

Net worth debt is the amount due for the net capital and retained earnings of the Helium Fund established under 50 U.S.C. 10, Section 164, enacted March 3, 1925 (prior to amendment by the Helium Act Amendments of 1960), as determined by the Secretary as of September 13, 1960, plus any monies expended thereafter by the Department of the Interior from funds provided in the Supplemental Appropriation Act, 1959, for construction of a helium plant at Keyes, Oklahoma.

Borrowing from Treasury refers to funds borrowed under 50 U.S.C. 10, Section 167j, which authorizes bor-

rowings to acquire and construct helium plants and facilities and for other related purposes including the purchase of helium.

Interest on borrowing is compound interest on the debt described above that has not been repaid to Treasury. While the debt was current, interest was calculated annually at rates determined by the Secretary of the Treasury, taking into consideration the current average market yields of outstanding marketable obligations of the United States having maturities comparable to the investments authorized. The interest rate on the net capital and retained earnings was determined as of September 13, 1960, and the interest rate on additional borrowing was determined as of the time of each borrowing. The U.S. Treasury short-term borrowing rate was used to calculate the annual interest expense while the debt was past due. With the passage of the Helium Privatization Act of 1996, Public Law 104-273, enacted October 9, 1996, no interest accrued on the debt during FY 1996. The Act defines the amount repayable to the United States as all funds required to be repaid as of October 1, 1995, with no further interest accruing on the debt.

Additional information on debt to Treasury appears in Note 8.

### **J. Accrued Leave**

Amounts associated with the payment of annual leave are accrued while leave is being earned by employees, and this accrual is reduced as leave is taken. Each year the balance in the accrued annual leave account is adjusted to reflect current pay rates. To the extent current or prior year appropriations are not available to finance annual leave, future financing sources will be used.

Sick leave and other types of leave are expensed as taken because they are nonvesting in nature.

## K. Contingent Liabilities

The BLM is a party to various administrative proceedings, legal actions, environmental suits, and claims brought by or against it. Contingent liabilities are recorded in the accounting records when the event potentially leading to the recognition of a liability is probable, and a reliable estimate of the scope of the potential liability is available. Further information on contingent liabilities is found in Note 15.

## L. Retirement Plan

Most BLM employees participate in the Civil Service Retirement System (CSRS), to which the BLM makes matching contributions. The BLM does not report CSRS assets, accumulated plan benefits, or unfunded liabilities, if any, applicable to its employees. Reporting such amounts is the responsibility of the Office of Personnel Management.

On January 1, 1987, the Federal Employees Retirement System (FERS) became effective pursuant to Public Law 99-335. Most employees hired after December 31, 1983, are automatically covered by FERS and Social Security. Employees hired prior to January 1, 1984, elected to either join FERS and Social Security or remain in CSRS. FERS offers a savings plan to which the BLM automatically contributes 1 percent of pay and matches any employee contribution up to an additional 4 percent of pay. For most employees hired since December 31,

1983, the BLM also contributes the employer's matching share for Social Security.

## M. Leases

The BLM has entered into some lease arrangements that potentially qualify as capital leases. However, the BLM has historically not considered lease arrangements for inclusion as assets. The dollar value of leases that could qualify as capital leases is not considered material.

## N. Net Position

The components of Net Position are defined as follows:

1. Unexpended appropriations include undelivered orders and unobligated balances; the latter may include both available and unavailable amounts.
2. Invested capital and donations represent the net book value of BLM's investment in inventory, operating materials and supplies, and property and equipment. Invested capital includes the purchased portion of these assets, less accumulated depreciation, plus or minus the value of capital assets transferred to or from other Federal entities without reimbursement. Donations represent the fair market value of donated assets accepted from non-Federal sources.

3. Cumulative results of operations represents the difference between revenues and expenses (other than depreciation) in the WCF and Helium Fund since their inception.
4. Trust fund balances include the unexpended portion of revenues received in the trust funds.
5. Future funding requirements consist of liabilities not covered by budgetary resources. These include accrued annual leave, as well as workers and unemployment compensation payable.

## O. Comparative Data

Comparative data for the prior fiscal year is presented in order to provide an understanding of changes in BLM's financial position and operations. The addition of Helium Operations, pursuant to Secretarial Order No. 3198, March 12, 1996, significantly changes the financial position and operations for FY 1996, making it impossible to meaningfully compare the current year's data with data for FY 1995. Accordingly, we have restated the FY 1995 data to combine (1) the data that we reported last year with (2) the FY 1995 Helium Operations data that the Bureau of Mines reported in their financial statements. Both the BLM's and the Bureau of Mines' financial statements for FY 1995 were audited by the Office of Inspector General and given unqualified audit opinions.



**Note 2 - Fund Balances  
with Treasury**

U.S. Government cash is accounted for on an overall consolidated basis by Treasury. The balances shown on the

Combined Comparative Statements of Financial Position represent BLM's right to draw on Treasury for valid expenditures. The balances consist of general fund receipt accounts, general fund expenditure accounts, trust funds, revolving funds, special fund

receipt accounts, special fund expenditure accounts, and deposit funds. Refer to Note 1(B). Fund balances as shown on BLM's records are reconciled periodically with Treasury's records.

Fund Balances with Treasury at September 30, 1996:

	Obligated	Unobligated		Total
		Available	Restricted	
<b>Entity Assets:</b>				
Appropriated Funds	\$ 170,391	\$ 199,860	\$ 7,646	\$ 377,897
Helium Fund	2,059	33,795		35,854
Working Capital Fund	11,349	9,746		21,095
Trust Funds	2,012	7,830		9,842
	<u>185,811</u>	<u>251,231</u>	<u>7,646</u>	<u>444,688</u>
<b>Non-Entity Assets:</b>				
Other Fund Types			166,502	166,502
<b>Total Fund Balances</b>	<b>\$ <u>185,811</u></b>	<b>\$ <u>251,231</u></b>	<b>\$ <u>174,148</u></b>	<b>\$ <u>611,190</u></b>

Fund Balances with Treasury at September 30, 1995:

	Obligated	Unobligated		Total
		Available	Restricted	
<b>Entity Assets:</b>				
Appropriated Funds	\$ 146,992	\$ 129,183	\$ 5,566	\$ 281,741
Helium Fund	591	33,026		33,617
Working Capital Fund	9,237	11,429		20,666
Trust Funds	2,470	6,895		9,365
	<u>159,290</u>	<u>180,533</u>	<u>5,566</u>	<u>345,389</u>
<b>Non-Entity Assets:</b>				
Other Fund Types			132,778	132,778
<b>Total Fund Balances</b>	<b>\$ <u>159,290</u></b>	<b>\$ <u>180,533</u></b>	<b>\$ <u>138,344</u></b>	<b>\$ <u>478,167</u></b>

**Note 3 - Accounts Receivable**

Accounts receivable represent amounts owed to the BLM. Entity accounts receivable represent amounts that the

BLM has authority to use. Entity intragovernmental accounts receivable represent amounts due from other Federal agencies, while entity governmental accounts receivable represent amounts due from non-Federal entities. Non-entity accounts receivable

are amounts that are generated by BLM's programs but are not available to the programs. All of the non-entity accounts receivable represent amounts due from non-Federal entities.

Accounts Receivable at September 30, 1996:

	Entity		Non-Entity	Total
	Intra-Governmental	Governmental	Governmental	
Accounts Receivable	\$ 13,819	\$ 6,522	\$ 3,050	\$ 23,391
Less Allowance for Doubtful Accounts	_____	<u>4,825</u>	<u>2,536</u>	<u>7,361</u>
Accounts Receivable, Net	<u>\$ 13,819</u>	<u>\$ 1,697</u>	<u>\$ 514</u>	<u>\$ 16,030</u>

Accounts Receivable at September 30, 1995:

	Entity		Non-Entity	Total
	Intra-Governmental	Governmental	Governmental	
Accounts Receivable	\$ 14,859	\$ 8,512	\$ 5,877	\$ 29,248
Less Allowance for Doubtful Accounts	_____	<u>1,410</u>	<u>3,541</u>	<u>4,951</u>
Accounts Receivable, Net	<u>\$ 14,859</u>	<u>\$ 7,102</u>	<u>\$ 2,336</u>	<u>\$ 24,297</u>

## Note 4 - Inventories

Inventories at September 30:

	1996	1995
Inventory, Net:		
Working Capital Fund:		
Inventory	\$ 2,384	\$ 2,653
Less Allowance for Loss on Inventory	<u>166</u>	<u>167</u>
	<u>2,218</u>	<u>2,486</u>
Helium Fund:		
Above-Ground Refined Helium for Sale	2,346	965
Below-Ground Crude Helium for Sale	<u>2,647</u>	<u>5,595</u>
	<u>4,993</u>	<u>6,560</u>
Inventory, Net	\$ <u>7,211</u>	\$ <u>9,046</u>
Gas and Storage Rights, Net:		
Gas and Storage Rights	\$ 1,538	\$ 1,539
Less Accumulated Depletion Allowance	<u>459</u>	<u>458</u>
Gas and Storage Rights, Net	\$ <u>1,079</u>	\$ <u>1,081</u>
Stockpile Materials:		
Below-Ground Crude Helium	\$ <u>366,235</u>	\$ <u>367,371</u>

The below-ground crude helium for sale inventory includes estimated sales of 25,000 mcf of crude helium during

FY 1997 and 250,000 mcf of crude helium during FY 1996.

Valuation methods and other information regarding inventories are presented in Note 1(G).

## *Note 5 - Property and Equipment, Net*

Property and Equipment, Net at September 30, 1996:

	Acquisition Value	Accumulated Depreciation	Net Book Value
Acquired Land	\$ 5,952	\$	\$ 5,952
Structures, Facilities, and Improvements	125,252	14,082	111,170
ADP Software	1,564	1,155	409
Equipment and Vehicles	245,303	136,936	108,367
Construction in Progress	48,040		48,040
Property Being Held Pending Disposition	<u>14,046</u>	<u>9,061</u>	<u>4,985</u>
<b>Total</b>	<b><u>\$ 440,157</u></b>	<b><u>\$ 161,234</u></b>	<b><u>\$ 278,923</u></b>

Property and Equipment, Net at September 30, 1995:

	Acquisition Value	Accumulated Depreciation	Net Book Value
Acquired Land	\$ 4,805	\$	\$ 4,805
Structures, Facilities, and Improvements	120,645	13,978	106,667
ADP Software	5,541	1,021	4,520
Equipment and Vehicles	252,250	127,859	124,391
Construction in Progress	<u>56,807</u>	_____	<u>56,807</u>
<b>Total</b>	<b><u>\$ 440,048</u></b>	<b><u>\$ 142,858</u></b>	<b><u>\$ 297,190</u></b>

Depreciation is recorded using the straight line method over a period of 2 to 30 years. Capitalization criteria are discussed in Note 1(H).

Property and equipment recognized as an asset were reduced in FY 1995 by \$687,539, as detailed in Note 19. Additional discussion of this adjustment may be found in Note 1(H).

The backlog of maintenance and repair on BLM-managed lands was approximately \$274,800 at September 30, 1996; it was approximately \$294,000 at September 30, 1995.

### **Note 6 - Unmatured Timber Sales Contracts**

Unmatured timber sales contracts represent the obligation and the right of contractors to cut specific quantities of timber within a defined time period at a set price. These contracts represent future revenue to the U.S. Government that will materialize in future accounting periods as contracts are fulfilled by the cutting of timber. Also see Note 12.

### **Note 7 - Total Assets**

For financial reporting purposes, the BLM has not recognized the value of negotiable securities or certificates of deposit pledged to guarantee performance of contracts. These instruments are accepted in lieu of bond coverage in the following programs: solid or fluid energy minerals extraction (oil, gas, coal, etc.), rights-of-way on the public or other lands, and certain contracts (performance bonds). Interest

earned is paid to the owner of the security or certificate of deposit and is not available to the BLM. At September 30, 1996, the value of these securities was \$6,134; at September 30, 1995, the value was \$6,889. Since these assets are not available to the BLM unless a customer defaults on an agreement, they are not recognized as BLM assets or liabilities.

### **Note 8 - Debt to Treasury**

Amounts due Treasury from the Helium Fund at September 30:

	1996	1995
<b>Principal:</b>		
Net Worth Debt	\$ 37,343	\$ 37,343
Additional Borrowing from Treasury	<u>251,650</u>	<u>251,650</u>
	<u>288,993</u>	<u>288,993</u>
<b>Interest:</b>		
Beginning Balance	1,084,211	1,020,567
Interest Expense		73,644
Repayments	<u>(8,000)</u>	<u>(10,000)</u>
	<u>1,076,211</u>	<u>1,084,211</u>
<b>Total Debt to Treasury</b>	<b><u>\$ 1,365,204</u></b>	<b><u>\$ 1,373,204</u></b>

Refer to Note 1(I) for a description of net worth debt, additional borrowing from Treasury, and interest.

**Note 9 - Accrued Payroll and Benefits**

A liability is recognized for the salaries and benefits earned by employees but not yet paid at the close of the fiscal year. At September 30, 1996, accrued payroll liabilities were \$21,365, primarily representing 11 days of earned but unpaid compensation for BLM's workforce. At September 30, 1995, accrued payroll liabilities were

\$20,521, primarily for 10 days of earned but unpaid compensation.

**Note 10 - Undistributed Collections**

Undistributed collections represent amounts collected into unavailable special receipt funds that have not yet been transferred to other funds.

**Note 11 - Deposit Funds**

The BLM processes collections from various sources for activities related to public land administration. At any given time, the BLM may have collections that have not been specifically classified. These amounts are held in suspense pending further classification or resolution.

**Note 12 - Deferred Credits**

Deferred credits consist of unmatured timber sales contracts, advances from customers of the helium fund, and special fund billed amounts. Unmatured timber sales contracts are described in Note 6. Customer advances in the helium fund represent advance payments on helium purchases and storage contracts. Special fund billed amounts are a combination of advance bills for anticipated obligations, as well as actual bills for obligations already incurred.

Deferred Credits at September 30:

	1996	1995
Unmatured Timber Sales Contracts	\$ 99,670	\$ 55,538
Customer Advances—Helium Fund	1,224	636
Special Fund Billed Amounts	<u>458</u>	<u>425</u>
Total Deferred Credits	<u>\$101,352</u>	<u>\$ 56,599</u>

**Note 13 - Workers and Unemployment Compensation Payable**

Workers and unemployment compensation payable represents the Department of Labor estimate of these liabilities.

Workers and Unemployment Compensation Payable at September 30:

	1996	1995
Workers Compensation Payable	\$ 7,225	\$ 6,710
Unemployment Compensation Payable	<u>909</u>	<u>652</u>
Total	<u>\$ 8,134</u>	<u>\$ 7,362</u>

**Note 14 - Accrued Annual Leave**

The BLM allocates annual leave not covered by budgetary resources to the two funds with the most planned labor activity. The accrual is updated annually based on actual labor hours and current pay rates.

## ***Note 15 - Contingent Liabilities***

The BLM has certain contingent liabilities that may eventually result in the payment of substantial monetary claims to third parties, or in the unplanned reallocation of material budgetary resources, to pay for the cleanup of hazardous materials treatment, storage, or disposal facilities. The Comprehensive Environmental Response, Compensation, and Liability Act of 1980 and the Resource Conservation and Recovery Act require Federal agencies to report sites where hazardous wastes are or have been stored, treated, or disposed of,

and require responsible parties, including Federal agencies, to clean up releases of hazardous substances.

The BLM faces major challenges in cleaning up hazardous substance releases on the public lands. Virtually all of these releases arise from non-BLM and non-Federal uses of the lands, such as illegal dumping, transportation spills, landfills, mineral development operations, pipelines, and airports. Substantial portions of the costs of cleanup will be incurred by, or recovered from, responsible parties. The U.S. Treasury's judgement fund will likely bear many of the costs incurred to pay judgements or settlements.

The BLM has reported over 300 sites on public lands to the Environmental Protection Agency on the Federal Facilities Compliance docket. Studies of a statistically insignificant number of those sites indicated estimates of potential cleanup costs ranging from over \$500,000 to over \$7 million dollars per site. In addition to the exposure to hazardous-waste-related contingent liabilities, the BLM is a party to a number of lawsuits where the plaintiff is seeking monetary damages. In the opinion of BLM management, after consultation with the DOI Office of the Solicitor, such lawsuits or other claims will not materially affect BLM's future financial condition.

## ***Note 16 - Unexpended Appropriations***

Unexpended Appropriations at September 30:

	1996	1995
Unobligated, Available	\$207,506	\$134,748
Undelivered Orders	<u>136,925</u>	<u>121,495</u>
<b>Total Unexpended Appropriations</b>	<b><u>\$344,431</u></b>	<b><u>\$256,243</u></b>

## ***Note 17 - Collections***

Collections for FY 1996 and FY 1995:

	1996	1995
Gross Receipts	\$169,261	\$122,116
Less Receipts Collected to Unavailable Special Funds	<u>133,763</u>	<u>94,992</u>
<b>Mining Law Receipts Retained by the BLM</b>	<b><u>\$ 35,498</u></b>	<b><u>\$ 27,124</u></b>

Amounts collected into the unavailable special fund receipt accounts are not available for the BLM's use except by appropriation or other statutory

authority. The receipts have been or will be transferred to Treasury or other agencies. Amounts retained by the BLM, or returned by appropriation, in

FY 1996 and FY 1995 were \$20,289 and \$12,676, respectively.



## Note 18 - Operating Expenses

Operating Expenses by Object Classification:

	1996	1995
Personal Services and Benefits	\$ 522,005	\$ 516,670
Travel and Transportation	34,256	42,387
Rental, Communication, and Utilities	60,936	59,969
Printing and Reproduction	2,376	4,350
Contractual Services	162,997	184,224
Supplies and Materials	45,666	48,746
Property and Equipment Not Capitalized	23,050	33,868
Bad Debts	4,600	
Grants, Subsidies, and Contributions	<u>192,057</u>	<u>180,131</u>
<b>Total Operating Expenses</b>	<b><u>\$ 1,047,943</u></b>	<b><u>\$ 1,070,345</u></b>

Operating Expenses by Fund:

	1996	1995
Management of Lands and Resources	\$ 557,708	\$ 607,238
Payments in Lieu of Taxes	115,995	98,722
Oregon and California Grant Lands	86,530	89,018
Other Appropriated Funds	<u>271,003</u>	<u>256,349</u>
Subtotal, Appropriated Funds	1,031,236	1,051,327
Trust Funds	6,616	8,210
Working Capital Fund	6,450	6,846
Helium Fund	<u>3,641</u>	<u>3,962</u>
<b>Total Operating Expenses</b>	<b><u>\$ 1,047,943</u></b>	<b><u>\$ 1,070,345</u></b>

### ***Note 19 - Prior Period Adjustment***

Federal Accounting Standards Advisory Board (FASAB) guidance dictates a change in accounting principle for reporting property and equipment, as described in Note 1(H). FASAB guidance also permits a change in accounting principle for reporting operating materials and supplies, as

discussed in Note 1(G). In both cases, the FY 1995 costs of acquiring items that will no longer be capitalized were reflected in operating expenses. Property and equipment, as well as operating materials and supplies, previously reported as assets were removed from the Statement of Financial Position, and were recognized as a prior period adjustment in FY 1995, as follows:

Acquired Land	\$ 55,711
Structures, Facilities, and Improvements	62,888
Construction in Progress	62,490
Roads, Trails, and Bridges	<u>506,450</u>
<b>Total Property and Equipment</b>	<b>687,539</b>
<b>Operating Materials and Supplies</b>	<b><u>14,044</u></b>
<b>Total Prior Period Adjustment</b>	<b><u>\$ 701,583</u></b>

## *Note 20 - Nonoperating Changes*

Nonoperating Changes for FY 1996 and FY 1995:

	1996	1995
<b>Appropriated Funds:</b>		
Increase (Decrease) in:		
Property and Equipment	\$ (22,195)	\$ 40,300
Unexpended Appropriations	88,188	3,168
Property and Equipment Dispositions	<u>(1,038)</u>	<u>(1,212)</u>
Net Increase, Appropriated Funds	64,955	42,256
<b>Working Capital Fund:</b>		
Net Noncash Increase in:		
Property and Equipment	4,981	1,346
<b>Trust Funds:</b>		
Net Noncash (Decrease) in:		
Property and Equipment	<u>(972)</u>	<u>(118)</u>
<b>Net Nonoperating Changes</b>	<b>\$ <u>68,964</u></b>	<b>\$ <u>43,484</u></b>

### *Note 21 - Helium Closure*

The Helium Privatization Act of 1996 (Public Law 104-273), enacted October 9, 1996, directs the privatizing of the Department of the Interior's Federal Helium Refining Program. Under this law, Interior shall cease pro-

ducing, refining, and marketing refined helium within 18 months of enactment. Interior may store, transport, and withdraw crude helium and maintain and operate crude helium storage facilities in existence on the date of enactment. The Department may also enter into agreements with private parties for the recovery and disposal of

helium on Federal lands and may grant leasehold rights to any such helium. The sale of stockpile crude helium will commence no later than January 1, 2005, and will continue until January 1, 2015, at which time the helium reserves should be reduced to 600 million cubic feet.

BUREAU OF LAND MANAGEMENT  
 COMBINING COMPARATIVE STATEMENTS OF FINANCIAL POSITION  
 SEPTEMBER 30, 1996 AND 1995  
 (dollars in thousands)

	1996					1995				
	Working Capital Fund	Trust Funds	Appropriated Funds	Helium Fund	Combined	Working Capital Fund	Trust Funds	Appropriated Funds	Helium Fund	Combined
<b>Assets:</b>										
Entity Assets:										
Intragovernmental Assets:										
Fund Balances with Treasury	\$ 21,095	\$ 9,842	\$ 377,897	\$ 35,854	\$ 444,688	\$ 20,666	\$ 9,365	\$ 281,741	\$ 33,617	\$ 345,389
Accounts Receivable			12,682	1,137	13,819			13,624	1,235	14,859
Governmental Assets:										
Accounts Receivable, Net			847	850	1,697	1		5,531	1,570	7,102
Travel Advances	102			2	104	176				176
Cash in Imprest Funds	563				563	521			2	523
Operating Materials and Supplies				1,667	1,667				1,583	1,583
Inventory, Net	2,218			4,993	7,211	2,486			6,560	9,046
Gas and Storage Rights, Net				1,079	1,079				1,081	1,081
Stockpile Materials				366,235	366,235				367,371	367,371
Property and Equipment, Net	43,916		222,724	12,283	278,923	37,821		245,957	13,412	297,190
Total Entity Assets	<u>67,894</u>	<u>9,842</u>	<u>614,150</u>	<u>424,100</u>	<u>1,115,986</u>	<u>61,671</u>	<u>9,365</u>	<u>546,853</u>	<u>426,431</u>	<u>1,044,320</u>
Non-Entity Assets:										
Intragovernmental Assets:										
Fund Balances with Treasury			166,502		166,502			132,778		132,778
Governmental Assets:										
Accounts Receivable, Net			514		514			2,336		2,336
Unmatured Timber Sales Contracts			99,670		99,670			55,538		55,538
Total Non-Entity Assets			<u>266,686</u>		<u>266,686</u>			<u>190,652</u>		<u>190,652</u>
Total Assets	<u>\$ 67,894</u>	<u>\$ 9,842</u>	<u>\$ 880,836</u>	<u>\$ 424,100</u>	<u>\$ 1,382,672</u>	<u>\$ 61,671</u>	<u>\$ 9,365</u>	<u>\$ 737,505</u>	<u>\$ 426,431</u>	<u>\$ 1,234,972</u>

BUREAU OF LAND MANAGEMENT  
 COMBINING COMPARATIVE STATEMENTS OF FINANCIAL POSITION  
 SEPTEMBER 30, 1996 AND 1995  
 (dollars in thousands)

	1996					1995				
	Working Capital Fund	Trust Funds	Appropriated Funds	Helium Fund	Combined	Working Capital Fund	Trust Funds	Appropriated Funds	Helium Fund	Combined
<b>Liabilities and Net Position:</b>										
<b>Liabilities:</b>										
Liabilities Covered by Budgetary Resources:										
Intragovernmental Liabilities:										
Accounts Payable	\$ 29	\$ 20	\$ 11,025	\$ 349	\$ 11,423	\$ 65	\$ 15	\$ 8,895	\$ 42	\$ 9,017
Debt to Treasury				1,365,204	1,365,204				1,373,204	1,373,204
Governmental Liabilities:										
Accounts Payable	464	91	18,209	586	19,350	698	292	18,002	1,143	20,135
Accrued Payroll and Benefits	104	129	20,157	975	21,365	94	106	19,278	1,043	20,521
Undistributed Collections			145,391		145,391			111,609		111,609
Deposit Funds			18,771		18,771			21,558		21,558
Deferred Credits			100,128	1,224	101,352			55,963	636	56,599
Total Liabilities Covered by Budgetary Resources	<u>597</u>	<u>240</u>	<u>313,681</u>	<u>1,368,338</u>	<u>1,682,856</u>	<u>857</u>	<u>413</u>	<u>235,305</u>	<u>1,376,068</u>	<u>1,612,643</u>
Liabilities Not Covered by Budgetary Resources:										
Intragovernmental Liabilities:										
Workers and Unemployment Compensation Payable			8,134		8,134			7,362		7,362
Governmental Liabilities:										
Accrued Annual Leave			39,461		39,461			38,022		38,022
Total Liabilities Not Covered by Budgetary Resources			<u>47,595</u>		<u>47,595</u>			<u>45,384</u>		<u>45,384</u>
Contingent Liabilities										
Total Liabilities	<u>597</u>	<u>240</u>	<u>361,276</u>	<u>1,368,338</u>	<u>1,730,451</u>	<u>857</u>	<u>413</u>	<u>280,689</u>	<u>1,376,068</u>	<u>1,658,027</u>
<b>Net Position:</b>										
Unexpended Appropriations			344,431		344,431			256,243		256,243
Invested Capital	43,961	124	224,621	(26)	268,680	38,135	143	247,835	(26)	286,087
Cumulative Results of Operations	21,164			(991,123)	(969,959)	20,507			(996,522)	(976,015)
Donations	2,172	(124)	(1,897)	46,911	47,062	2,172	(143)	(1,878)	46,911	47,062
Trust Fund Balances		9,602			9,602		8,952			8,952
Future Funding Requirements			(47,595)		(47,595)			(45,384)		(45,384)
Net Position	<u>67,297</u>	<u>9,602</u>	<u>519,560</u>	<u>(944,238)</u>	<u>(347,779)</u>	<u>60,814</u>	<u>8,952</u>	<u>456,816</u>	<u>(949,637)</u>	<u>(423,055)</u>
Total Liabilities and Net Position	<u>\$ 67,894</u>	<u>\$ 9,842</u>	<u>\$ 880,836</u>	<u>\$ 424,100</u>	<u>\$ 1,382,672</u>	<u>\$ 61,671</u>	<u>\$ 9,365</u>	<u>\$ 737,505</u>	<u>\$ 426,431</u>	<u>\$ 1,234,972</u>

BUREAU OF LAND MANAGEMENT  
 COMBINING COMPARATIVE STATEMENTS OF OPERATIONS AND CHANGES IN NET POSITION  
 FOR THE FISCAL YEARS ENDED SEPTEMBER 30, 1996 AND 1995  
 (dollars in thousands)

	1996					1995				
	Working Capital Fund	Trust Funds	Appropriated Funds	Helium Fund	Combined	Working Capital Fund	Trust Funds	Appropriated Funds	Helium Fund	Combined
<b>Financing Sources, Revenues, and Collections:</b>										
Financing Sources:										
Appropriated Capital Used	\$	\$	\$ 990,004	\$	\$ 990,004	\$	\$	\$ 1,017,976	\$	\$1,017,976
Revenues:										
Sales of Goods and Services - Public	30		1,477	8,061	9,568	5		1,471	7,236	8,712
Sales of Goods and Services - Intragovernmental	14,808		16,663	17,086	48,557	16,188		16,101	18,719	51,008
Gain (Loss) on Disposition of Assets	651			21	672	604		(52)		552
Trust Fund Revenue		8,241			8,241		8,205			8,205
Collections:										
Gross Receipts			169,261		169,261			122,116		122,116
Less Receipts Transferred or to be Transferred to Treasury or Other Agencies			(133,763)		(133,763)			(94,992)		(94,992)
Total Financing Sources, Revenues, and Collections	<u>15,489</u>	<u>8,241</u>	<u>1,043,642</u>	<u>25,168</u>	<u>1,092,540</u>	<u>16,797</u>	<u>8,205</u>	<u>1,062,672</u>	<u>25,903</u>	<u>1,113,577</u>
<b>Expenses:</b>										
Operating Expenses	6,450	6,616	1,031,236	3,641	1,047,943	6,846	8,210	1,051,327	3,962	1,070,345
Cost of Goods Sold - Public				4,750	4,750				4,733	4,733
Cost of Goods Sold - Intragovernmental	1,365			10,069	11,434	2,053			12,245	14,298
Depreciation	6,166	1	12,307	1,308	19,782	4,906		11,179	2,372	18,457
Interest Expense - Debt to Treasury									73,644	73,644
Interest Expense - Other	6	2	99	1	108	7	4	166	2	179
Unfunded Annual Leave			1,439		1,439			(112)		(112)
Unfunded Workers and Unemployment Compensation			772		772			(531)		(531)
Total Expenses	<u>13,987</u>	<u>6,619</u>	<u>1,045,853</u>	<u>19,769</u>	<u>1,086,228</u>	<u>13,812</u>	<u>8,214</u>	<u>1,062,029</u>	<u>96,958</u>	<u>1,181,013</u>
Excess (Shortage) of Financing Sources, Revenues, and Collections over Total Expenses	\$ <u>1,502</u>	\$ <u>1,622</u>	\$ <u>(2,211)</u>	\$ <u>5,399</u>	\$ <u>6,312</u>	\$ <u>2,985</u>	\$ <u>(9)</u>	\$ <u>643</u>	\$ <u>(71,055)</u>	\$ <u>(67,436)</u>
<b>Changes in Net Position:</b>										
Net Position, Beginning Balance	\$ 60,814	\$ 8,952	\$ 456,816	\$ (949,637)	\$ (423,055)	\$ 56,483	\$15,441	\$ 1,109,138	\$ (878,582)	\$ 302,480
Prior Period Adjustment							(6,362)	(695,221)		(701,583)
Excess (Shortage) of Financing Sources, Revenues and Collections over Total Expenses	1,502	1,622	(2,211)	5,399	6,312	2,985	(9)	643	(71,055)	(67,436)
Plus (Minus) Nonoperating Changes	<u>4,981</u>	<u>(972)</u>	<u>64,955</u>		<u>68,964</u>	<u>1,346</u>	<u>(118)</u>	<u>42,256</u>		<u>43,484</u>
Net Position, Ending Balance	\$ <u>67,297</u>	\$ <u>9,602</u>	\$ <u>519,560</u>	\$ <u>(944,238)</u>	\$ <u>(347,779)</u>	\$ <u>60,814</u>	\$ <u>8,952</u>	\$ <u>456,816</u>	\$ <u>(949,637)</u>	\$ <u>(423,055)</u>

BUREAU OF LAND MANAGEMENT  
 COMBINING COMPARATIVE STATEMENTS OF CASH FLOWS  
 FOR THE FISCAL YEARS ENDED SEPTEMBER 30, 1996 AND 1995  
 (dollars in thousands)

	1996					1995				
	Working Capital Fund	Trust Funds	Appropriated Funds	Helium Fund	Combined	Working Capital Fund	Trust Funds	Appropriated Funds	Helium Fund	Combined
<b>Cash Flows From Operating Activities:</b>										
Excess (Shortage) of Financing Sources, Revenues, and Collections Over Total Expenses	\$ 1,502	\$ 1,622	\$ (2,211)	\$ 5,399	\$ 6,312	\$ 2,985	\$ (9)	\$ 643	\$ (71,055)	\$ (67,436)
Adjustments Affecting Cash Flow:										
Appropriated Capital Used			(990,004)		(990,004)			(1,017,976)		(1,017,976)
Decrease (Increase) in Accounts Receivable	1		7,448	818	8,267	(1)		13,110	50	13,159
Decrease (Increase) in Other Assets	300		(44,132)	2,621	(41,211)	371		(651)	4,397	4,117
Increase (Decrease) in Accounts Payable	(270)	(196)	2,337	(250)	1,621	7	138	(104,494)	23	(104,326)
Increase (Decrease) in Debt to Treasury				(8,000)	(8,000)				63,644	63,644
Increase (Decrease) in Other Liabilities	10	23	76,039	520	76,592	(3)	(23)	28,030	(36)	27,968
Loss (Gain) on Disposition of Assets	(651)			(21)	(672)	(604)			51	(553)
Depreciation	6,166	1	12,307	1,308	19,782	4,906		11,179	2,372	18,457
Unfunded Expenses			2,211		2,211			(643)		(643)
Total Adjustments	5,556	(172)	(933,794)	(3,004)	(931,414)	4,676	115	(1,071,445)	70,501	(996,153)
Net Cash Provided (Used) by Operating Activities	7,058	1,450	(936,005)	2,395	(925,102)	7,661	106	(1,070,802)	(554)	(1,063,589)
<b>Cash Flows From Investing Activities:</b>										
Proceeds from Sales of Property and Equipment	2,540			35	2,575	2,135			47	2,182
Purchases of Property and Equipment	(9,169)	(973)	(35,753)	(193)	(46,088)	(8,146)	(119)	(50,699)	(439)	(59,403)
Net Cash (Used) by Investing Activities	(6,629)	(973)	(35,753)	(158)	(43,513)	(6,011)	(119)	(50,699)	(392)	(57,221)
<b>Cash Flows From Financing Activities:</b>										
Appropriations (Current Warrants)			1,245,960		1,245,960			1,193,819		1,193,819
Transfers of Cash from Others			222,077		222,077			91,493		91,493
Transfers of Cash to Others			(360,833)		(360,833)			(219,381)		(219,381)
Withdrawals								(2,724)		(2,724)
Rescission of Budget Authority from Closed Funds			(5,566)		(5,566)			(2,543)		(2,543)
Net Cash Provided by Financing Activities			1,101,638		1,101,638			1,060,664		1,060,664
Net Cash Provided (Used) by Operating, Investing, and Financing Activities	429	477	129,880	2,237	133,023	1,650	(13)	(60,837)	(946)	(60,146)
Fund Balances with Treasury, Beginning Balance	20,666	9,365	414,519	33,617	478,167	19,016	9,378	475,356	34,563	538,313
Fund Balances with Treasury, Ending Balance	21,095	9,842	544,399	35,854	611,190	20,666	9,365	414,519	33,617	478,167
<b>Supplemental Disclosure of Cash Flow Information:</b>										
Total Interest Paid	\$ 6	\$ 2	\$ 99	\$ 8,001	\$ 8,108	\$ 7	\$ 4	\$ 166	\$ 10,002	\$ 10,179





# S T E W A R D S H I P

## *Stewardship Assets*

*The BLM has been entrusted with stewardship responsibility for the multiple-use management of natural resources on approximately 264 million acres of public land...*

The BLM has been entrusted with stewardship responsibility for the multiple-use management of natural resources on approximately 264 million acres of public land. The agency also supervises mineral leasing and operations on over 560 million acres of mineral estate that underlie both BLM lands and other surface ownerships. The public lands are valued for their environmental resources, their recreational and scenic values, the cultural resources they contain, their vast open spaces, and the resource commodities and revenue they provide to the Federal government, States, and counties.

### ***Stewardship Lands***

#### **Location of Stewardship Lands**

Most of the lands for which the BLM serves as steward were once a part of the 1.8 billion acres of "public domain" lands acquired by the Nation between 1781 and 1867. Lands managed by the BLM represent about one-eighth of America's land surface, or approximately 41 percent of the lands under Federal ownership. The BLM manages lands in 27 states, but most of the public lands are located in Alaska and the 11 western States, encompassing Arizona, California, Colorado, Idaho, Montana, New Mexico, Nevada, Oregon, Utah, Washington, and Wyoming. Figure 1 shows the percentage of each State's acreage that is managed by the BLM.

#### **Types of Stewardship Lands**

The BLM is responsible for managing a variety of land types. In managing these lands, it is guided by the principles of multiple use and sustained yield, and it has recognized the need to protect and enhance the natural and human environment. Special management areas have been designated by congressional and administrative action. Congress has established national trails, Wild and Scenic Rivers, and national conservation areas. The BLM and the Department have designated recreation areas, primitive areas, natural areas, resource conservation areas, areas of critical environmental concern, and other areas. Table 1 shows the primary land types that are managed by the BLM.

***Rangeland:*** Rangeland is land on which the native vegetation (climax or natural potential) is predominately grasses, grass-like plants, forbs, or shrubs suitable for grazing or browsing

use. Range includes lands revegetated either naturally or artificially to provide a forage cover that is managed like native vegetation. Rangelands include natural grasslands, savannahs, shrublands, most deserts, tundra, alpine communities, coastal marshes, and wet meadows.

***Forest Land:*** The BLM's forest and woodland resources encompass approximately 50 million acres. About 22 million acres are in Alaska, with 28 million more in the 11 western States. These forested lands are of great variety and include black and white spruce in Alaska; aspen, lodgepole pine, ponderosa pine, interior Douglas fir, and associated species of the Intermountain West; the pinyon-juniper woodlands of the Great Basin and Southwest; and the Douglas fir, hemlock, and cedar forests of western Oregon and northern California.

***Riparian and Wetlands:*** Riparian areas are lands adjacent to creeks, streams, lakes, and rivers. They are sometimes called "green ribbons" because the vegetation on waterway banks forms a ribbon-like pattern when seen from the air. These areas, containing scarce water and vegetation in the otherwise arid western United States, are important to fish and wildlife species, as well as to livestock. Since they filter the water flowing through them, riparian-wetland areas can affect the health of entire watersheds.



Figure 1 - Percentage of Each State's Surface Acreage Managed by BLM

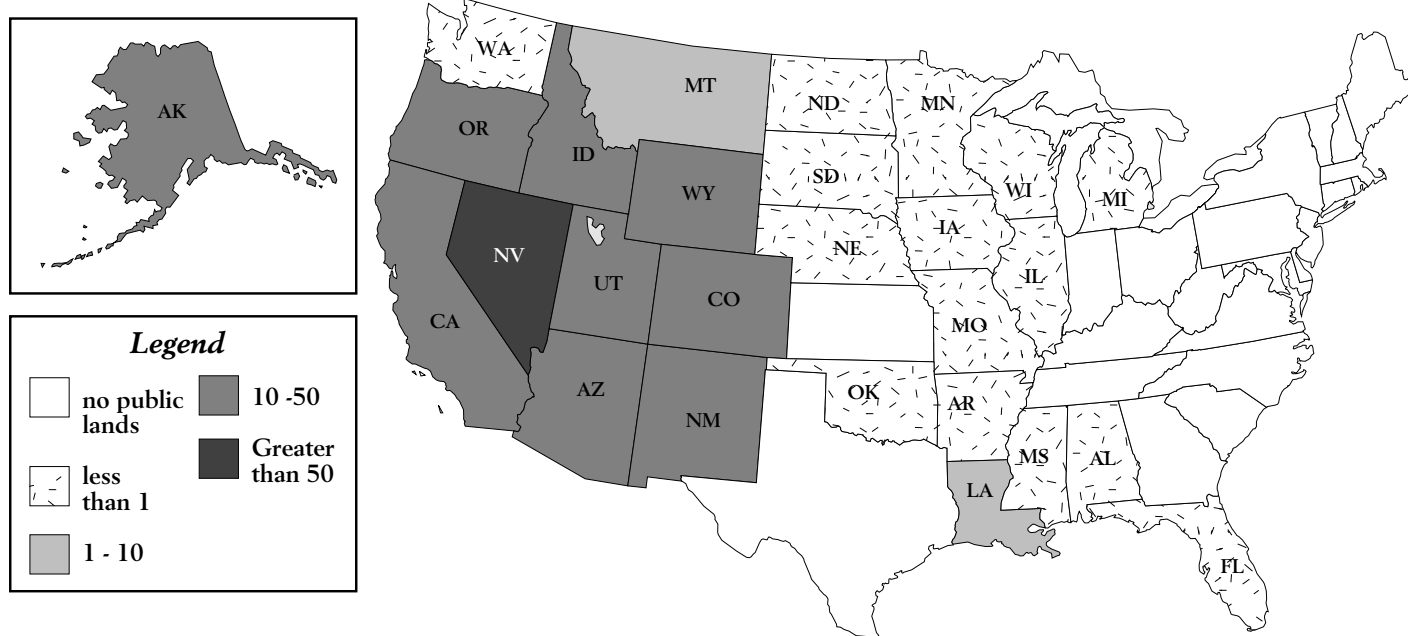


Table 1 - Type and Condition of Lands Managed by the BLM

Land Type	Acres/Miles	Condition <sup>1</sup>
Rangeland a. Alaska Reindeer Range b. Continental USA Range	5 Million Acres 165 Million Acres	Excellent ----- 5 % Good ----- 33 % Fair ----- 39 % Poor ----- 14 % Unclassified <sup>2</sup> ----- 9 %  <sup>1</sup> This is a composite of rangeland condition classifications since the majority of the public lands have not been classified under the newer ecologically based classification. The older range condition classification as depicted here rates the rangelands' ability to produce forage.  <sup>2</sup> The unclassified condition refers to lands such as dry lakebeds, rock outcrops, and other areas for which data cannot be gathered.
Forest Land	50 Million Acres	Good
Riparian and Wetlands	16 Million Acres (Wetlands)  180,600 Miles (Riparian) (7 Million Acres)	<b>Alaska (miles)</b> Properly Functioning ----- 93 % Functioning but at Risk ----- Less than 1 % Nonfunctional ----- Less than 1 % Unknown ----- 6 %  <b>Lower 48 States (miles)</b> Properly Functioning ----- 30 % Functioning but at Risk ----- 36 % Nonfunctional ----- 12 % Unknown ----- 22 %
Aquatic Areas	4 Million Acres 84,900 Miles	Alaska: Good Lower 48 States: Poor
Other Habitat and Wastelands	17 Million Acres	Unclassified

Wetlands are areas inundated or saturated by surface or ground water at a frequency and duration sufficient to support vegetation that is typically adapted for life in saturated soil. Wetlands include bogs, marshes, shallows, muskegs, wet meadows, estuaries, and riparian areas.

**Aquatic Areas:** These are areas of water flow or standing water that include about 4 million acres of lakes, 173,000 acres of reservoirs, and approximately 85,000 miles of streams. These waters contain a wide variety of aquatic species that range from rare resident species such as the desert pupfish to endangered and threatened anadromous species such as steelhead and chinook salmon. These species and their environment depend on appropriate use and stewardship of rangelands and riparian areas and environmentally sensitive mining practices.

**Other Habitat and Wastelands:** Wastelands are areas that generally do not provide forage in sufficient amounts to sustain wildlife or grazing animals. This land type includes such areas as mountain tops, glaciers, barren mountains, sand dunes, playas, hot-dry deserts, and other similar areas.

## Use of Stewardship Lands

Use of the public lands and the riches they contain has changed throughout our Nation's history and continues to evolve. Identifying the predominant use of BLM-managed lands does not adequately portray the multiple use and sustained yield concept that guides the BLM in accomplishing its basic mission. In adhering to this concept, the Bureau's land management programs include significant efforts in restoring riparian wetlands; preserving significant cultural and natural features; creating opportunities for commercial activities; protecting endangered species; developing opportunities for recreation and

leisure activities; protecting public health, safety, and resources; managing wild horses and burros; managing wildlife habitat and fisheries; administering mining laws; managing rangelands; overseeing forest management, development, and protection; and managing wilderness and wild and scenic rivers.

Fulfilling the responsibilities of BLM's management programs is often difficult. There is intense competition for the public lands among user and interest groups with conflicting needs and philosophical positions on natural resource management: coal companies want to open mines, ranchers need grazing land, and environmentalists seek to preserve wilderness. The Bureau's challenge is to allocate public land resources in a manner that allows for each interest to enjoy the opportunities the public lands offer.

## Net Change in Stewardship Land Acreage from 1995 to 1996

The decrease in acreage administered by the BLM from fiscal year 1995 to 1996 was less than 6,000 acres, which resulted from the net effect of acquisitions, disposals, exchanges, withdrawals and restorations, and right-of-way and easement transactions.

## Heritage Assets

The lands administered by the BLM are some of the most ecologically and culturally diverse and scientifically important lands managed by any Federal agency. The Bureau is responsible for protecting and preserving paleontological localities and archaeological and historical sites, including museum collections derived from these areas; wild free-roaming horses and burros; wilderness and wilderness study areas; Wild and Scenic Rivers; rare, vulnerable, and representative habitats, plant communities, and ecosystems; the Grand Staircase-Escalante National Monument; areas

of critical environmental concern; and other outstanding natural and cultural areas. Table 2 summarizes the heritage assets under BLM stewardship.

## Museum Collections

BLM museum property consists of approximately 24 million objects located in about 220 non-Federal repositories (museums and universities), as well as in the BLM-maintained Anasazi Heritage Center and the Billings Curation Center. The condition of these museum collections ranges from fair to excellent. Museum collections under BLM stewardship consist of:

- ◆ Archaeological material—skeletal remains; wood, stone, and metal tools; weapons and decorative objects; portions of buried structures; and plant remains.
- ◆ Paleontological material—the hardened remains or traces of plant or animal life.
- ◆ Natural history materials—collections of plant material used for study.

Any collections of archaeological or paleontological materials recovered from the public lands are held in public trust in perpetuity.

## Cultural Properties

The BLM is steward for the Federal government's largest, most varied, and scientifically most important body of cultural resources, an estimated 4 to 5 million cultural properties. These range in age from the 11,700-year old Mesa Site in the Brooks Range of Alaska, to the prehistoric Anasazi complex of the Southwest United States, to the remains of Spanish period exploration, and to more recent historic sites documenting westward migration and the histories of ranching, mining, railroading, and home-

Table 2 - Heritage Assets under BLM Stewardship

Asset Type	Approximate Number of Units	Condition
Museum Collections	24 Million Objects	Fair to Excellent
Cultural Properties (Includes 241 National Register of Historic Place listings made up of 3,301 contributing properties.)	4-5 Million Properties	Fair to Excellent
National Monuments	1 Monument (1.7 Million Acres)	Good
National Wild and Scenic Rivers	34 Rivers (2,032 Miles)	Good
Wilderness Areas	136 Areas (5.2 Million Acres)	Good to Very Good
Wild Horses and Burros	42,000 Animals	Good
Areas of Critical Environmental Concern	692 Areas (10 Million Acres)	Good
National Historic Trails	9 Trails (3,600 Miles)	Good
National Scenic Trails	2 Trails (500 Miles)	Good
National Recreation Trails	26 Trails (400 Miles)	Good

steading. The condition of these cultural properties ranges from fair to excellent.

Many of the properties for which the BLM is steward have been nominated to the National Register of Historic Places, which is America's official listing of sites important to history and prehistory. Properties listed in the National Register include districts, sites, buildings, structures, and objects that are significant in American history, architecture, archaeology, engineering, and culture. These resources contribute to an understanding of the historical and cultural foundations of the Nation. Currently, there are 241 BLM cultural properties listed in the National Register. These 241 proper-

ties encompass 3,301 contributing properties and include 22 National Historic Landmarks.

### National Monuments

The Grand Staircase-Escalante National Monument, created by Presidential proclamation on September 18, 1996, is BLM's first and only national monument. The monument encompasses 1.7 million acres. Although the national monument designation is new, these lands were previously under BLM management. Managing a national monument is a significant new challenge for the Bureau, but one that is consistent with

BLM's mission of managing preservation values within the larger context of multiple-use management.

### National Wild and Scenic Rivers

The BLM administers some 20 percent of all rivers in the National Wild and Scenic Rivers (WSR) System, a total of 34 rivers in five states. These nationally recognized rivers comprise over 2,000 river miles, along with some of the Nation's greatest diversity and concentration of recreational, natural, and cultural resources. Included among the BLM-managed Wild and Scenic Rivers is the

Fortymile River in Alaska, which is the longest designated river (392 miles) in the National WSR System.

### Wilderness Areas

The BLM administers 136 Congressionally designated wilderness areas consisting of 5.2 million acres, as well as 622 wilderness study areas consisting of 17.4 million acres. Nearly 10 percent of all BLM-managed lands are designated as either a wilderness or wilderness study area. The locations of these wilderness areas and wilderness study areas throughout the western United States ensures that these lands represent the wide diversity of resources found on public lands. Protective management of these lands helps ensure the protection and integrity of natural and biological processes on all public lands.

### Wild Horses and Burros

The Bureau is the steward for wild, free-roaming horse and burro populations that occupy the public lands. These populations included

approximately 35,000 horses and 7,000 burros at the end of fiscal year 1996.

### Areas of Critical Environmental Concern (ACECs)

ACECs are areas where special management is needed to protect important historical, cultural, scenic, and natural areas or to identify areas hazardous to human life and property. More than 692 ACECs totaling more than 10 million acres have been designated on the public lands nationwide.

### National Trails

The National Historic and Scenic Trail segments managed by the BLM are part of a national treasure that benefits all Americans. The National Historic Trails tell stories of an expanding nation and the challenges and hardships faced by people, both immigrant and native, who struggled to accommodate themselves to the land. National Historic Trails are established by an Act of Congress to identify and

protect historic routes. The BLM manages over 3,600 miles representing nine of these trails, more than any other Federal agency.

The National Scenic Trails, also established by Act of Congress, are intended to provide for maximum outdoor recreation potential, and for the conservation and enjoyment of nationally significant scenic, historical, natural, and cultural qualities of the areas through which these trails pass. The BLM manages over 500 miles along two National Scenic Trails.

The third category of nationally designated trails are the National Recreation Trails. These do not require Congressional approval but are established administratively by the Secretary of the Interior. They are intended to provide for a variety of outdoor recreation uses in or reasonably accessible to urban areas. They often serve as connecting links between the National Historic and National Scenic Trails. The BLM manages over 400 miles along 26 National Recreation Trails.

Figure 2- Percentage of Wilderness Acreage by State

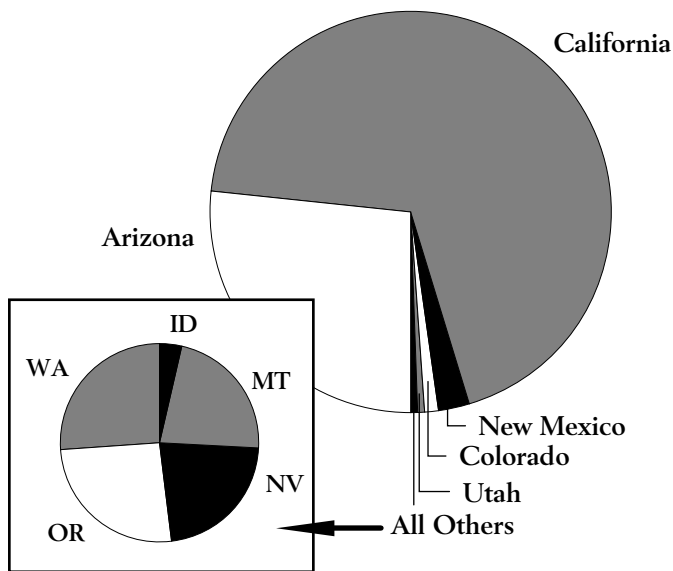
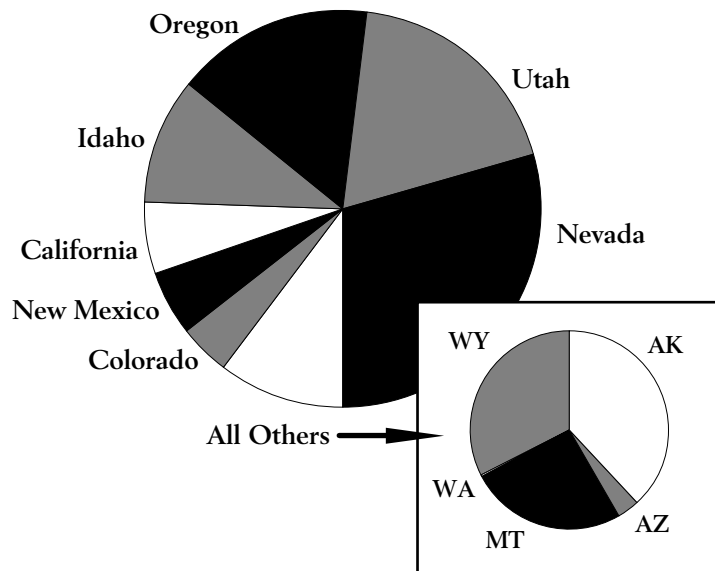


Figure 3- Percentage of Wilderness Study Acreage by State





# I N F O R M A T I O N

## *Supplemental Schedules and Information*

### *The U.S. Department of the Interior Bureau of Land Management State Offices*

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(702) 785-6586

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P.O. Box 27115  
Santa Fe, NM 87502-0115  
(505) 438-7514

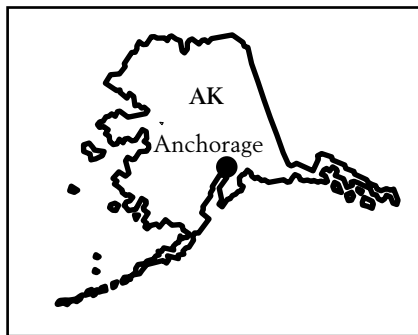
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(503) 952-6027

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Salt Lake City, UT 84145-0155  
(801) 539-4021

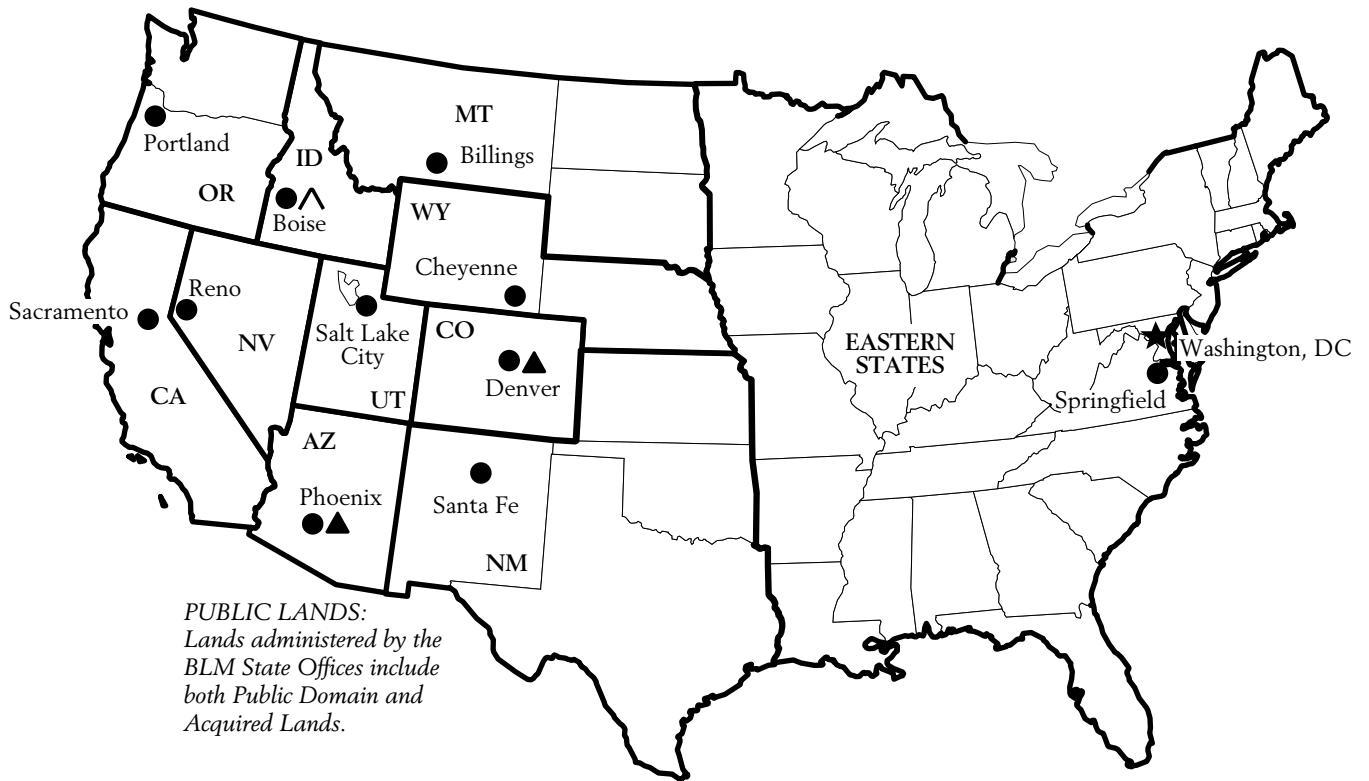
**WYOMING**  
5353 Yellowstone Road  
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(307) 775-6011



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State Offices	●
National Centers	▲
National Interagency Fire Center	∧
Administrative Boundaries	—





# United States Department of the Interior

OFFICE OF INSPECTOR GENERAL

Washington, D.C. 20240

JAN 16 1997

## Memorandum

To: Director, Bureau of Land Management

From: Robert J. Williams *Robert J. Williams*  
Acting Assistant Inspector General for Audits

Subject: Report on Bureau of Land Management Combined Comparative Financial Statements for Fiscal Years 1995 and 1996

In accordance with the Chief Financial Officers Act of 1990, we audited the Bureau of Land Management's combined comparative financial statements for the fiscal years ended September 30, 1995, and 1996, as contained in the Bureau's accompanying "1996 Annual Report." The Bureau of Land Management is responsible for these financial statements, and we are responsible for expressing an opinion, based on our audit, on these financial statements.

Our audit was conducted in accordance with the "Government Auditing Standards," issued by the Comptroller General of the United States, and Office of Management and Budget Bulletin 93-06, "Audit Requirements for Federal Financial Statements," and was completed on December 20, 1996. These audit standards require that we plan and perform the audit to obtain reasonable assurance that the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements and notes. An audit also includes assessing the accounting principles used and significant estimates made by management. We believe that our audit provides a reasonable basis for our opinion.

We found that the combined comparative financial statements and accompanying notes present fairly the Bureau of Land Management's assets, liabilities, and net position; revenue, financing sources, expenses, and changes in net position; and cash flows. We also found that these financial statements are presented in conformity with the accounting standards and policies described in the notes to the financial statements. Further, the supplemental combining comparative financial statements were subjected to the auditing procedures applied in the audit of the combined comparative financial statements and are fairly stated in relation to the financial statements taken as a whole.

As described in Notes 1.B and 1.O to the financial statements, helium operations of the Bureau of Mines were transferred to the Bureau of Land Management in fiscal year 1996. In order to provide comparative financial information, the Bureau of Land Management restated its fiscal year 1995 financial statements to include the financial activity of the helium operations, as required by the accounting concept known as "pooling of interest." We previously audited and reported on this financial activity for fiscal year 1995 as part of our audit of the Bureau of Mines principal financial statements for fiscal year 1995 (Report No. 96-I-307). The assets, liabilities, revenues, and expenses of the helium operations for fiscal year 1995 represented 34.5 percent, 82.9 percent, 27.1 percent, and 8.2 percent, respectively, of the restated totals. In our opinion, the restated Bureau of Land Management financial statements for fiscal year 1995 have been properly restated on the basis described in the notes to the financial statements. The transfer of the helium stockpile and the debt due the U.S. Treasury, as discussed in Notes 4 and 8 to the financial statements, resulted in a significant increase in the Bureau's assets and liabilities.

As part of our audit, we evaluated the Bureau's internal control structure, tested the Bureau's compliance with selected provisions of laws and regulations, and reviewed the financial information presented in the Bureau's overview. We also reviewed the Bureau's most recent report required by the Federal Managers' Financial Integrity Act of 1982 and compared it with the results of our evaluation of the Bureau's internal control structure. However, because of inherent limitations in any system of internal controls, losses, noncompliance, or misstatements may occur and not be detected. We also caution that projecting our evaluations to future periods is subject to the risk that controls or the degree of compliance with the controls may diminish.

Except as discussed in the paragraph below, we found that the Bureau's internal control structure in effect on September 30, 1996, was sufficient to safeguard assets against loss from unauthorized use or disposition; ensure that transactions were executed in accordance with laws and regulations; ensure that transactions were properly recorded, processed, and summarized; and provide reasonable assurance that any losses, noncompliance, or misstatements that are material to the financial statements would be detected. In addition, we found that there were no material instances of noncompliance with selected provisions of laws and regulations that we tested, and nothing came to our attention during our other audit work to indicate that material noncompliance with such provisions occurred. Further, we found that the financial information in the Bureau's overview relating to the financial statements is consistent with the information presented in the financial statements.

In our August 1994 report (No. 94-I-1249) on the Bureau's financial statements for fiscal years 1992 and 1993, we reported that the Bureau had not reconciled differences in the amounts reported in its real property subsidiary system and in its general ledger accounts for real property. In addition, we reported that the Bureau had not maintained records for its real property subsidiary system on a regular or periodic basis. The Bureau concurred with the finding relating to real property contained in our August 1994 report and initiated

corrective action under a plan that was approved by Department of the Interior management. Under the plan, the Bureau, to correct the problems in reporting and documenting real property values in fiscal year 1995 and to allow the real property general ledger accounts and the related subsidiary accounts to be reconciled, redefined the types of buildings and structures to be reported, established reasonable values for the redefined buildings and structures, and adjusted the subsidiary accounts and the fiscal year 1995 financial statements accordingly. During fiscal year 1996, the Bureau further adjusted the subsidiary accounts to reflect its minimum value of \$250,000 per site for capitalization of real property, and it also removed duplicate land values from the general ledger account for construction work in progress. According to the Bureau, implementation of its plan for correcting the internal control structure relating to accounting for and reporting on real property will be completed by February 28, 1997.

Except as mentioned in the previous paragraph, our review of prior Office of Inspector General and General Accounting Office audit reports disclosed that there were no significant unresolved and unimplemented recommendations that affected the Bureau's financial statements.





# C O M M E N T C A R D

## Comment Card

FORM APPROVED  
OMB NO. 1004-0172

Expires: April 30, 1998

The Bureau of Land Management (BLM) prepares reports to share various types of information; some are in compliance with Federal requirements, while others are updates on BLM activities. Our purpose and goal for this Comment Card is to generate

feedback on the content and presentation of BLM publications. Your reaction to this Report will be helpful in preparing future publications and your response is strictly voluntary. This Comment Card is a pre-addressed self-mailer: fold as indicated on the reverse

side. The BLM would like you to know that you do not have to respond to this, or any other, Federal agency-sponsored information collection unless it displays a currently valid OMB control number; see upper-right corner of this page.

Report Title: <u>BLM FY 1996 Annual Report</u>	<Needs Major <Improvement							Excellent>
1. I found the information in this report to be very useful.	1	2	3	4	5	6	7	
2. The information in the report was well prepared/organized.	1	2	3	4	5	6	7	
3. The report was timely.	1	2	3	4	5	6	7	
4. How would you rate your overall satisfaction with this report?	1	2	3	4	5	6	7	

5. What changes would you like to see? (circle all that apply)
  - a. Shorter      b. More Detail      c. More Plain English      d. More Graphics      e. More Artwork
  - f. Other \_\_\_\_\_
  
6. What portion of the report was most useful to you? (circle all that apply)
  - a. Introduction      b. Blueprint Goal Accomplishments      c. Financial Statements
  - d. Stewardship Assets      e. Other \_\_\_\_\_
  
7. What is your primary interest in the Bureau of Land Management? (circle one)
  - a. Citizen/Taxpayer      b. Senator/Congressional Representative      c. Member of the Media
  - d. Student      e. Capitol Hill Staff      f. Stakeholder or Partner/Interest Group
  - g. Use Authorization/Permitted or Commercial User
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  - j. Federal Employee      k. Other \_\_\_\_\_
  
8. How did you learn of this report? (circle one)
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***Thank you for your help!***

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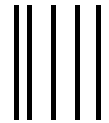
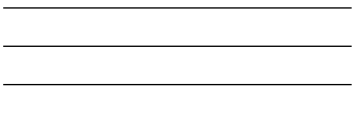
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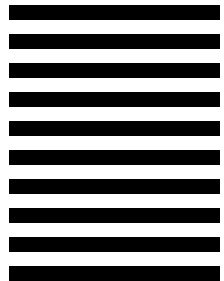
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