

Fiscal Year 2008
The Interior
Budget in Brief
February 2007

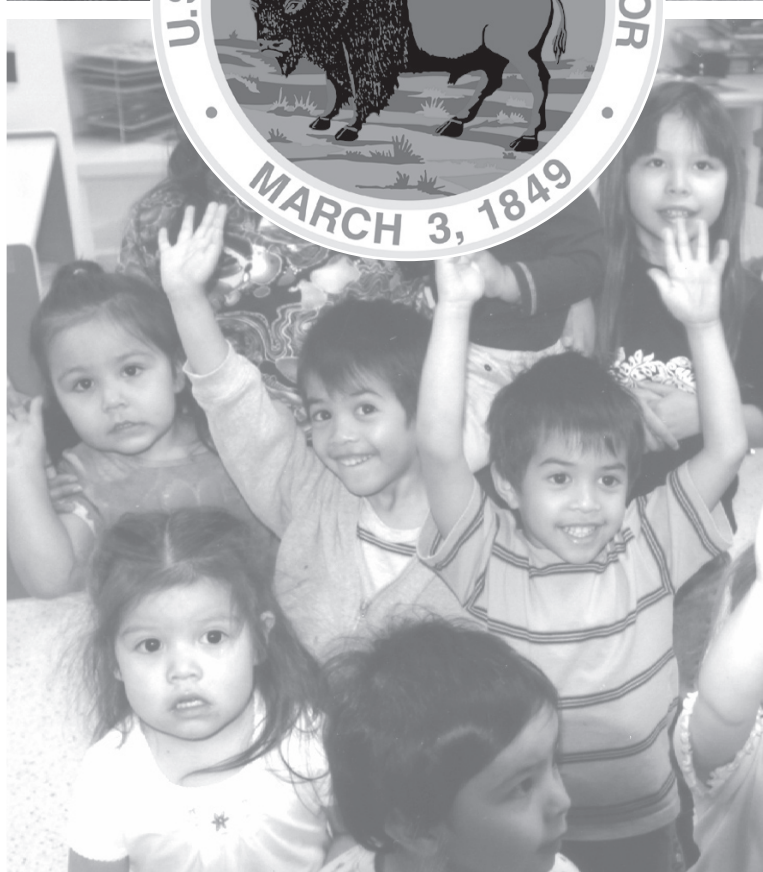


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FOREWORD

BACKGROUND AND ORGANIZATION

This document summarizes and highlights the programs of the Department of the Interior and its fiscal year 2008 President's budget request. It has been prepared for Members of Congress, congressional committees, and their staffs; Departmental and other Federal government officials; the press; and private citizens interested in the Department's programs.

The **DEPARTMENTAL OVERVIEW** section summarizes budgetary resource requirements at the Departmental level. The **DEPARTMENTAL HIGHLIGHTS** section presents major Department-wide programs and budget proposals. The **BUREAU HIGHLIGHTS** section presents a narrative summary of the budget request for each bureau and an in-depth comparison in tabular form of 2006, 2007, and 2008 budgetary resource estimates, in addition to brief descriptions of programmatic changes. The **APPENDICES** present tabular summaries of pertinent budgetary data. Appendix A is a Department-wide table, comparing 2008 requests with the 2007 continuing resolution and 2006 actual amounts. Appendix B presents a crosswalk of 2008 funding to the strategic plan end outcome goals. Other appendices contain summaries of Interior bureau maintenance, construction, and land acquisition programs; cooperative conservation programs; Everglades watershed restoration; invasive species; recreational fee programs; energy programs; mineral revenue payments to States; other grant and payment programs; receipt estimates; and staffing levels.

USAGE AND TERMINOLOGY

All years referenced are fiscal years unless noted, and amounts presented reflect budget authority unless otherwise specified. Numbers in tables and graphs may not add to totals because of rounding. Numbers shown in brackets [] are displayed for informational purposes and not included in totals.

Throughout this document, at the bureau level and account level, 2007 funding is presented at the annual rate provided under the authority of the third fiscal year 2007 Continuing Resolution, P.L. 109-383, effective through February 15, 2007. At more detailed levels of the budget structure (activity, subactivity, budget element, budget sub-element), line items are presented at the 2007 President's budget level, with non-add amounts presented at the activity level conveying the impact of the continuing resolution. References to **2006 estimate**, **2006 appropriations**, or **2006 enacted** signify amounts appropriated primarily in the Department of the Interior, Environment, and Related Agencies Appropriations Act, 2006, P.L. 109-54, and the Energy and Water Development Appropriations Act, 2006, P.L. 109-103. **Fixed costs** refer to costs that are unavoidable in the short term (e.g., GSA-negotiated space rate costs, unemployment compensation, and government-wide changes in pay). Additional information on the basis for the amounts used in this document is provided in the note following Appendix A.

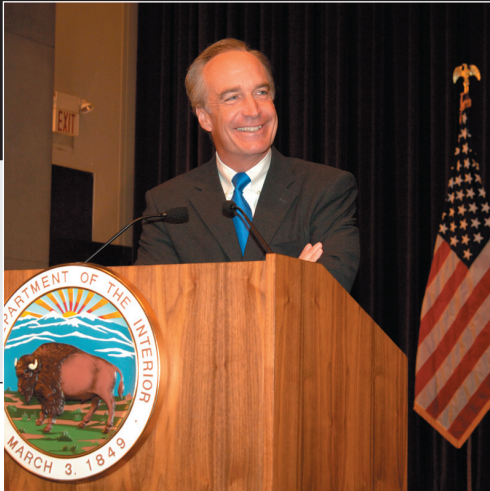
A listing of frequently used acronyms follows:

| | | | |
|-------|---|-------|---|
| BLM | Bureau of Land Management | OIG | Office of Inspector General |
| MMS | Minerals Management Service | OST | Office of the Special Trustee for American Indians |
| OSM | Office of Surface Mining Reclamation and Enforcement | NIGC | National Indian Gaming Commission |
| CUPCA | Central Utah Project Completion Act | DWP | Department-wide Programs |
| USGS | U.S. Geological Survey | PILT | Payments in Lieu of Taxes |
| FWS | Fish and Wildlife Service | NBC | National Business Center |
| NPS | National Park Service | NRDAR | Natural Resource Damage Assessment and Restoration |
| BIA | Bureau of Indian Affairs | FCI | Facility Condition Index |
| BIE | Bureau of Indian Education | GPRA | Gov't. Performance and Results Act |
| OS | Office of the Secretary | LWCF | Land and Water Conservation Fund |
| DO | Departmental Offices | PART | Program Assessment Rating Tool |
| OIA | Office of Insular Affairs | | |
| SOL | Office of the Solicitor | | |

A grayscale photograph of a forest path. The path is a dirt road that curves through a dense forest of tall, thin trees. Sunlight filters through the canopy, creating dappled light on the ground. A black rectangular box is overlaid on the upper portion of the image, containing the text "DEPARTMENTAL OVERVIEW" in white, serif, all-caps font.

DEPARTMENTAL OVERVIEW

Departmental Overview



I encourage all of us to reach out to the very people that we serve. We have the greatest opportunity because in public service we can be champions for our fellow citizens. We need to be innovative, good listeners, and results oriented.

Dirk Kempthorne, Secretary of the Interior, May 31, 2006

With its multi-faceted mission, the Department of the Interior touches the lives of all Americans. Interior manages one of every five acres of land in the United States, providing opportunities for recreation, wildlife conservation, and resource use.

Nearly every American lives within a one-hour drive of lands or waters managed by the Interior Department. These lands boast some of the Nation's most unique natural, cultural, and historic resources. With 390 national park units and 547 wildlife refuges, Interior is America's leading conservation agency.

Interior operates at 2,400 locations that span 17 time zones, with work that stretches from pole to pole, encompassing land management duties by the Bureau of Land Management in the Arctic and including scientific studies by the U.S. Geological Survey at the South Pole. The Department also manages 145,000 facilities, second only to the Department of Defense. It operates one of only two school systems in the Federal government, the Bureau of Indian Education school system. The Department of Defense operates the other. The Department's law enforcement agents, over 4,000, comprise the third largest law enforcement presence in the Federal government.

Interior also helps to power the Nation's economy and assure that Americans have water, energy, and other resources. Some 31 million people in the West rely on drinking water provided through water systems managed by the Department. Interior irrigation systems deliver water to farmers that generate over half of the Nation's produce. Energy generated from Interior-managed lands and waters comprise almost one-third of the Nation's domestic production.

The Department fulfills special responsibilities to Native Americans as manager of the largest land trust in the world—about ten million acres owned by individual Indians and 46 million acres held in trust for Indian Tribes.

The Department's accomplishments are significant. Since 2001, the Department has:

- Increased access to meet the Nation's energy needs and enhanced energy security by nearly tripling the approval of applications for permits to drill; provided greater opportunities for development of alternative energy, including wind energy; advanced oil shale and methane hydrates for future domestic use; and significantly expanded environmental protections with inspection and monitoring programs.
- Collected \$56.4 billion in revenues from offshore and onshore mineral leases that provided income for Indian communities, funded State infrastructure, and helped to finance Federal programs.

-
- Expanded relationships with partners to restore, improve, and protect three million acres of wetlands habitat for migratory birds, anadromous fish, and threatened and endangered species.
 - Reduced risks to communities from the threat of fire, conducting over 6.7 million acres of fuels treatments on Interior lands through the President's Healthy Forests Initiative.
 - Improved park facilities for visitors by undertaking 6,600 projects at national parks and earned a 95 percent satisfaction rate from park visitors.
 - Improved the educational environment for Indian children by funding 32 new Bureau of Indian Education replacement schools and 39 major school repair projects.

Looking to the future, Interior has set a bold agenda for 2008. The Department will:

- Prepare the national park system for another century of conservation, preservation, and enjoyment through the President's National Park Centennial Challenge.
- Encourage increased donations for signature projects and programs in our national parks with up to \$100.0 million in matching funds through the National Parks Centennial Challenge.
- Increase energy security for the Nation through a new Outer Continental Shelf Five-Year Plan 2007-2012.
- Launch a Healthy Lands Initiative to help meet the Nation's energy needs while protecting wildlife and habitat in the West.
- Restore 800,000 acres and 734 stream/shoreline miles, leveraging Federal funds through partnerships and cooperative conservation. These efforts will support the President's government-wide goal of increasing the Nation's wetlands by three million acres by 2009.
- Improve educational programs and meet the requirements of the No Child Left Behind Act by completing educational reforms in the Bureau of Indian Education.
- Help Indian Country reduce methamphetamine crime and the afflictions it has brought to many Tribes through a new Safe Indian Communities Initiative.
- Establish a network of parks, sanctuaries, reserves, and refuges to protect ocean and coastal resources as envisioned in the President's Ocean Action Plan.
- Implement the master agreement for the Arizona Settlements Act, paving the way for reallocating water from the Central Arizona Project to address the water needs of Indian and other communities.

The 2008 budget aligns resources to achieve these and other high-priority goals guided by the Department's integrated strategic plan. Recently revised for 2007–2012, the Department's strategic plan links the Interior's diverse activities into four common mission areas: resource protection, resource use, recreation, and serving communities. A fifth area, management excellence, provides the framework for improved business practices, processes, tools, and a highly skilled and trained workforce.

This strategic plan provides Interior a blueprint to improve performance and accountability throughout all its programs. The Department's 2008 budget seeks to maintain performance across strategic goals and improve performance for the highest priorities while maintaining the President's commitment to reduce deficits and balance the budget by 2012.

MAJOR BUDGET INITIATIVES

The 2008 budget features four high-priority initiatives, including the National Parks Centennial Initiative, Healthy Lands, Safe Indian Communities, and Indian Education.

I call on all Americans to help in these efforts and to enhance our parks as we get ready for the National Park Service's centennial celebration. Through continuing cooperation and partnership, our national parks can endure for the next 100 years and beyond.

President George Bush, August 25, 2006

Our 2008 budget—in its entirety—will make a dramatic difference for the American people, our spectacular and productive public lands, and the communities we serve. We will preserve some of this Nation's most unique places of history, culture, and scenic beauty; protect wildlife and their habitats; extend opportunities to Indian children; and secure energy supplies for the Nation.

Dirk Kempthorne, Secretary of the Interior, February 5, 2007

National Parks Centennial Initiative — Our national parks are icons of America. For generations, they have represented a national commitment to conservation, preservation, and family enjoyment. To continue this legacy for future generations, President Bush initiated the National Parks Centennial Challenge. The Challenge will further enhance the parks over the decade leading to the 2016 centennial celebration. This historic multi-year initiative begins in 2008 as part of the President's proposed \$2.4 billion national park budget—the largest budget ever for operations and programs that benefit parks. The 2008 budget request for park operations is \$2.1 billion, an increase of \$290.3 million from the 2007 continuing resolution, an increase of \$230.0 million from the 2007 President's budget, and an increase of \$258.3 million from the 2006 level.

Fundamental to this effort, the President directed that the Interior Department establish performance goals for our national parks that, when achieved, will help prepare them for another century of enjoyment. These goals will be laid out more fully in the Secretary's report to the President, to be presented in May 2007 after public listening sessions this spring.

The Parks Centennial Initiative emphasizes three key themes: to engage all Americans in preserving our heritage, history and natural resources, through philanthropy and partnerships; to reconnect people with their parks, with a special emphasis on linking children to nature; and to build capacity for critical park operations to sustain these efforts over the next century.

The National Park Service's 2008 budget contains three new \$100 million components that, over ten years, will provide up to \$3 billion to prepare parks for another century of conservation, preservation, and enjoyment.

Within the \$230.0 million increase for park operation programs is the President's Centennial Commitment, which proposes \$100.0 million per year for ten years in Federal spending to fund new levels of excellence in parks. These funds will hire 3,000 more seasonal rangers, guides, and maintenance workers; repair buildings; improve landscapes; increase the number of volunteer hours contributed at the parks; and enroll more children in Junior/Web Ranger programs.

The President's Centennial Challenge will encourage individuals, foundations, and the private sector to donate \$100 million each year for signature projects and programs. These donations will be matched with up to \$100.0 million in dedicated, mandatory Federal funding. A legislative proposal will be transmitted to the Congress that proposes this new, dedicated source of funding that, along with donations, could provide up to \$2 billion over ten years on top of regular discretionary appropriations.

By leveraging government investment with private philanthropy, the Centennial Challenge will enhance park services and management, invest in high-profile, nationally recognized Park Service signature projects and programs, and develop park educational programs to benefit all Americans.

As a Nation, we embrace the twin goals of energy security and conservation. We aspire to healthy lands and the comforts, convenience, and quality of life made possible by access to energy at moderate prices... We need some new thinking at the wildlife-energy interface, thinking that presents strategic, landscape-scale resource management and conservation.

P. Lynn Scarlett, Deputy Secretary of the Interior, December 6, 2006

Healthy Lands Initiative — The 2008 budget sustains the strategic investments of past budgets to enhance the availability of affordable oil, gas, and other energy sources, while maintaining strong environmental protections. As energy production continues on western public lands, Interior will assure protections of wildlife and habitat through its Healthy Lands Initiative. For the Initiative, the 2008 budget includes an increase of \$22.0 million. These funds will transform land management from the current parcel by parcel approach to landscape-scale decisionmaking, drawing upon partnerships and new policy tools to help the Bureau of Land Management provide increased access to energy, while simultaneously preserving important habitat corridors and sites for the benefit of species.

Through the Healthy Lands Initiative, BLM will join with the U.S. Geological Survey and the Fish and Wildlife Service to identify, restore, and protect significant habitat, in partnership with Federal leaseholders, private landowners, State, local, and tribal governments, to benefit wildlife. These efforts will enable BLM to more effectively mitigate against the potential impacts of increased energy production in wildlife-energy interface areas and potentially prevent the listing of certain species such as sage grouse. The Healthy Lands Initiative includes \$15.0 million for BLM to conduct landscape-scale conservation, \$5.0 million for USGS, and \$2.0 million for FWS.

The rampant meth problem on the San Carlos Apache Reservation and its devastating impacts are, like in so many other tribal communities across the country, quickly reaching epidemic proportions. The San Carlos Apache people are in pain and are suffering from the effects of meth, and we must collectively work together to address and solve this grave problem.

*Kathleen W. Kitcheyan, Chairwoman, San Carlos Apache Tribe
April 5, 2006*

Safe Indian Communities — The spread of methamphetamine has reached crisis levels in Indian communities and threatens the future of an entire generation of young Native Americans. Recognizing this crisis, the budget provides an increase of \$16.0 million to fund the Safe Indian Communities Initiative. This Initiative will increase law enforcement presence and training on tribal lands to combat the production and distribution of methamphetamine by organized crime and drug cartels. This Federal investment also recognizes the significant increase in violent offenders being held in Indian detention facilities and provides funds to increase staffing levels and training for detention officers.

Improving Indian Education — The Bureau of Indian Education schools should be models of performance for the No Child Left Behind Act. However, despite significant investments in replacement school construction and education program reforms that are nearly complete, only 30 percent of the schools in the Bureau of Indian Education system are meeting NCLB goals. The 2008 budget proposes to invest \$15.0 million to improve the performance of students in Indian schools. Additional funding will provide educational program enhancements and tools for lower performing schools and educational specialists to guide Indian schools in achieving academic success. The request also provides additional funding for transportation.

**BUDGET AUTHORITY AND RECEIPTS
FOR 2006, 2007, AND 2008**
(in millions of dollars)

| | 2006 Actual* | 2007 Estimate | 2008 Request | Change from 2007 |
|------------------------------------|-----------------|------------------|-----------------|---------------------|
| BUDGET AUTHORITY | | | | |
| Total Current Appropriations..... | 10,955 | 10,387 | 10,705 | +318 |
| Permanent Appropriations | 5,167 | 4,579 | 5,060 | +481 |
| Total | 16,122 | 14,966 | 15,765 | +799 |
| [Net discretionary BA]..... | [10,856] | [10,301] | [10,611] | [+310] |
| RECEIPTS | | | | |
| Outer Continental Shelf..... | 7,284 | 6,810 | 9,195 | +2,385 |
| Offsetting Receipts | 6,512 | 5,200 | 5,584 | +384 |
| Onshore Mineral Leasing | [4,346] | [3,852] | [4,140] | [+287] |
| Other Non-Offsetting Receipts..... | 662 | 772 | 869 | +97 |
| Total | 14,457 | 12,782 | 15,647 | +2,866 |

* Excludes one-time disaster supplementals totaling \$335.3 million.

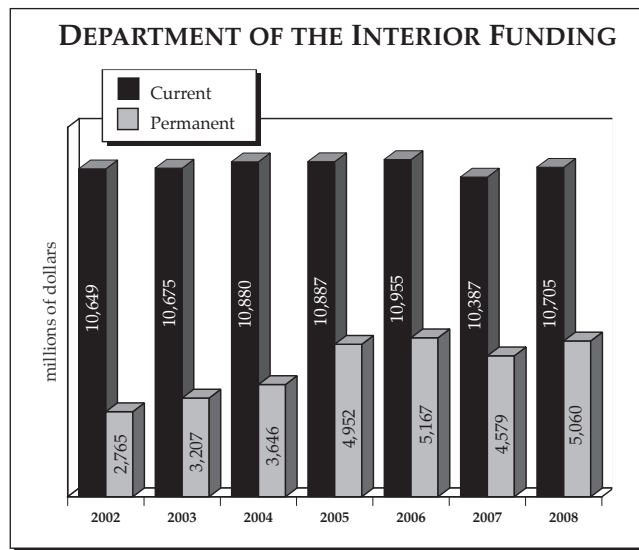
THE NUMBERS

The 2008 budget request for current appropriations is \$10.7 billion. Permanent funding that becomes available as a result of existing legislation without further action by the Congress will provide an additional \$5.1 billion for a total 2008 Interior budget of \$15.8 billion.

The 2008 current appropriations request is an increase of \$317.8 million, or 3.1 percent, above the level enacted by Congress in the 2007 continuing resolution. This is \$178.3 million or 1.7 percent above the 2007 President's budget and \$250.4 million or 2.3 percent below the 2006 enacted funding level, excluding supplemental appropriations.

The 2008 budget reflects the changes made to funding for the Abandoned Mine Land program in the Office of Surface Mining that were required by the Surface Mining Control and Reclamation Act Amendments of 2006. Funding for State and tribal components of the Abandoned Mine program are no longer subject to appropriation and are funded as a mandatory appropriation. Federal AML components continue to be subject to appropriation.

This change results in a reduction of \$134.2 million in discretionary budget authority in 2008. When adjustments are made to normalize for the transfer of the Abandoned Mine Land Reclamation Fund program to mandatory funding in 2008, the current appropriations request reflects an increase of \$448.5 million, or 4.4 percent, above the 2007 continuing resolution, \$309.0 million, or



3.0 percent, above the 2007 President's budget, and \$119.7 million below the 2006 enacted level.

The 2008 request includes \$9.7 billion for programs funded within Interior, Environment and Related Agencies appropriations, an increase of \$239.4 million above the 2007 continuing resolution and \$100.7 million above the 2007 President's budget. After normalizing for the AML shift of funding from discretionary to mandatory funding, the 2008 budget request is \$370.1 million above the 2007 continuing resolution and \$231.4 million above the 2007 President's budget.

The request for the Bureau of Reclamation and the Central Utah Project Completion Act, funded in the Energy and Water Development Appropriations Act, is \$1.0 billion. The request includes a net programmatic increase of \$78.5 million or 8.5 percent above the 2007 continuing resolution and \$77.6 million above the 2007 President's budget.

The request fully funds nondiscretionary fixed costs of \$214.2 and provides \$283.0 million for high-priority budget initiatives. It addresses key budget priorities and fixed costs by incorporating significant realignments using cost data and performance metrics, cost recovery, and opportunities for more effective and efficient operations. The major changes are reflected in the table on page DO-9.

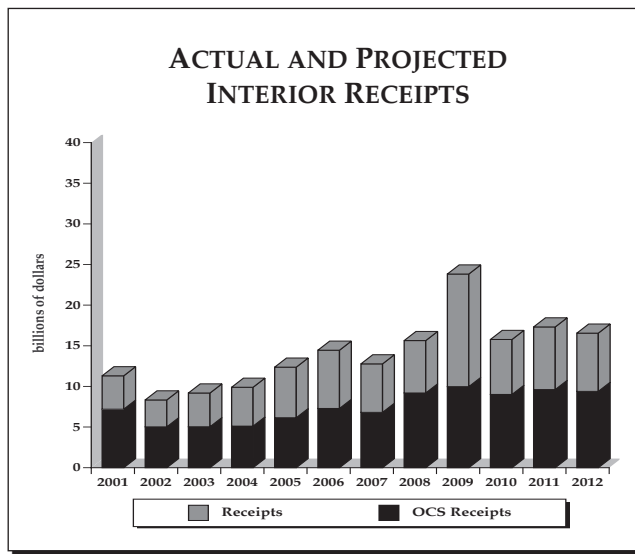
The 2008 budget request proposes new revenue enhancements, including a proposal to change the manner in which bonus bids for coal sales are received consistent with oil and gas programs and a proposal to institute a net receipt sharing provision to return to a more equitable Federal-State distribution of revenues.

The 2008 budget continues proposals included in the 2007 President's budget for the Range Improvement Fund, energy permit processing, geothermal revenues and geothermal payments to counties, and the Federal Lands Transaction Facilitation Act. The budget also proposes leasing in the 1002 area of the Alaska National Wildlife Refuge, which significantly increases anticipated revenues in 2009 and later years. These proposals, in conjunction with the revenue enhancements described above, will increase revenues by \$136.3 million in 2008 and a total of \$5.0 billion through 2012.

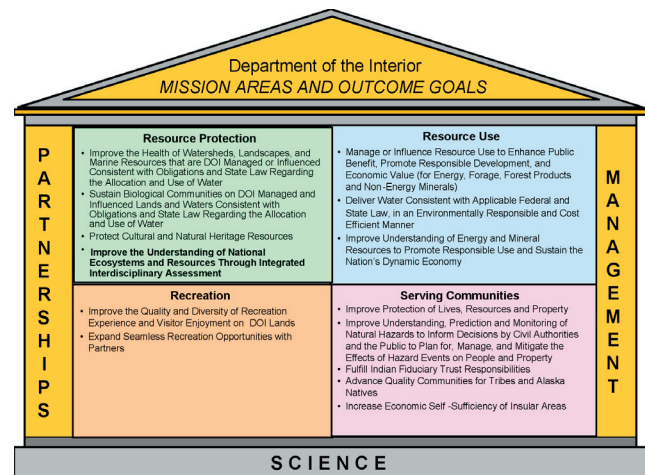
The 2007 estimates for OCS revenues reflect increased royalty rates for new deep water Gulf of Mexico leases, which will be implemented beginning in 2007.

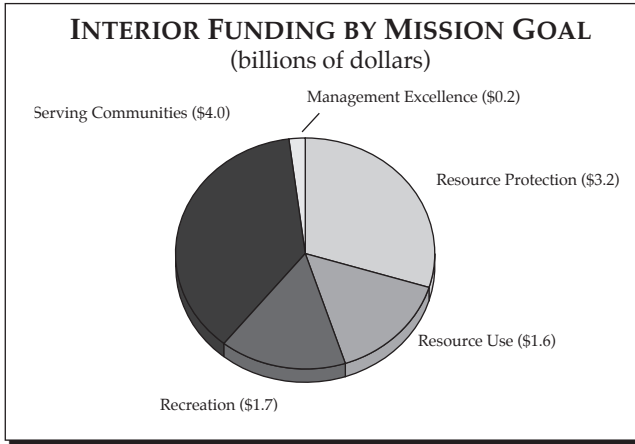
SUPPORTING THE DEPARTMENT'S MISSION

The Department's revised strategic plan for the period 2007–2012 provides a consistent framework for Interior to undertake its multi-faceted mission. Defined by four mission categories, the strategic plan presents tangible standards by which to gauge success and focus on results. In 2006, the Department met or exceeded 68 percent of performance measures monitored. Of the remaining measures, 18 percent were not reportable in part, because of



In 2008, Interior will continue its strong record of producing revenue for the Treasury. Estimated receipts collected by the Department in 2008 will be \$15.6 billion, a record level of collections that offsets Interior's discretionary budget by nearly 1.5 to one.





insufficient data to estimate performance for some measures or because data were preliminary and had not been verified. Of the 209 performance measures monitored in 2006, 14 percent were not met, a reduction from the 16 percent not met in 2005.

The 2008 budget proposal seeks resources to maintain high performance across the strategic plan goals and improve performance in high-priority initiatives as follows:

Resource Protection — The 2008 budget requests \$3.2 billion for programs that improve the health of landscapes and watersheds, sustain biological communities, and protect cultural and natural heritage resources.

Resource Use — The 2008 budget requests \$1.6 billion to continue to improve energy access, help provide energy security for the Nation through renewable and nonrenewable programs, meet demands for water, and support the goals of the Healthy Forests Initiative.

Recreation — The 2008 budget requests \$1.7 billion to support recreation goals, including improved access to recreational opportunities.

Serving Communities — The 2008 budget requests \$4.0 billion to serve communities by increasing efforts to fulfill responsibilities for trust management, supporting services to Tribes and individual Indians, and improving Indian education. The budget for serving communities also supports the wildland fire program, law enforcement, and the generation of relevant scientific information.

See Interior selected performance measures at the end of this chapter.

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

**INTERIOR, ENVIRONMENT, AND
RELATED AGENCIES**

| | |
|--|---------|
| 2007 Continuing Resolution | 9,463.9 |
| Impact of the Continuing Resolution | +138.7 |
| 2007 President's Budget | 9,602.6 |
| Fixed Cost Changes | +214.2 |
| NPS | |
| The President's Centennial Commitment | +100.0 |
| Other NPS Operations* | +130.0 |
| Healthy Lands | +22.0 |
| Safe Indian Communities | +16.0 |
| Improving Indian Education | +15.0 |
| BLM | |
| Inspections and Monitoring | +3.1 |
| Other BLM Operations | -36.6 |
| Fire | |
| Suppression | +37.4 |
| Preparedness | -17.2 |
| MMS OCS Leasing/Deepwater | +5.3 |
| MMS Restructuring and Cost Recovery | -5.0 |
| OSM AML Shift to Mandatory | -134.2 |
| USGS Ocean Action Plan | +3.0 |
| FWS | |
| Open Rivers/Fish Habitat Action Plan | +8.3 |
| Refuges | +4.7 |
| Partners for Fish and Wildlife | +5.7 |
| Land Acquisition | -9.4 |
| Conservation Grants | -39.0 |
| Indian Affairs | |
| Tribal Education Assistance | -12.7 |
| Education Construction | -18.4 |
| Housing Improvement Program | -23.4 |
| Indian Land Consolidation | -49.4 |
| Payments in Lieu of Taxes | -8.0 |
| Other | |
| FBMS | +16.0 |
| Patuxent Research Refuge | +9.7 |
| NPS Construction | -27.7 |
| Net, All Other Program Changes | -108.7 |
| 2008 Budget Request | 9,703.2 |

ENERGY AND WATER DEVELOPMENT

| | |
|--|----------|
| 2007 Continuing Resolution | 922.9 |
| Impact of the Continuing Resolution | +0.8 |
| 2007 President's Budget | 923.7 |
| Bureau of Reclamation | |
| Central Valley Project | +4.6 |
| Safety of Dams | +8.0 |
| Rural Water | -13.7 |
| Restore Desert Terminal Lakes Rescission | +88.0 |
| Net, All Other Program Changes | -18.1 |
| Central Utah Project | +8.9 |
| 2008 Budget Request | 1,001.4 |
| Total 2008 Budget Request | 10,704.6 |

*Includes fixed costs of \$54.0 million

NONDISCRETIONARY FIXED COSTS TO MAINTAIN CORE PROGRAMS

The Department of the Interior's programs encompass 390 park units and 547 wildlife refuges; 262 million acres of multiple use public land; 83 Indian agency locations and 184 elementary and secondary schools in Indian Country; 472 dams and 348 reservoirs operated by the Bureau of Reclamation; and numerous laboratories, field research facilities, and other offices.

At each of these sites, Interior's 73,000 employees maintain facilities and resources and provide services to those who use or rely on them: park visitors, wildlife watchers and hunters, stockmen and miners, Tribes and individual Indians, farmers, and electric power users.

Pay and benefits for the Interior Department's 73,000 employees are a significant cost component of Interior's core programs, comprising 58 percent of operating budgets. The proportion of Interior's budget committed to personnel costs places it among the top three Federal agencies. Only the Departments of Justice and Commerce have a higher proportion of salary and benefit costs to total budget. Maintaining this dedicated cadre of professionals is essential for the uninterrupted delivery of programs and services.

The Department's 2008 budget request includes \$214.2 million to fully fund increases in nondiscretionary fixed costs. Of this amount, nearly 86 percent, or \$184.4 million, supports increases in employee compensation, including scheduled 2008 pay raises; two additional paid days; and projected increases in health benefits. The budget assumes a three percent pay raise in January 2008. The request also funds increases in workers' and unemployment compensation; rental payments for leased space; and centralized administrative and business systems, services, and programs financed through the Working Capital Fund.

Over the past six years, Interior has improved the effectiveness and efficiency of its programs. The Department has:

- Completed Program Assessment Rating Tool reviews for all of the Department's programs. During 2007, Interior will complete the single PART not yet complete, evaluate completed PART reviews for program improvements, and implement

PART recommendations to enhance efficiency and effectiveness.

- Undertaken competitive reviews encompassing 4,050 FTE, generating \$12.0 million in annual cost savings, and yielding improved performance.
- Received unqualified audits for the last ten years and eliminated all but one material weakness - Indian trust. The 2006 audit was completed within the 45-day mandated time frame.
- Provided leadership in e-Government, as the managing partner for Recreation One-Stop, Geospatial One-Stop, and the Geospatial Line of Business. The geospatial line of business projects government-wide savings of \$51.8 million. The Department has consolidated thirteen bureau and office wide area networks into its Enterprise Services Network and certified and accredited 98 percent of its systems.
- Reduced hiring timeframes to less than 45 days for general schedule positions.

In addition to nondiscretionary fixed costs, the budget continues investments in tools to enable employees to do their jobs more effectively and efficiently. Through the deployment of enterprise systems, Interior has improved information technology security, consolidated services and achieved other efficiencies, while improving system reliability and access by remote users.

The Enterprise Services Network is fully operational, providing a secure network backbone for telecommunications in all bureaus and offices. In 2007 and 2008, bureaus will continue to upgrade outdated, slow connections, and optimize circuit configurations. In addition, ESN is serving as the platform to consolidate directory services, web hosting, messaging, data warehousing, help desks, and other applications and systems. It will also serve as the foundation for implementing the required internet protocol version six technology.

The Department's Financial and Business Management System will replace more than 100 legacy accounting, acquisition, property, grants, and budget systems and subsystems. In 2006, the Minerals Management Service and the Office of Surface Mining were successfully migrated to the Financial and Business Management System. These bureaus are

now operating financial and accounting processes on this new system, and in 2007, FBMS will provide support for their acquisition services. In 2008, the Department anticipates that it will deploy core financial, acquisition, property, and grants components of FBMS to BLM. The 2008 budget includes \$40.4 million for FBMS, including a program increase of \$16.0 million, to complete this deployment to BLM and prepare for deployments to other large and complex bureaus including NPS, FWS, and Reclamation. System deployment completion is anticipated in 2011.

OTHER BUDGET PRIORITIES

Cooperative Conservation — Through partnerships, Interior works with landowners and others to achieve conservation goals across the Nation and to benefit America's national parks, wildlife refuges, and other public lands. The 2008 budget includes \$324.0 million for Interior's cooperative conservation programs, \$34.6 million over the 2007 continuing resolution, \$6.4 million less than the 2007 request, and \$6.6 million above 2006. These programs leverage Federal funding, typically providing a non-Federal match of 50 percent or more. They provide a foundation for cooperative efforts to protect endangered and at-risk species; engage local communities, organizations, and citizens in conservation; foster innovation; and achieve conservation goals while maintaining working landscapes.

The 2008 cooperative conservation budget includes \$21.0 million of the Department's Healthy Lands Initiative. This Initiative will enlist States, local and tribal governments, industry, and non-government entities to restore habitat on a landscape scale and avoid conflicts in areas where the demand for energy development and other uses compete with the needs of species and long-term viability of wildlife habitat. The BLM estimates that this Federal investment, combined with partner investments, will restore over 400,000 acres of habitat.

Also new to the suite of cooperative conservation programs highlighted in 2008 are the multi-agency Open Rivers Initiative and the National Fish Habitat Action Plan. These fisheries conservation programs will leverage \$16.2 million in Federal resources with State, tribal, local, nonprofit and private groups to protect, enhance, and restore aquatic habitats. A program increase of \$6.0 million for the Open Rivers Initiative will provide FWS with \$11.0 million for fish passage. Using these funds, FWS will work with the National Oceanic and Atmospheric Administration

to repair vital riverine ecosystems that will provide communities increased recreational opportunities and enhance populations of key trust species.

The FWS will enhance its fish passage program by eliminating an additional 303 obsolete stream barriers such as small dams and opening an additional 2,132 miles for the free passage of fish. The 2008 budget also includes an additional \$2.3 million to implement the National Fish Habitat Action Plan, a nationwide fisheries conservation effort to help reverse declines in fisheries. With this increase, \$5.2 million in Federal resources will be available and will leverage resources provided by State, tribal, local, nonprofit, and private groups to protect, enhance, and restore aquatic habitats.

The 2008 budget continues funding for high priority cooperative conservation activities of three programs, including \$13.3 million for the FWS Coastal program, \$4.0 million for Neotropical Migratory Birds, and \$80.0 million for the Cooperative Endangered Species Conservation Fund. The 2008 budget request for the North American Wetlands Conservation Fund is \$42.6 million, an increase of \$6.0 million above the 2007 continuing resolution and \$1.0 million above the 2007 President's budget. Funding for the Partners for Fish and Wildlife program is \$48.4 million, an increase of \$5.7 million above 2007. These programs provide an effective, cooperative approach to conservation and leverage Federal funds. In 2008, these programs will attract over \$270 million in non-Federal matches and restore over 800,000 acres of habitat for at-risk species and migratory birds.

Refuge Operations and Species Protection — Targeted increases for the national wildlife refuge system and other FWS species conservation programs will focus new resources on conserving and restoring the habitat necessary to sustain endangered, threatened, and at-risk species and prevent additional species from being listed under the Endangered Species Act. A program increase of \$4.7 million for refuge wildlife and habitat management will allow the refuge system to increase the number of recovery plan actions completed in 2008 by 111, or eight percent, compared to 2007 and protect or restore an additional 57,983 acres. The 2008 budget also includes \$2.2 million in programmatic increases for the recovery of the gray wolf and the Yellowstone grizzly bear.

Healthy Forests Initiative — In 2008, through the Healthy Forests Initiative, Interior will reduce the threat of catastrophic wildfire and improve forest

and rangeland health. The 2008 budget request funds the Hazardous Fuels Reduction program at \$202.8 million, an increase of \$3.0 million for fixed costs over the 2007 level. An additional \$1.8 million in the hazardous fuels program will be shifted from program support activities to on-the-ground fuel reduction to help treat high-priority acres.

Oceans Conservation — Interior bureaus conduct activities with growing significance to ocean and coastal conservation and that advance understanding of the processes and status of ocean and coastal resources. The 2008 President's budget includes \$929.5 million to support the President's Ocean Action Plan. This funding will allow Interior bureaus to continue their high-priority work within the Action Plan. Included in the request is an additional \$3.0 million for USGS. The USGS will begin implementation of the oceans research priorities plan and implementation strategy by conducting observations, research, sea floor mapping, and forecast modules. Work on the Ocean Research Priorities Plan and Implementation Strategy will lead to decision-support tools to help policy makers anticipate and prepare for coastal ecosystem and community responses to extreme weather events, natural disasters, and human influences. The USGS will begin implementation of the interagency national water quality monitoring network. The national water quality monitoring network will address and integrate watershed, coastal waters, and ocean monitoring based on common criteria.

The 2008 FWS budget includes \$600,000 for three new positions to support management of the new Northwestern Hawaiian Islands Marine National Monument.

PROGRAM TERMINATIONS

Landowner Incentive and Private Stewardship Grant Programs — In 2008, Interior does not request funding for the Landowner Incentive and Private Stewardship Grant programs, in order to concentrate conservation funding in fewer, high-performing programs. This results in a \$22.0 million reduction to the 2007 continuing resolution and a \$33.8 million reduction to the 2007 President's budget. The conservation of at-risk species would benefit from shifting resources from these two programs to other programs that can demonstrate greater results, such as the refuge system, the Partners for Fish and Wildlife, and the North American Wetlands Conservation Act programs. The Landowner Incentive and Private Stewardship grant programs

will continue to allocate and administer grants from funds appropriated in prior years.

Housing Improvement Program — This Bureau of Indian Affairs program services about 375 Indian families per year, providing grants for repairs and renovations of existing homes or for construction of houses for tribal members with sufficient land suitable for housing on or near a reservation. The budget proposes a \$23.4 million reduction to eliminate this program. The program is duplicative with the Housing and Urban Development Native American Housing Assistance and Self-Determination Act program, which has authority to provide assistance to all HIP applicants. The proposed elimination is commensurate with priorities established during tribal consultation on the 2008 budget that emphasizes programs and projects that benefit Tribes on a nationwide basis.

OTHER MAJOR CHANGES BY BUREAU

In the following sections, discussions of the 2008 budget and funding changes within each bureau at the account level use comparisons with the 2007 continuing resolution. Discussions at the program, activity, or sub-activity level use comparisons with the 2007 President's budget.

BUREAU OF LAND MANAGEMENT

The 2008 BLM request, excluding Wildland Fire Management, is \$1.0 billion, \$25.2 million above the 2007 continuing resolution and \$6.9 million above the 2007 President's budget. The budget proposes \$989.7 million for BLM's two operating accounts, an increase of \$41.7 million over the 2007 continuing resolution and an increase of \$14.0 million over the 2007 President's budget.

As discussed earlier, the BLM budget supports energy development and habitat protections in 2008 with an increase of \$15.0 million requested for the Healthy Lands Initiative. The budget request also includes a program increase of \$3.1 million for expanded oil and gas inspection and monitoring activities. The 2008 budget request also provides additional resources to enable BLM to improve its management of the hard rock mining program. The budget proposes a \$2.0 million increase for the Mining Law Administration program that is expected to be fully offset with annual mining claim maintenance fees.

The 2008 President's budget request includes \$36.6 million in program reductions. The major reductions include \$3.0 million in the Cultural Resources Management program, \$4.7 million in the Wild Horse and Burro Management program, \$3.0 million in the Resource Management Planning program, \$4.3 million in the Deferred Maintenance program, \$3.2 million in the Cadastral Survey program, \$1.8 million in Alaska Conveyance, and \$5.0 million in the Oregon and California Grant Lands account. The budget request also includes a reduction of \$5.5 million in BLM's budget for information technology that will be achieved through savings resulting from the consolidation of functions and cost efficiencies. The BLM will also achieve savings of \$2.0 million by implementing management improvements and other efficiencies through a realignment of functions in its business center and in applied science areas. There is an additional \$2.2 million reduction for travel.

For BLM land acquisition, the 2008 budget proposes a \$1.4 million reduction below the 2007 continuing resolution. This is a reduction of \$7.1 million below the 2007 President's budget. The budget proposes to allow BLM to retain receipts from the sale of subsurface mineral estate that contain no known mineral value and use these funds for land acquisition. Using existing authority in the Federal Land Policy and Management Act, BLM will convey mineral interest to the surface owner to reduce the administrative burden of split estate acres. The budget estimates \$5.0 million will be generated from this authority in 2008.

WILDLAND FIRE MANAGEMENT

The 2008 budget proposes \$801.8 million to support fire preparedness, suppression, fuels reduction, and burned area rehabilitation. This amount represents a net increase of \$32.6 million above the 2007 continuing resolution and \$32.3 million above the 2007 President's budget.

The 2008 budget request includes \$294.4 million for suppression operations, an increase of \$37.4 million over 2007. This budget will fully fund the expected costs of fire suppression in 2008 based on the ten-year average.

A total of \$202.8 million is included in the 2008 request for the hazardous fuels reduction program, which adjusts the 2007 level by including an increase for fixed costs. The Department will shift \$1.8 million within the Hazardous Fuels Reduction program to treat an additional 6,000 high-priority acres. The

Interior Department plans to discontinue funding for the University of Montana Center for Landscape Analysis and other activities.

The 2008 Wildland Fire Management Preparedness program is \$268.3 million, a program reduction of \$17.2 million from the 2007 level. A significant portion of this reduction will be achieved by eliminating management and support positions and lower-priority activities.

To reduce the number of large, costly fires, the Wildland Fire Management program will also realign its preparedness base resources to better support initial attack capability, which will include the addition of over 250 firefighters. These actions will help maintain initial attack success.

The Joint Fire Science program is funded at \$4.0 million, or \$1.9 million below 2007. In 2008, the Joint Fire Science program will process and apply the research results from journal papers and symposia funded in prior years.

MINERALS MANAGEMENT SERVICE

The 2008 budget for MMS current appropriations is \$161.5 million, \$3.2 million above the 2007 continuing resolution, and \$2.1 million below the 2007 President's budget. Collections from OCS rents and other fee sources will provide \$135.7 million, \$13.0 million above the 2007 continuing resolution and \$7.0 million above the 2007 President's request. The total 2008 MMS operations budget, including offsetting collections, is \$297.2 million, \$16.2 million above the 2007 continuing resolution and \$4.9 million above the 2007 President's budget.

The 2008 MMS budget includes a program increase of \$4.0 million to implement the 2007-2012 Outer Continental Shelf Leasing program; \$1.3 million to accommodate the surge in exploration activity and development in the ultra-deepwater area of the Gulf of Mexico; and \$1.5 million for the first year of a two-year initiative to institute an interactive payment reconciliation and billing system. The budget also includes \$940,000 for an Adjustment Line Monitoring initiative and \$820,000 to address long-term recovery issues in the Gulf of Mexico resulting from the hurricanes of 2005.

The 2008 budget also includes \$9.9 million in decreases from the 2007 level. Changes include a reduction of \$3.0 million, which will be offset by an alternative energy cost-sharing proposal that requires parties submitting applications for non-competitive renew-

able energy projects to fund the cost of independent environmental analyses. The budget includes a \$2.0 million reduction in the OCS program to reflect anticipated savings from increased productivity and efficiencies. A \$1.4 million reduction in the OCS connect program is proposed as the system transitions from development and planning to implementation and maintenance. System upgrades to meet new requirements in the Energy Policy Act will be completed in 2007, allowing \$750,000 to be redirected to other priorities. Technological advances will allow MMS to eliminate dial-in service to access the Minerals Revenue Management network and result in \$250,000 in cost savings. Other decreases include \$1.0 million in Environmental Studies and \$1.0 million in methane hydrate work. The completion of a four-year phased replacement of equipment at the National Oil Spill Response Test Facility will allow a \$500,000 reduction in this program.

OFFICE OF SURFACE MINING AND RECLAMATION

The OSM 2008 budget requests \$168.3 million in current appropriations, a decrease of \$123.5 million below the 2007 continuing resolution and \$129.9 million below the 2007 President's budget. This request reflects changes to funding the Abandoned Mine Reclamation Fund program, as required by the Surface Mining Control and Reclamation Act Amendments of 2006. The 2008 budget reduces OSM's discretionary appropriation by \$134.2 million, reflecting the shift of AML State and tribal reclamation grants funding to a mandatory program.

After transfer of State and tribal reclamation grants to mandatory funding, the 2008 budget for the Abandoned Mine Reclamation Fund is \$52.8 million, a decrease of \$130.0 million below the 2007 continuing resolution and \$133.1 million below the 2007 President's budget. The 2008 budget funds activities under Section 402(g)(3)A-D of SMCRA, including high-priority Federal reclamation efforts, State and Federal emergency programs, and OSM operations.

The 2008 budget for the Regulation and Technology account is \$115.5 million, \$6.6 million above the 2007 continuing resolution and \$3.3 million above the 2007 President's request. This includes an increase of \$2.2 million to fund program increases for the State regulatory programs. States with approved regulatory programs are awarded grants of up to 50 percent of the administrative expense the Federal government would incur in regulating coal mining. Should a State relinquish primacy, the entire responsibility for operation of the regulatory program becomes the responsibility of OSM. In taking over

the full cost of the program, the cost to the Federal government would be significantly greater.

BUREAU OF RECLAMATION

The 2008 Reclamation budget request is \$958.4 million in current appropriations, which is \$69.6 million above the 2007 continuing resolution and \$74.8 million above the 2007 President's budget.

The 2008 budget emphasizes Reclamation's core mission of delivering water and power. Reclamation priorities include a focus on ensuring facility integrity and site security and resolving major western water challenges. Consistent with the 2007 President's budget, under-financing, undistributed reductions in anticipation of delays in construction schedules and other planned activities, is eliminated in the 2008 budget.

The budget includes \$1.0 million for a loan guarantee program, which is a new strategy for Reclamation to address its aging infrastructure and associated asset management issues. The loan guarantee program recognizes the obstacles facing water districts regarding securing funds for expensive rehabilitative repairs without being able to use Federal facilities as collateral to obtain financing.

The budget also includes \$11.0 million for Water 2025, Reclamation's approach to provide the tools to prevent water crises and conflict in the West. Water 2025 includes 50:50 challenge cost share grants for on-the-ground improvements to existing facilities, implementation of water management tools, and system optimization reviews to identify system or basin wide improvements that will maximize efficiency. Legislation will be transmitted to Congress to seek permanent authorization for the Water 2025 program.

The budget requests \$31.8 million for CALFED pursuant to the October 2004 authorization for this water management, ecosystem restoration, water quality, water supply, and flood protection program. This adaptive management program in California's Central Valley and the San Francisco Bay-Delta is addressing conflicts over water supply.

A total of \$77.0 million is requested for the Safety of Dams program, an increase of \$8.0 million from 2007. The increase is needed to address dam safety issues at Folsom Dam in California. The funding includes \$57.1 million to initiate safety-of-dams corrective actions and \$18.5 million for safety evaluations of existing dams. Also included is \$1.4 million for the Department of Interior Dam Safety Program.

The request for the Central Valley Project is \$124.8 million, an increase of \$4.6 million to address fish passage at Red Bluff Diversion Dam. A total of \$27.2 million is requested for the Central Arizona Project, essentially the same level as 2007.

A total of \$35.5 million is requested for site security of dams to ensure the safety and security of facilities. The 2008 budget assumes that, consistent with project allocations, the operation and maintenance-related security costs for Reclamation facilities will be reimbursed by project beneficiaries.

The budget includes \$58.0 million, continuing the 2007 level, for the Animas La Plata project to implement the Colorado Ute Settlement Act. The Klamath Basin project is funded at \$25.0 million and the Middle Rio Grande project is funded at \$23.2 million, both essentially at the 2007 level.

The request funds rural water supply projects at \$55.0 million, \$13.7 million below the 2007 level. Funding is requested for the Mni Wiconi, Garrison, and Lewis and Clark projects.

U.S. GEOLOGICAL SURVEY

The 2008 USGS budget is \$975.0 million in current appropriations, \$12.3 million below the 2007 continuing resolution, and \$30.2 million above the 2007 President's budget. The 2008 budget continues to focus USGS capabilities on the highest-priority research needs, while ensuring that USGS builds the expertise it needs to continue answering the complex research questions. The budget includes \$16.3 million in program increases and \$24.0 million in fixed costs, which are offset by \$10.1 million in program reductions.

The budget includes programmatic increases of \$5.0 million for the Healthy Lands Initiative and \$3.0 million for activities that support the Ocean Action Plan, as discussed in previous sections. The National Streamflow Information program is funded at \$18.9 million in 2008, an increase of \$1.7 million. This increase will ensure that ongoing operations continue with stream flow stations in over 80 percent of the Nation's river basins. In support of the bureau-wide multi-hazards demonstration project, the increase will also enable installation of three new streamgages in southern California and the deployment of storm surge monitors. The budget also includes an increase of \$4.7 million to complete necessary infrastructure repair and rehabilitation at the Patuxent Wildlife Research Refuge, a facility shared with FWS.

The 2008 President's budget reduces funding for the Minerals Research and the Cooperative Water programs. A \$2.6 million reduction to geologic resource assessments in the Minerals Research program is proposed, which will result in a 2008 Minerals Research program of \$29.9 million. A \$2.2 million reduction to the Cooperative Water program is proposed for a total 2008 program of \$62.4 million. The 2008 President's budget also reduces priority ecosystems science by \$2.0 million, retaining \$8.7 million for the highest-priority projects.

FISH AND WILDLIFE SERVICE

The 2008 FWS budget request is \$1.3 billion, an increase of \$16.3 million compared to the 2007 continuing resolution, and a decrease of \$4.8 million compared to the 2007 President's budget.

The request for Resource Management is \$1.0 billion, an increase of \$36.9 million compared to the 2007 continuing resolution and an increase of \$38.9 million compared to the 2007 President's budget. Included within this request are programmatic increases of \$22.2 million for managing at-risk species to prevent listing under the Endangered Species Act, recovering species that are listed, and resolving challenges associated with growing energy activities in the West and the potential conflicts that result at the wildlife interface. This amount includes \$5.3 million for the Partners for Fish and Wildlife program, \$6.0 million for the Open Rivers Initiative to improve fish passage through streams and rivers, \$2.0 million for habitat and species conservation activities in Wyoming's Green River Basin, an additional \$2.3 million to implement the National Fish Habitat Action Plan, and \$4.7 million for refuge system wildlife and habitat management. The budget also includes an increase of \$2.2 million for gray wolf and Yellowstone grizzly bear recovery activities.

To support conservation partnerships, the budget includes \$42.6 million for the North American Wetlands Conservation Fund, \$80.0 million for the Cooperative Endangered Species Conservation Fund, \$4.0 million for the Neotropical Migratory Bird Conservation Fund, and \$69.5 million for State and Tribal Wildlife grants.

The land acquisition request is \$18.0 million, a \$1.7 million reduction compared to the 2007 continuing resolution and a \$9.1 million reduction compared to the 2007 President's budget. The budget includes \$4.5 million for land acquisition in the Upper Klamath Basin to enhance water quality and restore habitat for the endangered Lost River and shortnose suckers

and for anadromous fish populations downstream from the Upper Klamath Lake.

The construction request totals \$23.1 million, a decrease of \$16.7 million compared to the 2007 continuing resolution, and an increase of \$3.3 million compared to the 2007 President's request. This includes funding of \$5.0 million for rehabilitation of facilities at the Patuxent Research Refuge in cooperation with USGS, and \$2.3 million for fuel tank replacement at Midway Atoll NWR.

The National Wildlife Refuge Fund budget is \$10.8 million, \$3.4 million below the 2007 continuing resolution and equal to the 2007 President's budget.

NATIONAL PARK SERVICE

The NPS budget request is \$2.4 billion, an increase of \$261.2 million above the 2007 continuing resolution and \$208.0 million above the 2007 President's budget.

The 2008 budget includes \$2.1 billion for operations, an increase of \$290.3 million above the continuing resolution and \$230.0 million above the 2007 President's budget. As described earlier, this operational increase includes \$100.0 million for the National Parks Centennial Commitment. To realize the full philanthropic potential for parks, the National Parks Centennial Challenge seeks to engage public support to provide \$100 million in donations to signature projects and programs that will be matched by up to \$100.0 million in new, mandatory Federal funding.

The 2008 budget includes \$63.7 million for Historic Preservation, \$5.0 million above the 2007 continuing resolution, and \$8.2 million below the 2007 President's budget. The Historic Preservation budget includes \$10.0 million for Save America's Treasures, \$10.0 million for Preserve America, \$39.7 million for historic preservation grants-in-aid to States, Territories, and Tribes, and \$4.0 million for the National Inventory of Historic Properties.

The 2008 budget for the National Recreation and Preservation program is \$48.9 million, \$1.7 million above the 2007 continuing resolution and \$15.6 million above the 2007 President's budget. The 2008 President's budget does not include funding for Statutory and Contractual Aid and proposes \$8.7 million for Rivers, Trails, and Conservation Assistance, an increase of \$1.0 million from 2007. This includes a programmatic increase of \$650,000 to RTCA to provide technical assistance to connect trails to parks by engaging with communities sur-

rounding parks and providing technical assistance on new trail partnership projects.

The NR&P budget proposes \$22.7 million for Cultural Programs, a program increase of \$2.5 million from 2007. The increase includes an additional \$1.0 million to coordinate a national effort to inventory and monitor historic properties and \$1.5 million for American Battlefield grants to award 50 grants in 2008 on a competitive basis, as authorized by the American Battlefield Protection Act. The American Battlefield Protection program promotes the preservation of significant historic battlefields associated with wars on American soil.

The 2008 NR&P budget request includes \$10.0 million for the Heritage Partnership program, an increase of \$2.6 million from the 2007 budget, which requested these funds under the Historic Preservation Fund account. The Heritage Partnership program provides seed money for congressionally designated but locally managed national heritage areas.

The 2008 President's budget continues to support implementation of the NPS asset management program. Total construction and maintenance funding is \$663.3 million in 2008, an increase of \$40.5 million from 2007, reflecting increased funding totaling \$50.0 million for cyclic maintenance and repair and rehabilitation. The construction amount of \$201.6 million includes reductions of \$16.8 million in line-item construction, \$1.9 million in the Employee Housing Replacement program, \$9.8 million for narrowband radio conversion, and \$2.3 million in construction planning.

INDIAN AFFAIRS

The 2008 Indian Affairs budget request is \$2.2 billion in current appropriations, or \$1.0 million below the 2007 continuing resolution, and \$7.0 million above the 2007 President's request.

In addition to the increases for education and law enforcement and the elimination of the housing program discussed above, the budget includes programmatic reductions of \$3.8 million for Rights Protection programs, \$12.7 million for tribal education assistance, and \$4.6 million for trust-related activities. The reduction to the unified trust budget includes reductions to environmental quality projects, real estate services, and forestry projects.

The education construction budget is \$139.8 million, \$17.6 million below the 2007 continuing resolution and the 2007 President's budget. The request for

construction includes \$14.8 million to fully fund the replacement of the Circle of Life Survival School in Minnesota and the Keams Canyon Elementary School in Arizona, and \$22.6 million to complete replacement of structures at Standing Rock Community School in North Dakota and to fully fund replacement of dormitories at Riverside Indian School in Oklahoma. The education construction account also includes \$30.2 million for Major Facilities Improvement and Repair projects, \$19.9 million for minor FI&R projects and \$50.7 million for annual maintenance. Employee housing is funded at \$1.6 million in this request.

The 2008 budget for BIA Indian Land and Water Claim Settlements includes \$9.4 million for two new settlements, including \$7.0 million for the initial payment to the Puget Sound Regional Shellfish Settlement Trust Fund, and \$2.4 million for the initial payment for the Pueblo of Isleta settlement. There is also an increase of \$1.4 million for the Snake River Water Rights settlement, which fully funds the settlement for 2008. The 2008 budget includes \$10.7 million in reductions for two completed settlements—the Cherokee, Choctaw, and Chickasaw water settlement and the Quinault Indian Nation settlement.

OFFICE OF THE SPECIAL TRUSTEE

The 2008 OST budget request is \$196.2 million, \$15.4 million above the 2007 continuing resolution, and \$48.3 million below the 2007 President's budget.

The budget includes a \$3.6 million increase for the Office of Historical Accounting to assist with the increased workload associated with additional tribal trust lawsuits. The OST budget includes a \$49.4 million reduction for Indian Land Consolidation, funding the program at \$10.0 million. The 2008 budget also includes a \$3.6 million net reduction as a result of completion of trust reform tasks reflecting efficiencies and improvements in services to beneficiaries, completion of project task efforts, and management efficiencies.

OFFICE OF THE SECRETARY

The budget includes \$101.4 million for Salaries and Expenses, an increase of \$29.2 million above the 2007 continuing resolution and \$4.8 million above the 2007 President's budget. The S&E budget includes a fixed cost increase of \$5.1 million, net transfers that result in a reduction of \$429,000, and restoration of \$24.3 million that was omitted in the 2007 continuing resolution.

OFFICE OF INSULAR AFFAIRS

The 2008 budget request for Insular Affairs is \$79.8 million in discretionary funding, \$425,000 below the 2007 continuing resolution, and \$560,000 above the 2007 President's budget. The proposal includes a \$200,000 increase to accomplish required National Environmental Policy Act reviews of infrastructure projects in the insular areas.

Permanent appropriations in 2008 total \$324.1 million, which includes \$205.1 million in Compact of Free Association payments and \$119.0 million in payments to Guam and the U.S. Virgin Islands.

OFFICE OF THE SOLICITOR

The Solicitor's 2008 budget request is \$58.9 million, \$4.3 million above the 2007 continuing resolution, and \$2.2 million above the 2007 President's budget. The proposal includes program increases of \$145,000 for information technology, \$98,000 for an FBMS Working Capital Fund program change, and \$2.0 million for fixed costs.

OFFICE OF INSPECTOR GENERAL

The Office of Inspector General's 2008 budget request is \$42.3 million, \$3.8 million above the 2007 continuing resolution, and \$1.6 million above the 2007 President's budget. There are no program changes requested.

DEPARTMENT-WIDE PROGRAMS

Payments in Lieu of Taxes — The budget includes \$190.0 million for the Payments in Lieu of Taxes program, \$42.5 million below the 2007 continuing resolution, and \$8.0 million below the 2007 President's budget.

Central Hazardous Materials Fund — The 2008 budget for the Central Hazardous Materials Fund is \$10.0 million, an increase of \$2.7 million over the 2007 continuing resolution, and \$31,000 above the 2007 President's budget. The proposed increase maintains funding in this program at historic levels.

Natural Resource Damage and Restoration — The NRDA 2008 budget request is \$6.2 million, \$760,000 above the 2007 continuing resolution, and \$115,000 above the 2007 President's budget. There are no program changes requested.

Financial and Business Management System — The 2008 budget includes \$40.4 million for the

Financial and Business Management System, a program increase of \$16.0 million over 2007. This amount includes \$22.2 million requested as direct appropriations in the Department's Working Capital Fund and \$18.2 million in WCF revolving fund charges billed to and budgeted by the Interior bureaus. In part, these funds replace prior year recoveries and franchise funds used to supplement resources in recent years. The 2008 request for FBMS supports implementation of all modules for BLM: core financials, acquisition, property, and initial budget formulation. The 2008 request represents the peak funding year for the project, as it involves deployment and planning for the migration of large, complex bureaus and would allow the Department to retire more than 100 legacy systems.

MANDATORY PROPOSALS

The 2008 budget is accompanied by legislative proposals that will affect receipt or spending levels in 2008 or in future years. These proposals will be transmitted separately from the budget for consideration by congressional authorizing committees. The principal proposals include:

National Park Service Centennial Challenge Matching Funds— The budget assumes enactment of a legislative proposal that would provide a new, dedicated source of funding for the Centennial Challenge over ten years of up to \$100.0 million per year of annual mandatory Federal spending to be made available to match at least dollar for dollar \$100 million in private contributions for signature projects and programs. Currently, NPS receives about \$27 million annually in donations in addition to in-kind contributions. If that level is maintained, for every additional dollar donated to the NPS, the new program will match dollar-for-dollar up to \$100 million. The match is contingent on maintaining current donation levels.

MMS Net Receipt Sharing— The Department proposes to reinstitute a net receipt sharing provision to return to a more equitable Federal-State distribution of revenues. Currently, States receive an equal share of the revenues from Federal energy production without sharing in the administrative costs of the onshore mineral leasing program. In 2006, for example, \$4.3 billion in revenues were collected, of which \$2.1 billion was provided to States. The Department proposes a flat, two percent deduction that will be taken from the State's share of Mineral Leasing Act revenues from public domain lands before disbursement to the States. For the five-year

period 2008-2012 this will increase revenues to the Treasury by more than \$225 million. This provision is simple to administer, can be estimated quite accurately based on projected disbursements to States, and can be adjusted by Congress as necessary.

Coal Bonuses— The 2008 Interior budget assumes increased revenue from coal bonuses over the next five years by requiring the full payment of bonuses on all new coal leases at the time of lease sale. The Administration will propose legislation to amend the Mineral Leasing Act to require the payment of bonuses at the time of sale, consistent with oil and gas leases. The Act currently provides that at least 50 percent of the total acreage offered for lease by the Secretary in any one year shall be leased under a system of deferred bonus payment. Under current regulations implementing the deferred bonus payment system, lessees pay the bonus in five equal installments over five years, with the first installment submitted with the bid. This proposal is estimated to generate an additional \$851.4 million in revenues over the five-year period 2008 through 2012, to be shared 50:50 with States.

Federal Land Transaction Facilitation Act— The Administration will propose legislation to amend BLM's land sale authority under the Federal Land Transaction Facilitation Act. The legislation will update the public lands available for disposal under FLTFA and change the distribution of the proceeds of those sales. Under the Act, BLM is currently limited to selling lands that had been identified for disposal in land use plans in effect prior to the enactment of FLTFA and makes the proceeds available for the acquisition of other non-Federal lands within specially designated areas such as national parks, refuges, and monuments. The 2008 budget proposes to amend FLTFA to allow BLM to use updated management plans to identify areas suitable for disposal; allow a portion of the receipts to be used by BLM for restoration projects; return 70 percent of the net proceeds from these sales to the Federal Treasury; and cap Interior receipt retention at \$60.0 million per year. This proposal is estimated to generate an additional \$193 million in revenues over the five-year period 2008 through 2012.

Arctic National Wildlife Refuge— The President's National Energy Policy aims to improve America's energy security by increasing domestic production of fossil fuels, promoting increased energy conservation, and stimulating the development of alternative fuels. The coastal plain in the Arctic National Wildlife Refuge is the Nation's single greatest onshore prospect for future oil. The 2008 budget assumes

enactment of legislation opening the Section 1002 area of the coastal plain in ANWR to energy exploration and development, with a first lease sale occurring in 2009 that would generate \$7.0 billion in bonus receipts. The budget estimates a total of \$8 billion in revenue would be generated through 2012. These receipts would be split 50:50 between the U.S. Treasury and the State of Alaska.

BLM Range Improvements—The 2008 BLM budget proposes to discontinue mandatory appropriations from the Range Improvement Fund totaling \$10.0 million annually. Legislation will be transmitted to amend the Federal Land Policy and Management Act and direct that 50 percent of grazing fee receipts currently deposited in the Range Improvement Fund, the Federal share of such receipts, be deposited in the General Fund of the Treasury. The BLM's new grazing rule will allow permittees to share title to range improvements. Therefore, permittees should be able to bear more of the cost of these improvements in the future.

Repeal of Section 365 of the Energy Policy Act of 2005—The 2008 BLM budget assumes enactment of legislation to repeal provisions of Section 365 of the Energy Policy Act. Section 365 diverts mineral leasing rental receipts from the General Fund to the newly created Permit Processing Improvement Fund and prohibits BLM from establishing cost recovery fees for processing applications for permits to drill. The BLM will promulgate regulations to phase in full cost recovery for processing APDs, which will be in place by 2008. The rulemaking will begin with a fee amount that generates an estimated \$21.0 million in 2008, fully replacing the estimated amount that would otherwise be provided by rental receipts, thus sustaining the program's capabilities.

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

Deep Gas and Deep Water Incentives—The 2008 budget proposes to repeal Section 344 of the Energy

Policy Act of 2005, which extended existing deep gas incentives in two ways. First, it mandated an increase in the royalty suspension volumes from 25 to 35 billion cubic feet of natural gas in a third drilling depth category, greater than 20,000 feet sub-sea. Second, it directed that incentives for all three drilling depth categories also be applied to leases in 200-400 meters of water. The 2008 budget also proposes to repeal Section 345 of the Energy Policy Act, which provided additional mandatory royalty relief for certain deep water oil and gas production. Additional royalty relief for oil and gas exploration is unwarranted in today's price environment. A legislative proposal will be transmitted to Congress to propose repeal.

Trust Accounting—The Office of the Special Trustee for American Indians, through the Office of Trust Funds Management, is responsible for the financial management of the funds held in trust for tribal and individual Indian beneficiaries. Currently, the sum of all positive Individual Indian Monies account balances is approximately \$6.0 million less than the sum of all financial assets currently invested by OST on behalf of the IIM beneficiaries. This imbalance was identified and isolated in 1998 and has been reported in the annual reports of independent auditors since that time. The significance of the imbalance is twofold. First, IIM account holders with positive balances are not earning positive income on the \$6.0 million. Second, in the unlikely event that every positive IIM account balance is withdrawn, OST would fall approximately \$6.0 million short of being able to pay all account holders.

The imbalance will continue to exist until funding in the amount of the imbalance is authorized and credited to the IIM investment pool account held by OST. Therefore, the Department will transmit legislation in 2007 to balance the accounts that would authorize up to \$6.0 million be made available to credit the investment pool.

Pick-Sloan Missouri Basin Program—The budget proposes to reallocate the repayment of capital costs of the Pick-Sloan Missouri Basin program. Power customers would be responsible for repayment of all construction investments from which they benefit. This change would increase reimbursements to the Treasury from power customers by \$23.0 million in 2008. A legislative proposal will be transmitted for consideration to the appropriate congressional authorizing committees.

San Joaquin River Restoration Fund Proposed Legislation—The 2008 budget reflects the settlement of

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

OTHER PROPOSALS

The 2008 budget also proposes changes to ongoing permanently funded programs that are highlighted.

Sale of Subsurface Mineral Estate — The budget includes a proposal to credit to the BLM Land Acquisition account proceeds from the sale of subsurface mineral estate to the surface owner, sales which are already authorized under Section 209 of the Federal Land Policy and Management Act. The sales proceeds will be used to purchase lands or interests in land, and for administrative expenses for purchasing the lands, as authorized by FLPMA. The proposal caps the collections that can be credited to the Land Acquisition account at \$5.0 million in 2008 and establishes a minimum sale price of \$10 per acre. The

budget assumes that \$5.0 million will be credited to the Land Acquisition account in 2008.

OCS Revenue for Land and Water Conservation Fund State Grants — The 2008 budget includes appropriations language to allow the use of five percent of the mandatory funds for administration of a new program. Under the recently enacted Gulf of Mexico Energy Security Act of 2006, NPS is authorized to receive mandatory funding for LWCF State grants from OCS revenues. Beginning with 2008, 12.5 percent of qualified OCS revenue will be set aside for these purposes and become available for expenditure beginning in 2009. Funds will be available for Gulf producing States: Alabama, Louisiana, Mississippi, and Texas.

IMPACT OF THE CONTINUING RESOLUTION

In 2007, the Department is operating under a continuing resolution that provides an annual rate of \$10.4 billion, a decrease of \$139.5 million from the 2007 President's budget, and \$568.2 million below the 2006 enacted level that excludes supplemental funding. The 2008 budget restores the priorities of the 2007 President's budget, including programmed fixed cost increases, eliminates unrequested 2006 congressional earmarks, and funds the program enhancement and program reduction initiatives included in the 2007 President's budget.

DEPARTMENT OF THE INTERIOR

FACTS

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

Parks, Refuges, Public Lands — Interior manages 390 units of the national park system, 547 national wildlife refuges, 71 national fish hatcheries, as well as 17 national conservation areas and 15 national monuments in BLM's national landscape conservation system.

People — Interior has over 73,000 employees located in approximately 2,400 locations across the United States, Puerto Rico, U.S. Territories, and freely associated states.

Volunteers — Interior benefits from approximately 200,000 volunteers who provide over eight million hours of service, valued at \$162 million per year.

Conservation — About 200,000 acres of high-priority abandoned coal mine sites have been reclaimed through OSM's Abandoned Mine Reclamation Fund program. The FWS acts to protect 1,879 endangered and threatened species; 1,311 are in the United States.

Revenues — Revenues collected over the last eight years vary from \$6.1 to \$14.5 billion, including revenues from energy, minerals, grazing, timber, lands sales, and other revenue producing activities. Interior's estimated revenue projections in 2008 are \$15.6 billion.



Water — The Department is the largest supplier and manager of water in the 17 western States. Reclamation manages 472 dams and 348 reservoirs that deliver irrigation water to 31 million people and one out of every five western farmers irrigating ten million acres of farmland.

Energy — Interior manages lands, subsurface rights, and offshore areas that produce approximately 30 percent of the Nation's energy, including 39 percent of natural gas, 35 percent of oil, 44 percent of coal, 17 percent of hydropower, and 50 percent of geothermal.

Visitation — Annually more than 56 million visits are made to BLM public lands, 273 million visits to national park units, 52 million visits to national wildlife refuges, and 90 million visits to 308 Reclamation recreation sites.

American Indians — The Department maintains relationships with 561 federally recognized Tribes in the lower 48 States and Alaska and provides support to a service population of more than 1.6 million people. The Bureau of Indian Education provides education services to nearly 46,000 students in 23 States attending 184 elementary and secondary schools and supports 28 tribally controlled community colleges, universities, and post-secondary schools. The BIA funds 78 detention centers and 191 law enforcement programs.

**DEPARTMENT OF THE INTERIOR
SELECTED PERFORMANCE MEASURES**

| Selected Performance Measures from Resource Protection Mission Area | | |
|--|---|----------------------------------|
|  Met or Exceeded |  Not Met | E = Estimated P = Preliminary |
| Performance Measure | FY 2005 | FY 2006 |
| #1: Wetland areas—Percent of acres achieving desired conditions | 91% | 84% E |
| #2: Riparian areas—Percent of stream-miles achieving desired conditions | 88% | 86% E |
| #3: Upland areas—Percent of acres achieving desired conditions | 57% | 73% E |
| #5: Number of land acres reclaimed or mitigated from the effects of degradation from past mining | 7584 | 8168 E |
| #32: Number of acres restored or enhanced to achieve habitat conditions to support species conservation consistent with management documents, program objectives | 383,478 | 487,670 E |
| #40: Percent of cultural properties on DOI inventory in good condition | 57% | 59% E |
| Selected Performance Measures from Resource Use Mission Area | | |
| #50: Implement National Energy Policy by holding 17 offshore sales consistent with the Secretary's 5-Year Program (MMS) | 4 | 2 |
| #56: Percent of revenues disbursed on a timely basis per statute (MMS) | 98% | 95% |
| #57: Number of pending cases of permits and lease applications that are in backlog status for fluid energy minerals (APDs) (BLM) | 2461 | 2310 |
| #61: Number of targeted basins with oil and gas resource assessments available to support management decisions (USGS) | 7 | 6 |
| #78: Water infrastructure area in fair to good condition as measured by the Facilities Reliability Rating (FRR) (Reclamation) | 96% | 98% |
| Selected Performance Measures from Recreation Mission Area | | |
| #88: Satisfaction with quality of experience | 94% | 93% E |
| #99: Customer satisfaction with value for fee paid | 89% | 87% E |
| #102: Percent of recreation fee program receipts spent on fee collection | 17% | 20% E |
| Selected Performance Measures from Serving Communities Mission Area | | |
| #116: Percent of unplanned and unwanted wildland fires controlled during initial attack | 97% | 98% E |
| #117: Number of acres burned by unplanned and unwanted wildland fires | 8,681,252 | 3,074,232 E |
| #119: Number of acres treated that are in the wildland-urban interface and are identified as high priority through collaboration consistent with the 10-Year Implementation Plan as X percent of all acres treated | 43% | 49% E |
| #124: Percent of sampled stakeholders reporting adequacy of science base to inform decision-making for each hazard management activity | 99% | 100% |
| #134: Percent of financial information accurately processed in Trust beneficiary accounts | 100% | 100% |
| #153: Average number of months that active probate cases are before the Office of Hearings and Appeals | 6 months | 5.7 months |
| #174: Percent of children able to read independently by the 3rd grade | 41% | 46% |
| #184: Total average months late for all insular general fund financial statements | 19 | 12 |
| Selected Performance Measures from Management Excellence Strategic Goal Area | | |
| #191: Volunteers: Number of volunteer hours per year supporting DOI mission activities (Take Pride in America Office) | 9,467,427 | 8,231,390 E |
| #193: Obtain unqualified audit for DOI's consolidated financial statements (Office of Financial Management or PFM) | Yes | Yes |
| #202: Percent of IT investment expenditures for which actual costs are within 90% of cost estimates established in the project or program baseline (CIO) | 87% | 93% |
| #209: Percent of facilities that have a calculated FCI. | 75% | 100% P |

A grayscale photograph of a forest path, likely a birch forest, with a black text box overlaid in the upper center. The path is narrow and winds through tall, thin trees. Sunlight filters through the canopy, creating dappled light on the ground. The text box is a solid black rectangle containing the words "DEPARTMENTAL HIGHLIGHTS" in white, serif, all-caps font.

DEPARTMENTAL HIGHLIGHTS



National Parks Centennial Initiative

National parks preserve majestic natural wonders. They keep watch over battlefields hallowed by red badges of courage. They keep culture alive ... offer recreation and discovery ... honor great leaders like Thomas Jefferson, Abraham Lincoln, Chief Joseph, and Martin Luther King, Jr. As havens of recreation, learning and personal renewal, national parks must endure.

Dirk Kempthorne, Secretary of the Interior, August 25, 2006

National parks serve as living repositories of our heritage and history. They protect and celebrate a diverse array of natural and historic treasures. Parks are classrooms that educate and inform; they are panoramic settings for exercise, inspiration, and enjoyment for over 270 million visitors each year. Today, families organize their vacations around trips to national parks just as their parents and grandparents did in the last century.

The National Park Service, with its 390 park units, helps to ensure that present and future generations will be able to preserve and enjoy this heritage and these unique places. Yosemite and Yellowstone, Grand Canyon and Grand Teton, Great Smoky and Great Sand Dunes, and indeed all our park sites, refresh the American spirit and help define who we are as a Nation.

The National Park Service celebrated its 90th anniversary in August 2006. On August 24th, President Bush issued a memorandum to Secretary Kempthorne calling on NPS to further enhance the national parks during the decade leading up to the 2016 centennial celebration.

In his August 24 memorandum, the President continued: *Therefore, I direct you to establish specific performance goals for our national parks that when achieved, will help prepare them for another century of conservation, preservation, and enjoyment. These goals should integrate the assessments of the past five years used in monitoring natural resources and improving the condition of park facilities. You are to identify signature projects and programs that are consistent with these goals and that continue the National Park Service legacy of leveraging*

philanthropic, partnership, and government investment for the benefit of national parks and their visitors.

The 2008 budget begins this effort with the National Parks Centennial Initiative, which provides up to \$3 billion in new funds over ten years. It funds:

The President's Centennial Commitment— This is \$100.0 million a year—one billion over ten years—for activities to achieve new levels of excellence in our parks. This component of the \$230.0 million park operations increase will be used to hire more seasonal rangers, interpreters, and maintenance workers; repair buildings; improve natural landscapes; and enhance the Junior / WebRanger program.

The President's Centennial Challenge— The challenge invites individuals, foundations, businesses, and the private sector to contribute at least \$100 million annually to support signature programs and projects in our national parks. To encourage philanthropy and partnerships, the budget proposes a new National Park Centennial Fund of \$100.0 million that will match contributions with up to \$100 million of mandatory funding annually for the next ten years, historically high levels of funding for NPS. The total 2008 budget request for NPS and related accounts is \$2.4 billion, which is \$261.2 million above the 2007 continuing resolution level, and \$208.0 million above the 2007 President's budget.

Included within this request for the Park Service is a historic \$2.1 billion budget for park operations. This request is \$290.3 million above the 2007 continuing resolution level, including increases of \$230.0 million for program and fixed costs and an adjustment

A HISTORICAL SETTING FOR THE NATIONAL PARKS CENTENNIAL

Through history, American presidents have responded to the call of people to conserve and care for parks.

In 1908, nearly 100 years ago, President Theodore Roosevelt welcomed to the White House a diverse array of conservationists, resource experts, industrialists, and political leaders, including the governors of all the States, to consider the problems of conservation and uses of the Nation's natural resources. The conferees established a framework for a holistic approach to natural resource conservation, advocating the management of resources for prosperity, national defense, and undiminished access for future generations. From that framework, there emerged in 1916, during the Woodrow Wilson Administration, a uniquely American invention: the National Park Service.

President Roosevelt said, *There can be nothing in the world more beautiful than the Yosemite, the groves of the giant sequoias and redwoods, the Canyon of the Colorado, the Canyon of the Yellowstone, the three Tetons; and our people should see to it that they are preserved for their children and their children's children forever, with their majestic beauty all unmarred.*

In 1956 as the National Park Service approached its 40th anniversary, the Eisenhower Administration announced a ten-year program of investment in the parks. President Eisenhower called on the Congress in his 1956 State of the Union message to *re-emphasize the critical importance of the wise use and conservation of our great natural resources of land, forests, minerals and water, and their long-range development...* The objective was, by the golden anniversary of the Park Service in 1966, to ensure the American people had a system preserved and managed for the next 50 years for the benefit of their children and grandchildren.

of \$60.3 million related to the impact of the 2007 continuing resolution. This is the largest increase for park operations funding in history and is \$230.0 million above the 2007 President's budget level and an increase of \$258.3 million above the 2006 level.

The 2008 budget and the National Parks Centennial Initiative emphasize three themes:

- To engage all Americans in preserving our heritage, history, and natural resources through philanthropy and partnerships, with a special emphasis on linking children to nature. An increase of \$100.0 million is proposed for these programs to fulfill the President's Centennial Commitment.
- To reconnect people with their parks through enhanced technology and the seamless network of the trails system. An increase of \$3.8 million is proposed for these programs.
- To build capacity for critical park operations to sustain these efforts through the next century. An increase of \$126.2 million is requested for these programs.

I am absolutely committed to finding and funding the best private and public projects that embody the spirit and values of our national parks. Once these projects are selected, they will be fast tracked and carefully monitored to ensure private and public funds achieve Centennial Challenge goals.

*Dirk Kempthorne, Secretary of the Interior
February 5, 2007*

ENGAGING ALL AMERICANS THROUGH PHILANTHROPY AND PARTNERSHIPS

To prepare the national parks for another century of conservation, preservation, and enjoyment, the 2008 President's budget envisions a partnership of Federal, private, and public support with the potential to provide \$3 billion in new funds over the next ten years.

This partnership includes the President's Centennial Commitment of \$100.0 million per year over the next ten years for park operations. In addition, the budget includes a Centennial Challenge of up to \$100 million per year in private contributions for signature projects and programs to be matched by \$100.0 million in annual mandatory Federal spending. A legislative proposal will be transmitted to the Congress that proposes this new, dedicated source of funding for over ten years. Private contributions and the Federal matching funds will complement the annual increase in the park operating budget, paying for projects that inspire the American imagination and that offer national parks a new level of excellence.

The national parks have a strong history of philanthropic support and volunteerism. For the Nation's bicentennial, school children donating their dimes across the country joined with the generosity of philanthropic organizations and partners to help refurbish the Statue of Liberty. In that same spirit, the President's Centennial Initiative will challenge the American people to participate in preserving their parks, their heritage, and their history. A recent Harris poll found that the Park Service receives strong support from more than 80 percent of American adults surveyed, the highest level of support among all Federal programs.

PROTECTING THE SIGNATURE SITES OF THE AMERICAN STORY

The President's Initiative will increase resources to preserve, restore, and rebuild signature sites. The Centennial Challenge will engage private philanthropists in signature projects that protect park assets, preserve the historical story of America, enhance or improve park facilities through the provision of new facilities and assets, and improve the national park system and its services.

Private contributions will be directed toward signature sites that reflect some of America's most significant stories. These projects will involve protecting park assets, including renovating existing facilities, and constructing new facilities where appropriate. The NPS will identify these signature projects and programs in the Secretary's report to the President in May 2007, after public listening sessions.

Ellis Island National Monument, which protects the historic structures that comprise one of America's most visible national icons, offers one potential opportunity for a signature project. Federal operat-

ing funds combined with private funds raised by the Statue of Liberty / Ellis Island Foundation have made it possible to rehabilitate and re-use several major structures on the north side of the island for education and interpretation. However, a long-term preservation program has not been established for protecting buildings on the island's south side. Funding from private philanthropy could create sustainable uses for these historic buildings on Ellis Island and provide public programming for Ellis Island themes such as immigration, world migration, public health, and cultural/ethnic diversity.



Additional private-public partnership projects will build upon opportunities in other parks to serve as living repositories of history and heritage. These projects will adhere to the NPS partnership program requirements, ensuring that Federal investments are planned, budgeted, accountable, and sustainable.

In addition, through programs such as Preserve America and Save America's Treasures, NPS will provide matching funds to renew heritage and historic sites and facilitate local heritage tourism. Philanthropic donations and Federal funds will also be used to curate and display Indian artifacts not currently accessible or on view.

A LEGACY FOR THE FUTURE: ENHANCED VISITOR OPERATIONS

A program of focused Federal investment is crucial in 2008 for a sustained, targeted financial commitment to ensure that park facilities and natural and cultural resources are well-maintained and preserved, park programs are relevant to its visitors, and the national park system is well-staffed and led by a cadre of dynamic and visionary managers. The overall \$230.0 million increase in the NPS operating budget, including the \$100.0 million Centennial Commitment, will be used to:

- Build upon current advances under the President's management agenda to fashion a more modern, business-oriented NPS focused on operation and facilities management, e-government, and modern interpretive practices to lead NPS into the 21st Century.
- Augment park relevance to youth and diverse visitors so parks are meaningful and enjoyable for future generations.
- Increase recreational opportunities.
- Improve the condition of the Nation's natural and cultural resources.
- Improve facility conditions from the recently completed baseline measures.

The \$100.0 million park operations Centennial Commitment will achieve new levels of excellence in the parks, including: \$40.6 million for 3,000 seasonal park rangers, interpreters, and maintenance workers; \$35.0 million for cyclic maintenance; \$20.0 million for flexible park base funding that will be focused on natural and cultural resource improvements, \$3.4 million to encourage and support park volunteers, and \$1.0 million for the Junior/Web Ranger program.

Seasonal Park Rangers

With an infusion of \$40.6 million in funding for 3,000 new seasonal employees, the park system would improve and expand visitor services, including interpretive and educational programs, staffing visitor centers, ensuring appropriate levels of security and safety at parks, and maintaining facilities and resources in acceptable or good condition. This investment will ensure that park visitors of all ages have an opportunity to interact with park rangers



and enjoy interpretive programs, participate in ranger-conducted programs and educational programs in the parks. These programs will attract school children and community groups and bring the message of park stewardship to the American public. The ranger corps will provide classic ranger programs, such as nature hikes, campfire programs, and cultural demonstrations. This funding will enhance the experience of 135 million park visitors annually. Peak month visitors will benefit from a 28 percent increase in contacts with interpreters, a 15 percent increase in maintenance, and a 30 percent increase in the presence of protection rangers.

Rangers for Protection — The NPS protects visitors and resources through backcountry and river patrols, climbing rangers, and law enforcement officers. Emergency management technicians are on staff to ensure that the public has adequate emergency services. The Centennial request includes an increase of \$15.6 million for 1,000 additional protection rangers. Currently there are approximately 1,900 rangers within parks. The increase in funding and staffing will be used to make protection rangers more visible and accessible to the park visitor, thereby protecting park resources more effectively and providing the visitor with increased levels of protection. The ranger corps will provide the visitor with increased levels of patrol on rivers and trails, monitor resources, conduct search and rescue operations, and provide other visitor safety services. In addition, protection rangers will provide increased education on visitor safety and resource stewardship to park visitors.

The 2008 NPS request for protection rangers and core operations will:

- Reduce Part 1 offenses (serious crime) by seven percent by 2012.
- Reduce visitor accidents/incidents by 14 percent by 2008.

The NPS will target the funding to parks with disproportionately high crime and incident rates and inadequate levels of protection staffing during the peak season. High crime parks account for the majority of serious crimes in NPS, and strategically placing additional rangers in these parks will deter criminal activity and reduce the number of visitor incidents for the Service as a whole.

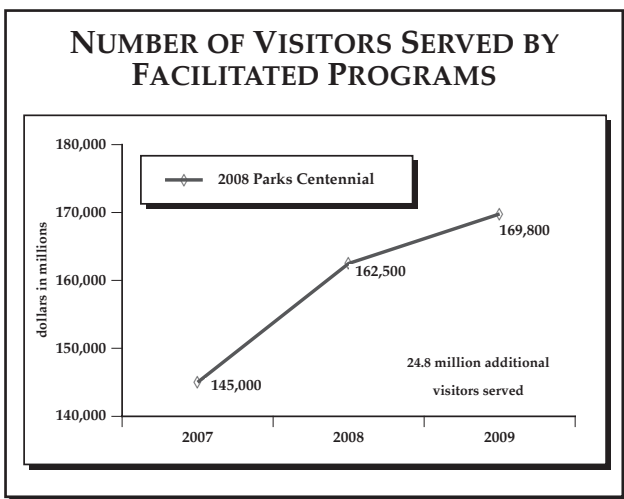
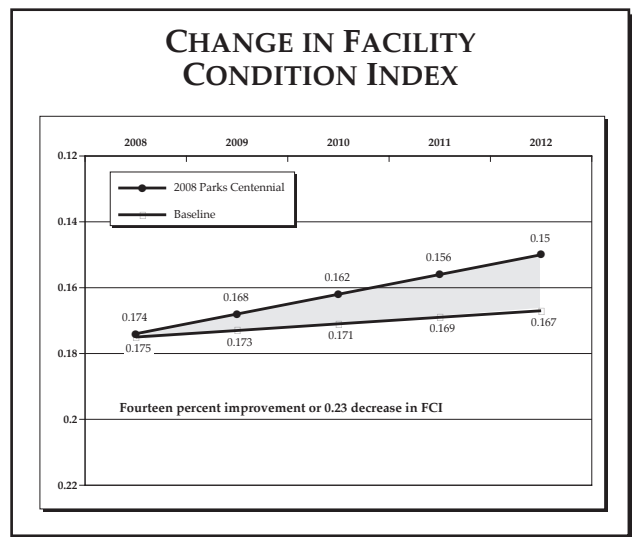


Rangers for Interpretation and Education — The Centennial Parks request includes an increase of \$13.0 million for 1,000 additional seasonal naturalist and education rangers in the parks. These funds will ensure that park visitors have an opportunity to interact with park rangers and enjoy interpretive programs. The NPS will target park operations funding to parks with a low ratio of ranger contact to visitor and outdated or limited interpretive programming. With this additional funding, NPS will expand its ability to interact with the public, provide ranger-conducted programs for visitors, conduct educational programs in parks to attract school children and community groups, and bring the message of park stewardship to the American public. The ranger corps will provide classic ranger programs, such as nature hikes, campfire programs, and cultural demonstrations.

employees. These employees will ensure that new and existing park facilities, trails, buildings, and landscapes are maintained in good condition. The rate of visitor satisfaction with facilities, visitor satisfaction with restroom facilities, and the ratio of visitors to maintenance personnel will be used to target parks for funding. The accomplishments of this additional maintenance workforce will be reflected in an improved facility condition index and natural and cultural landscapes maintained in good condition.

Cyclic Maintenance to Preserve Heritage and History

President Bush established a legacy for parks by investing over \$5.0 billion since 2002 to significantly improve the condition of park facilities. As a result, NPS has information about its assets that it has never had before—systematic information about its inventory, the value of its assets, comprehensive



Seasonals for Maintaining Park Assets — The Centennial Parks includes an increase of \$12.0 million to hire 1,000 additional seasonal maintenance

condition assessments of all assets, and the investment required to sustain these assets over time. This information has been used to prioritize facilities maintenance investments and to link budget decisions to maintenance or achievement of target facility condition goals.

To facilitate the NPS preventive maintenance program and to protect the previous investments in deferred maintenance, the President's budget request includes an increase of \$25.0 million for regular cyclic maintenance and \$10.0 million for cyclic maintenance of historic structures. Cyclic maintenance funds ensure that recent investments to improve condition are protected and that the

facilities do not begin deteriorating as soon as the projects are completed.

Flexible Park Operations Allocated to Cultural and Natural Resources

The 2008 budget includes an increase of \$20.0 million that will be allocated to individual parks for one to three years to accelerate the improvement of cultural and natural resource health. The goal of this flexible park base funding is to enhance financial support for cultural and natural resources at parks where there is a history of organizational efficiency and demonstrated results with specific changes in performance measures. Proposed projects include work relating to historic structures, cultural landscapes, museum collections, archeological sites, disturbed lands, exotic plants and animals, species of management concern, or water quality. By enhancing support for cultural and natural resources at these sites, NPS will improve performance at individual parks and across the Park Service and improve the visitor experience.

An example of a park where additional funding could be applied is the Cape Cod National Seashore. By targeting Cape Cod National Seashore with flexible park base funding NPS would be able to improve the condition of the Old Harbor Life-Saving Station from fair to good condition. By funding the interior and exterior restoration work, Cape Cod National Seashore would be able to protect the only station out of thirteen original life-saving stations that continues to possess the same defining features as it did at the turn of the 19th Century. Once restored, the park has a standing philanthropic commitment from the Friends of Cape Cod National Seashore to undertake a fundraising campaign to furnish the historic building, which would enhance visitor satisfaction and understanding.



Expanding the Call to Service

The 2008 budget request proposes a \$3.4 million increase to the Volunteers-in-Parks program, which will capture an untapped reserve of volunteers. Volunteers currently provide over five million hours of service at national parks throughout the United States. These volunteers work with park scientists to protect endangered species, assist in the repair of facilities, remove invasive plants, assist with archeological surveys, and assist rangers operating and maintaining campgrounds and visitor centers. These volunteers use their knowledge of local places and people to provide unique insights for visitors to the national parks. There remains, however, an untapped reserve of capacity in the communities surrounding parks that can contribute to enriching the parks experience for visitors. As a result of this increase, the program would gain an estimated 19,000 volunteers and an increase of one million hours in interpretive and visitor services, an increase of 50 percent in volunteer hours for these services over four years. Using industry standards, the value of this increased volunteer time is estimated at \$19.0 million annually.



The NPS has successfully used volunteers through the Public Land Corps to expand its youth service opportunities to carry out needed repairs and restoration projects within the national park system. This program employs college age youth, directing them into gainful employment through a structured program that gives them employable skills and teaches them about potential careers in areas including natural resources, education, and maintenance. The NPS regards the Public Land Corps program as an important and successful example of civic engagement and conservation. The program is unique because nonprofit agencies such as the Student Conservation Association and the National

Association for Service and Conservation Corps serve as the primary partners in administering the Public Land Corps program. Each year, more than 300 parks apply for work grants of up to \$25,000. The nonprofit youth organizations assist NPS in its efforts to attract diverse audiences to the parks by recruiting youth 16 to 25 years of age from all socioeconomic, cultural, and ethnic backgrounds. Since 1997, the Public Land Corps has funded more than 2,000 work projects with more than 100 parks participating on an annual basis.

The NPS currently utilizes the Public Land Corps, in partnership with a variety of non-profit youth organizations, to employ 964 volunteers at 90 parks. In 2008, through the use of recreation fees, NPS will

RECREATION FOR CHILDREN

The national park system offers a wealth of recreational opportunities for children and their families, and promotes a seamless network of parks by linking outdoor recreation opportunities in park units and with other open spaces in local communities. Working with these local communities through the Rivers, Trails, and Conservation Assistance program and other programs, NPS also assists community groups and local and State governments to conserve rivers, preserve open space, and develop trails and greenways as pathways to health. The 2008 President's budget includes an increase of \$2.8 million for programs that will directly expand recreational opportunities for America's children and families. The President's Council on Physical Fitness and Sports recommends incorporating regular physical activity into our children's daily lives. Besides providing physical health benefits, physical play and recreation aids children's cognitive and social development.



increase the use of this program by 1,000 volunteers and will enlist their services at a total of 160 parks.

Linking Children to Nature

The Parks Centennial will also provide enhanced educational opportunities through an increase of \$1.0 million to the Junior / WebRanger program. In addition to learning about the parks, the program educates younger generations about natural and cultural resource stewardship, fosters a sense of conservation within the parks and their surroundings, and encourages youngsters to observe and explore their environment. The WebRanger program allows children to learn more about the national parks even if they cannot visit them,



to learn about parks before they visit, and to care for the national parks and their world. Through an interactive internet-based tour of a park, children can become certified as a WebRanger.

Currently, Junior Ranger programs in 297 parks serve 368,000 visitors, and 23 parks have online WebRanger programs. There is the potential to reach one million 7 to 12 year olds annually through these programs. Expansion provides the potential to leverage large donations from corporate sponsors in order to enhance opportunities to get youth involved in conservation of natural, historical, and cultural resources.

RECONNECTING PEOPLE TO PARKS

This component of the Parks Centennial focuses on the need to realize the potential of parks as repositories of history, heritage, and learning. A total of \$3.8 million is requested to enhance the role of parks as a unique source of education and learning about the American story—learning about the

natural world, our cultural heritage, and ourselves. Through technology, parks can tell the stories of how we grew as a Nation—like the stories told at sites commemorating early European settlements like Jamestown in Virginia or celebrating the journey of Lewis and Clark. Trails can relate the history and culture of the first Americans at sites like the Trail of Tears National Historic Trail, which commemorates the forced removal of more than 16,000 Cherokee Indians from their ancestral homes on the east coast.

NATIONAL TRAILS SYSTEM

Millions of Americans hike, bike, and drive in national parks and adjoining communities. The 2008 budget request proposes \$1.0 million to expand trails through public/private partnerships. The national trails system provides 43,500 miles of trails through 47 States. With the increased funding in 2008, the trail system will be more tightly connected to existing Federal areas at interpretive facilities, offering unmatched opportunities for recreation and preservation. The NPS will also augment family friendly facilities, activities, and adventures by creating child centered trails and activities. Through investments in outdoor programs in the parks, activities such as canoeing, kayaking, bird watching, and bicycling can become part of everyone's experiences.



This effort will enhance visitor experiences, provide better directional information, and promote health and fitness initiatives, such as *HealthierUS*. The projects funded would be completed by 2018, the 50th anniversary of the National Trails System Act.

ENHANCING TECHNOLOGY IN PARKS

The 2008 budget will focus resources on the effective use of park facilities coupled with developing relevant interpretive programs for the next generation. The Parks Centennial includes \$2.8 million to modernize park interpretive programs and technologies

and to develop partnerships with youth programs to provide work experiences in the park setting.

The graduating classes of 2016 are now third graders and will be the leaders of the future. With investments to enhance information technology-based media, national parks can offer phenomenal untapped opportunities to serve as laboratories for education, where these children can learn about and aspire to become historians, scientists, engineers, and teachers.

Interpretation and educational programs are fundamental to the visitor experience because they help people understand and identify with the historical and cultural meaning of the national parks and connect to nature and the outdoors. However, investments are needed to improve park exhibits and interpretive programs and make them appealing to the interests and learning habits of younger generations. Parks can also reach broader audiences through greater use of e-learning technologies.

Today's youth are technologically adept and comfortable with a host of interactive tools. They spend hours every day communicating through the use of instant messaging, researching information via the internet, playing complex video games, and downloading music and other forms of entertainment into iPods and MP3 players. The budget will invest in enhancements at parks that have not kept pace with these methods of learning and communication and as NPS nears its centennial celebration, its relevance to the next generation of visitors will be improved.

The budget also includes an increase of \$1.8 million to develop partnerships for youth, through such programs as the Youth Conservation Corp. In addition, the budget proposes an increase of \$1.0 million to improve the content of all information technology based interpretation and informational media.



BUILDING CAPACITY FOR CRITICAL PARK OPERATIONS

In addition to the \$100.0 million increase as part of the Centennial Initiative, the President's 2008 NPS budget provides \$126.2 million in operating program increases that will fund critical park needs. These programs lay a solid foundation that will ensure the national park system is a vibrant, living testament to the unique American natural, cultural, and historic landscapes for every visitor in the 21st Century and beyond.

PARK BASE FUNDING: SETTING A SOLID

The Centennial Challenge will propel us as an agency into a new era distinguished by sound government, citizen, and philanthropic partnerships that create a better park experience for all visitors and raise the conservation bar for the generations yet to come.

*Mary A. Bomar, Director,
National Park Service
September 21, 2006*

FOUNDATION FOR PARKS

The 2008 President's budget includes \$40.6 million in specific park base increases, which would enhance core visitor services and resource protection by funding high priority needs at 135 parks. In order to ensure the integrity of this request and to affect the greatest performance change, the NPS proposes funding for parks that meet specific criteria.

During the annual budget call, high-priority needs were identified and prioritized by park and regional managers. These decisions were informed by management processes, such as core operations analysis and business plans, which involve analyzing spending patterns, identifying cost recovery strategies and efficiencies, focusing efforts on core mission activities, and working towards high priority performance goals.

As the next step in the budget review process, the relative efficiency of parks was evaluated using the financial and organizational data in the NPS scorecard. About 60 percent of the funding goes to parks with high efficiency scores to enable them to sustain and improve performance by providing a positive visitor experience and preserving

park resources. About 20 percent is proposed for high-priority needs at parks that have experienced the greatest impact on fixed costs to improve their financial flexibility.

By improving their financial flexibility, the parks will be better able to respond to changing situations and adjust operations to result in the maximum performance. The remaining 20 percent of the funding is requested for high priority park needs which either: improve the capacity to handle responsibilities for new or dramatically rehabilitated facilities, newly acquired lands and resources, and developing units, or promote collaborative efforts that benefit multiple parks.

Besides full-time permanent employees, NPS uses a large number of seasonal hires to aid in providing interpretive and educational programs to park visitors. There are currently approximately 1,500 seasonal interpretive employees within parks. Interpretation and education programs are fundamental to NPS activities, which help people understand and identify with the tangible histories and intangible meanings inherent in the national park system. The budget request includes an increase of \$13.0 million for 1,000 additional seasonal naturalist and education rangers in the parks.



INCREASING VISITOR CONTACT AT CHAMIZAL NATIONAL MEMORIAL

At Chamizal National Memorial in Texas, the NPS plans to develop a host of bilingual programs to serve visitors. Funding would allow Chamizal to institute a comprehensive, educational interpretive program with bilingual on-site education-based programs, 50 off-site programs, and six teacher workshops per year, increasing on-site contact with visiting students by 500 percent and off-site contact by 300 percent.

REPAIR AND REHABILITATION

The 2008 budget request includes an increase of \$15.0 million, or 17 percent, to increase repair and rehabilitation of park facilities. Repair and rehabilitation projects address park maintenance needs and this funding increase will accelerate the Park Service's capability to improve the condition of physical assets. This increase of 17 percent will address projects including campground and trail rehabilitation, roadway reconditioning, bridge repair, wastewater and water line replacement, and rewiring of buildings. Projects will be selected by the Park Service based on a prioritization of projects using the facility condition index, the asset priority index, and preventive maintenance programs.



PARK SUPPORT ACTIVITIES

The 2008 budget includes increases totaling \$16.4 million for programs and activities that support park operations, maintenance, and management. An increase of \$300,000 is requested to establish a Centennial Implementation office that would manage the philanthropic aspects of the Centennial Challenge, including ensuring the appropriate match and the competitive project selection process. An additional \$300,000 is requested to restore funding for the Vanishing Treasures program, which protects and preserves cultural resources throughout the park system. The program targets the preservation of Native American architectural ruins in the parks of the desert southwest.

An increase of \$4.0 million is requested to centrally fund connectivity to the Enterprise Services Network. The connection to this network backbone for the Department is critically important for remote access by parks. Directly funding this would remove the need to assess individual parks. An increase of \$4.8 million is requested to fund the Financial

CARING FOR CULTURAL RESOURCES AT WEIR FARM

At Weir Farm National Historic Site in Connecticut, funding in 2008 will allow NPS to assume operation of the historic Weir properties, including the operation of the Weir house, studios, and barn for the first time in the history of the park. The Weir house and studio are the park's most significant structures. For the last 15 years, these historic features have been in private ownership and not publicly accessible. As of July 2005, the park assumed the costs associated with these structures and their contents, which represent over 120 years of use by three major American artists. These buildings are scheduled for total restoration in the repair and rehab program over a four year period. Funding would provide for collections management, interpretation, and preservation of the historical landscape.



and Business Management System, through the Department's Working Capital Fund.

An increase of \$7.0 million is requested to conduct environmental and economic assessments of the potential removal of O'Shaughnessy Dam, which is located in Yosemite National Park's Hetch Hetchy Valley. Drawing from the recently completed California State sponsored evaluation of the issue, the study will begin in 2008.

FOSTERING HISTORIC PRESERVATION AND HERITAGE TOURISM

The Preserve America, Save America's Treasures, and Heritage Partnership programs complement the goals of the Centennial Initiative. These historic preservation programs help to attain historic preservation and heritage tourism goals by encouraging States and local communities to partner with the Federal government to preserve the fabric of

the American story. The NPS plays a vital role in preserving the Nation's cultural history through a variety of stewardship programs that address unmet preservation needs nationwide. The 2008 budget request includes \$10.0 million for Preserve America grants that help local communities find sustainable uses for historic assets, such as through heritage tourism. The budget also requests \$10.0 million for Save America's Treasures grants comparable to the amount of competitive funds in the 2006 enacted budget.

The 2008 budget request includes \$10.0 million for heritage areas, which is an increase of \$2.6 million from 2007. The Heritage Partnership program provides seed money for congressionally designated, but locally managed, national heritage areas. The combination of these programs allow local communities to determine which strategies best suit their heritage



needs; apply to the most appropriate programs to repair historic buildings, conserve museum resources, and promote heritage development; and effect better coordination and allow for greater efficiencies in meeting the goals to enhance and expand opportunities for cultural resource preservation throughout the Nation.

The 2008 budget also includes a request of \$39.7 million, the same as 2007, for the Historic Preservation Fund grants to States, Territories, and Tribes to preserve historically and culturally significant sites. These grants promote public-private partnerships to identify and protect irreplaceable historic and archeological resources by providing funding to State Historic Preservation Offices.

The 2008 request includes funding to establish a national inventory of historic properties, as recommended by historic preservation experts at the October 2006 Preserve America Summit. Of the \$5.0 million requested, \$4.0 million will provide competitive matching grants to States, Tribes, local governments, and Federal land managing agencies for inventory development. The remaining \$1.0 million will be provided under the National Register Programs for NPS to develop data format requirements and protocols, in coordination with State Historic Preservation Officers.

AMERICAN BATTLEFIELD PROTECTION PROGRAM

The American Battlefield Protection program promotes the preservation of battlefields and sites associated with armed conflicts that influenced the course of American history. These sites are symbols of individual sacrifice and a rich national heritage. The 2008 President's budget proposes an increase of \$1.5 million for the American Battlefield Protection program, which would allow for 50 grants to be awarded in 2008 through competition. This program encourages and assists communities in planning for the preservation, management, and interpretation of these sites and raises awareness of the importance of preserving battlefields and related sites for future generations. These grants are operational grants that focus primarily on land use, cultural resource and site management planning, and public education. They are complemented by the Civil War Battlefield land acquisition grants funded through the Land and Water Conservation Fund. The 2008 budget includes \$4.0 for grants to States and local communities to acquire lands or interest in lands to preserve and protect battlefield sites.

The American Battlefield Protection program projects are conducted by Federal, State, local and tribal governments, nonprofit organizations, and academic institutions. Types of projects include:

- Historical research.
- Cultural resources surveys.
- Archeological surveys.
- National Register of Historic Places documentation and nominations.
- Assessment of the condition of battlefields and potential threats to their continued survival.
- Battlefield acquisition plans and preservation plans.
- Local land use strategies for sensitive planning.
- Technical assistance for organizations and governments needing help to protect battlefields.
- Public education.

Since 1990, the American Battlefield Protection program and its partners have helped to protect and enhance more than 100 battlefields by co-sponsoring 306 projects in 37 States and the District of Columbia. In 2006, the program awarded 11 grants totaling \$350,000 to support a variety of projects at battle sites in Florida, Georgia, New Jersey, Pennsylvania, Texas, Virginia, Washington, Wyoming, and Palau. Funded projects include battlefield surveys, site mapping, updating National Register of Historic Places nominations, preservation and management plans, educational materials, and archeological studies.





Healthy Lands

Meeting both our energy and land health goals requires integrated, landscape-scale habitat protections and resource management.

*Dirk Kempthorne, Secretary of the Interior
February 5, 2007*

America's public lands provide opportunities for recreation, economic prosperity, and some of the world's most magnificent vistas and landscapes. They support local traditions, farming and grazing, as well as tourism and recreational industries. They supply the energy and resources the Nation needs to power industry and enhance energy security. Public lands also provide habitat for numerous species, including listed, candidate, and proposed Federal species.

The Bureau of Land Management undertakes these diverse responsibilities through ongoing operational programs and extensive partnerships with State, tribal, and local governments; communities; industry; and others. As energy activities in the West increase, concerns about maintaining habitat for wildlife at the wildlife-energy interface are also increasing. Increasing human population, local development, and associated infrastructure such as roads, and expanded access with the use of motorized recreational vehicles have added to the pressures on resources in these areas. As a result, it is imperative that resources are managed in a way that protects species at-risk such as the sage grouse to prevent listing and to better assure recovery for those listed as threatened and endangered.

Assuring energy access while maintaining healthy lands requires landscape-scale decisionmaking, new tools that better enable BLM to assure access to energy while protecting habitat and wildlife, more

scientific information, improved monitoring, and strengthened partnerships with companies, communities, and conservation organizations. Interior's Healthy Lands Initiative puts in place these building blocks to meet the challenges presented by a growing wildlife-energy interface.

The 2008 budget proposes \$22.0 million for this Healthy Lands Initiative. A \$15.0 million increase would allow BLM to protect wildlife and restore habitat in energy interface areas and other areas where the needs of wildlife and habitat conservation conflict with energy development on public lands. The Initiative fosters cooperative conservation through partnerships, science, monitoring, and landscape-scale restoration. This Initiative focuses on six areas in the West that encompass important sage grouse habitat or other wildlife habitat. The BLM budget request will leverage funding and matching efforts provided by other Federal agencies; State, local, and tribal governments; philanthropic organizations; advocacy groups; and energy industry partners. Federal activities will also be coordinated with recently completed State wildlife action plans. The State of Wyoming, for example identifies a number of species found in the Green River Basin in its State Comprehensive Wildlife Strategy.

In addition to the BLM funding, the Healthy Lands Initiative includes \$2.0 million for Fish and Wildlife activities and \$5.0 million for the U.S. Geological Survey. These three agencies will work together



to identify, restore, and protect significant habitat for the benefit of wildlife and energy activities and potentially prevent the listing of species at-risk.



WILDLIFE-ENERGY INTERFACE

Interior plays a critical role in providing access to domestic oil, gas, and other energy sources – both onshore and offshore – to meet the Nation’s energy demands. At the same time, Interior serves as the Nation’s leading conservation agency. Onshore public lands managed by BLM produce 18 percent of the Nation’s natural gas and five percent of its oil. Five basins in Montana, Wyoming, Utah, Colorado, and New Mexico contain the largest onshore reserves of natural gas in the country and the second largest domestic resource base after the Outer Continental Shelf. These basins contain an estimated 139 trillion cubic feet of natural gas that can be developed efficiently and expeditiously.

The BLM has significantly improved access to energy resources, resulting in additional oil and gas supplies to the market from these sources. These efforts have been hugely successful as measured by the increasing number of applications for permits to drill processed over the last few years. A comparison of APDs received in these areas between the years 1996 and 2000 and the years 2001 to 2005 shows a 104 percent increase. In 2005, BLM approved more than twice the number of drilling permits approved in 2000. To ensure that this increased activity met all applicable environmental and safety standards, BLM also increased its inspection and monitoring activities.

To maintain energy development and habitat, BLM has been working on vegetative restoration and enhancement initiatives with partners since 2005, generating important species and habitat benefits. Yet most of these initiatives have been small in scale and focused on a site or specific project.

Energy development increasingly occurs in areas with important wildlife habitat. Effective management of these areas demands a more comprehensive, strategic approach. In these wildlife-energy interfaces, numerous listed, candidate, and proposed Federal species coincide with energy-producing areas. The combined effects of energy development, growing populations, and other forces have the potential to cause long-term landscape changes.

The BLM proposes to address these challenges by seeking funds to conduct restoration and enhancement activities on a landscape-scale. At the same time, BLM is developing new tools such as multi-unit environmental impact statements, conservation opportunities, and mitigation measures to assure effective management of energy development and wildlife habitat protection on public lands.

PROTECTING SAGE GROUSE HABITAT

The greater sage grouse presents a particularly significant challenge. Habitat for the sage grouse ranges across ten western States and covers more than 165 million acres, with 72 percent of the acreage under Federal management. In addition to the sage grouse,



WILDLIFE-ENERGY INTERFACE AREAS

| | 2006 Enacted | 2007 Estimate | 2008 Plan | Change |
|--|-----------------|------------------|-----------|--------|
| Number of BLM acres treated consistent with wildlife management goals within the wildlife-energy interface in specific geographic areas. | 86,473 | 85,927 | 102,479 | 16,552 |

SAGEBRUSH EMPHASIS AREAS

| | 2006 Enacted | 2007 Estimate | 2008 Plan | Change |
|---|-----------------|------------------|--------------|--------|
| Number of BLM acres treated in sagebrush emphasis areas, consistent with State Sagebrush Conservation Plans and BLM's National Sage Grouse Habitat Conservation Strategy. | 187,092 | 192,064 | 256,925 | 64,861 |

sagebrush habitat supports significant numbers of plants and animals that depend on this ecosystem for all or part of their existence, including species that are candidates for listing or are already federally listed threatened or endangered species. The BLM manages more sage grouse habitat than any other entity.

The current range of the greater sage grouse is estimated to be a reduction of nearly 45 percent from the historically occupied range, and it has been petitioned for listing under the Endangered Species Act several times. In 2004, FWS began a formal status review of the species which included considering all the available scientific and commercial information on the species and its habitats, including the Western Association of Fish and Wildlife Agencies' Conservation Assessment of Greater Sage grouse and Sagebrush Habitats. In 2005, FWS announced that although a longer-term decline in habitat and population had occurred, the species was not warranted for listing based on the best available science at the time. This scientific information indicated the rate of population decline for the species across its entire range had slowed substantially in the past 20 years, and that populations in several States had slightly increased or generally stabilized. However, in announcing the decision that listing was not warranted, FWS also emphasized the need for continued efforts to conserve sage grouse and sagebrush habitat on a long-term basis. Within their current range, sage grouse populations occur on lands that overlap significant natural resources such as oil and gas, water resources, potential sites for wind power generation, and mineral deposits, as well as ranching, agricultural, and recreational areas. They also are found in habitats at substantial risk of alteration due to exotic weeds, fire, and conifer encroachment.

The situation clearly poses a management challenge, since the public wants wildlife to be maintained and also wants multiple uses on these lands. By being proactive, BLM believes it can protect both the

habitat and the species that rely on this land while maintaining current and future energy production for the Nation.

INNOVATIVE SOLUTIONS

With so much at stake, BLM is proposing to implement a new model for land management in wildlife-energy interface areas. Rather than continuing to pursue its traditional land management approaches that provide protection of species and habitat on a smaller scale, BLM will focus on habitat conservation on a landscape scale and emphasize cooperative conservation to maximize benefits to large swaths of Federal, State, and private lands. Special emphasis will be placed on efforts that are consistent with State wildlife action plans. The BLM has already successfully demonstrated the effectiveness of this landscape-scale approach to habitat protection and restoration in New Mexico, where this approach has yielded benefits to wildlife, habitat, water quality, invasive species control, and hazardous fuels reduction.

The 2008 budget provides \$15.0 million for BLM to continue its efforts in New Mexico and to implement similar landscape-scale projects in five other priority geographic focus areas: the Green River Basin in southwest Wyoming; Snake River plain in southern Idaho; Utah; areas in southeast Oregon and southwest Idaho; northern Nevada; and Colorado. In these six focus areas, project plans have been developed. The requested funding will enable BLM to implement these plans. In all six focus areas, BLM's efforts will leverage significant participation by State, tribal, and local governments, nonprofit organizations, and the private-sector. The BLM estimates that 407,000 total acres will be treated with this \$15.0 million in Federal funding and \$10.0 million in partner investments.

The Healthy Lands Initiative will yield positive results as it:

- Develops and advances partnerships for long-term funding and implementation of projects.
- Concentrates a large number of treatments, in each emphasis area, resulting in a significant amount of improved habitat in an entire watershed or landscape-wide area in three to five years.
- Establishes connectivity of fish and wildlife habitats and landscape level habitat restoration and enhancements.
- Leverages partnership funding at unprecedented levels.
- Establishes or enhances existing partnerships with adjoining landowners, so that a large percent of landowners in the same area treat their lands.
- Reduces overall unit cost due to lower cost per acre.



In the geographic focus areas, BLM has been working with partners. These efforts are beginning to show results. Numerous new partners are awaiting an opportunity to participate with BLM.

In southern Idaho, BLM and its partners have formed working groups and partnerships to facilitate healthy landscape restoration projects and improved land management. For example, the State of Idaho's Department of Fish and Game is leading the development of nine local working groups with BLM to focus on sage grouse habitat conservation. Working groups are in place in the Shoshone Basin, the Jarbridge area, the Upper Snake, and the Mud Lake areas. Other local working groups, such as for the Craters of the Moon National Monument, are being formed.

In Utah, a consortium of agencies form the Utah Partners for Conservation and Development. Seven Federal agencies, eight State agencies, private landowners, a university extension service, and nonprofit organizations such as Trout Unlimited are planning to restore sagebrush habitat in focus areas selected for their wildlife value, particularly focusing on sage grouse. The partners have committed more than \$8 million to restore public and private land, including 120,000 acres that were completed in 2005. The State of Utah has committed \$4.0 million to this effort.

Southwestern Colorado provides habitat for diverse wildlife populations, including seven of the eight remaining populations of Gunnison sage grouse and desert big horn sheep. The BLM, Colorado Division of Wildlife, and other partners working together to restore habitats guided by comprehensive conservation planning documents, including the Gunnison Sage Grouse Rangewide Conservation Plan, Colorado's Comprehensive Wildlife Con-

NEW MEXICO

The BLM's ongoing restoration activities in New Mexico are achieving results using a landscape-scale approach that may be applied throughout the West. In 2006, the New Mexico Office focused restoration funds and expertise in one watershed and, working with partners, treated 65,515 BLM acres and 20,200 State and private acres in the wildlife-energy interface. Compared to traditional approaches used by BLM that treated five to ten acres at a time, this partnership focused on large, landscape-scale projects. In 2005, this traditional approach resulted in a total of only 8,621 BLM acres and 4,949 non-BLM acres being treated. With additional funding in 2008, BLM estimates that a total of 101,000 acres will be treated, 16 miles of streams will be improved, and 149 oil pads reclaimed in the wildlife-energy interface areas in New Mexico alone.

ervation Strategy, wildlife action plans, and BLM resource management plans. Two field offices are completing programmatic habitat improvement environmental assessments to streamline future project implementation.

An increase of \$5.0 million will enable USGS to provide BLM with the science support needed for adaptive management of energy projects to assure achievement of habitat conservation and restoration goals. The USGS will use the funds to conduct inven-



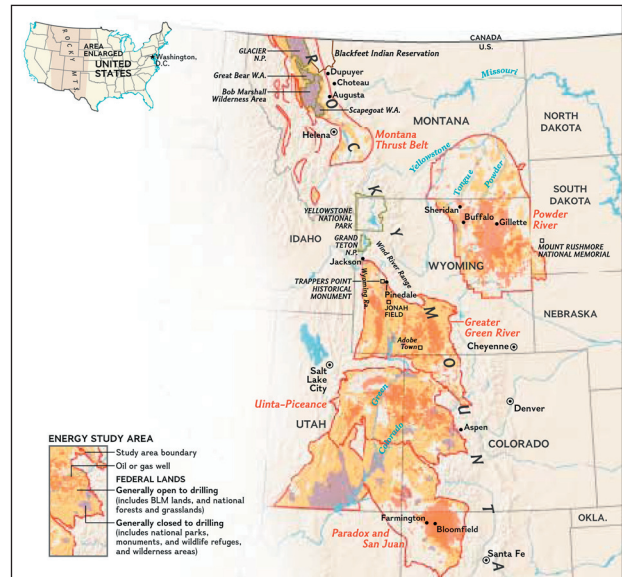
tories of species and habitats, monitor land and water resources, monitor species, and synthesize habitat and energy information. The USGS will validate, through peer or independent review, six additional watershed and landscape studies in 2008.

A \$2.0 million increase will enable FWS to increase assistance to private landowners to improve habitat and protect species on private lands and enhance planning and consultation to ensure energy development impacts to wildlife and habitat are effectively mitigated and listing of species is avoided. The FWS will work with private landowners to protect species through the Candidate Conservation program and the Partners for Fish and Wildlife program. Through these programs, FWS will encourage private landowners to conserve candidate species on their lands and restore or enhance 6,640 acres of sage grouse habitat in Wyoming's Green River Basin. The FWS will act early to develop candidate conservation agreements with landowners and will explore the use of other flexible approaches, such as mitigation banks and conservation banks.

The stakes are particularly high in the Green River Basin area of southwest Wyoming, an area of critical wildlife habitat and rapid energy development.

The 2008 Healthy Lands Initiative targets the Green River Basin as one area where USGS and FWS would support and complement BLM's habitat conservation efforts.

THE IMPORTANCE OF ENSURING ENERGY ACCESS



The Healthy Lands Initiative will help ensure continued access to the public lands for energy development. The BLM estimates there are 1.9 billion barrels of oil and 57.5 trillion cubic feet of natural gas on Federal lands open for development in the area of southwest Wyoming at the wildlife-energy interface. In 2006, about \$2.0 billion was collected from mineral development on Federal lands in Wyoming that was shared with States and deposited in the Treasury. This level of production and revenue could be curtailed if a species listing reduces access to these lands. Similar threats of lost production and revenues exist in New Mexico, Utah, and Colorado, where habitat restoration projects under the Healthy Lands Initiative would be targeted.

To further ensure the health of lands in the wildlife-energy interface, the 2008 BLM budget includes a \$3.1 million increase in BLM's Oil and Gas Management program for increased inspection and monitoring. This funding will allow BLM to keep pace with APD approvals and support additional monitoring called for in recent environmental reviews. Increased capacity is needed for BLM to monitor new well activity and incorporate that information into its landscape restoration projects.

GREEN RIVER, WYOMING

The Green River area in Wyoming has several of the most intact, native ecosystems remaining in the intermountain West, including sagebrush steppe. In addition to sage grouse, Wyoming is home to more than 800 species, of which 279 are considered at-risk and 12 are federally listed as threatened or endangered. The Green River area alone has nine listed species.

This area is also experiencing rapid, large-scale energy development. Until now, conservation and reclamation have focused locally on developing and developed areas. Efforts have not been well coordinated or considered on a scale best suited to ensuring viable wildlife populations in the context of energy and other development.

The first phase of the initiative would focus on approximately 15 million acres west of the continental divide. In the Green River basin, efforts to improve habitat will benefit a total of 71,000 acres using Federal funds leveraged through partnerships. The Healthy Lands Initiative will engage interested partners across land ownerships and jurisdictions within a landscape. This approach would create opportunities to combine financial resources and share land use practices to implement practical, landscape-level solutions. Many partnerships are already in place, including, the Western Association of Fish and Wildlife Agencies, the Wyoming Landscape Conservation Initiative, and the Western Governors Association. An environmental assessment has been completed and much of the Federal land-use planning is in place. With this framework already in place, 2008 funding will have an immediate performance benefit.

Restoration and enhancement of sage grouse habitat will also be conducted by FWS in collaboration with BLM. The FWS Partners for Fish and Wildlife programs will work with private landowners to restore or enhance 6,640 acres of sage grouse habitat in Wyoming in 2008.

In 2005, BLM administered over 45,000 oil and gas leases and 399 geothermal leases. In addition to managing energy and mineral exploration and development on public lands, BLM provides technical supervision of mineral development on Indian lands. The increased funding requested would provide BLM with the capacity to perform an additional 1,572 inspections by 2009, with 522 additional inspections occurring in 2008. The funding increase would also enable BLM to monitor the effectiveness of oil and

gas lease stipulations at 280 locations. In support of the Healthy Lands Initiative, BLM will assess the effectiveness of stipulations intended to address impacts to threatened, endangered, and sensitive species in the areas where energy development is occurring, and to develop wildlife monitoring plans. As new wells are drilled, BLM will be monitoring these operations to determine the effectiveness of lease stipulations and conditions of approval.



Safe Indian Communities



The abuse of methamphetamine is quickly becoming an epidemic in much of America. It is a poison that is infiltrating many of our communities and touching all our families.

*Jefferson Keel, First Vice President
National Congress of American Indians
April 5, 2006*

The spread of methamphetamine has reached crisis levels in Indian communities and threatens, according to tribal leaders, the future of an entire generation of young Native Americans. Recognizing this crisis, the budget provides an increase of \$16.0 million to fund the Safe Indian Communities initiative. This initiative will increase law enforcement presence and training on tribal lands to combat the production and distribution of methamphetamine by organized crime and drug cartels. This Federal investment also recognizes the significant increase in violent offenders being incarcerated in Indian detention facilities and provides funds to increase staffing levels and training for detention centers.



COMMUNITIES IN CRISIS

The Federal government has exclusive jurisdiction over criminal offenses committed on Indian lands, except where ceded by law, and shares law enforcement responsibility with federally recognized Tribes. It is the Federal government's responsibility to en-

Indian Country is under attack from meth..., testified San Carlos Apache Chairwoman Kathleen Kitcheyan during a congressional hearing in April 2006. Organized crime has identified Indian reservations as a haven for the transportation and distribution of methamphetamine. Crime in Indian Country was already a serious problem. The violent crime rate in Indian Country is twice the national average. Methamphetamine is dramatically compounding this problem. It is undermining safety and health in Indian Country.

sure the safety and security of all those who live in, work in, or visit Indian Country. Yet, the Nation's Indian reservations report staggering homicide rates, high levels of juvenile crime and gang activity, child abuse, substance abuse, and a myriad of other problems. The rise in methamphetamine use has compounded these problems. In a 2006 survey of Bureau of Indian Affairs Indian Country law enforcement agencies, 60 percent of respondents reported increased methamphetamine arrests over the past year and 64 percent reported methamphetamine use has climbed. Data are currently only available for specific reservations, but indications suggest that methamphetamine is becoming a chronic problem across Indian Country.

At the San Carlos Apache reservation in Arizona, the violent crime rate is ten times the national average. At the Spirit Lake Sioux reservation in North Dakota, the heavy use of methamphetamine contributed to a violent crime rate in 2004 that was 20 times the national average.

AMERICAN INDIANS AND CRIME

- The rate of violent crime against American Indians is twice the national average, 101 per 1,000 as compared to 41 per 1,000 annually.
- 1 out of 10 American Indians, 12 and older, become victims of violent crime annually.
- Nationally, 1 in 4 cases of violent crime investigated by the U.S. Attorneys are from Indian Country.
- 75 percent of Federal investigations of Indian Country suspects are for violent crimes.
- Only 46 percent of violent crimes against American Indians are reported to police.

Source: Bureau of Justice Statistics American Indians and Crime Report, December 2004.

Between 2000 and 2005, the number of methamphetamine contacts in Indian Health Service facilities increased by almost 250 percent. In some areas on the Navajo Nation, methamphetamine arrests now outnumber alcohol-related arrests. In 2005, 63 of 256 babies born on one reservation had methamphetamine in their systems. At San Carlos Apache reservation, an estimated 25 percent of babies born are methamphetamine addicted.

Tribal leaders have identified methamphetamine as the single most critical issue facing Indian communities. Tribal leaders use terms like “out of control” and “epidemic” when describing their Tribes’ experiences with methamphetamine. On some reservations, leaders are suggesting that an entire generation of young people may soon be lost to this one drug. Jefferson Keel, First Vice President of the

National Congress of American Indians, noted in 2006 congressional testimony that, “Many of our communities in Indian Country are at risk of being completely depleted in tackling this problem.”

In response to the growing methamphetamine problem, the Department of the Interior proposes to invest \$16.0 million in 2008 in a Safe Indian Communities Initiative that will:

- Increase law enforcement staffing and invest in better equipment and training.
- Continue investments to improve operation of Indian Country detention facilities.



LAW ENFORCEMENT STAFFING

The methamphetamine invasion on reservations takes advantage of the limited law enforcement presence in Indian Country. Department of Justice data indicate that staffing levels in Indian Country are significantly below other rural law enforcement programs. A Justice study found that Indian Country has 1.3 officers for every 1,000 inhabitants as compared to 2.9 officers in non-Indian jurisdictions. As an example, on the Black Feet Reservation, two police officers may cover as much as 2,400 square miles during one shift, including seven communities and two U.S. ports of entry. A 2006 analysis of the staffing in Indian Country identified a need for an

Meth is easy to make. It is highly addictive. It is ruining too many lives across our country... Our Nation is committed to protecting our citizens and our young people from the scourge of methamphetamine.

President George W. Bush, March 9, 2006



additional 1,854 law enforcement officers when using a 3.3 to 1,000 ratio of officers to population, the optimal rate for rural areas.

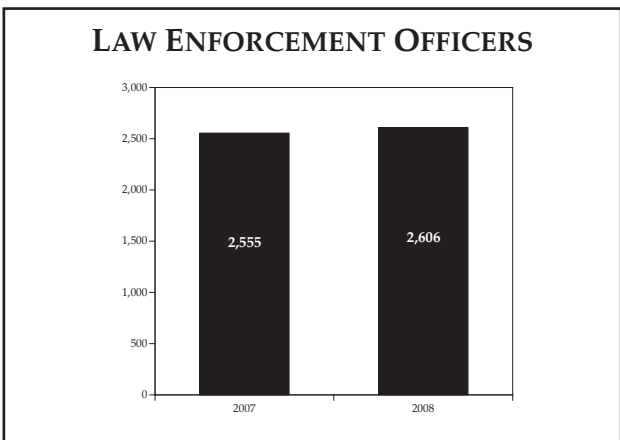
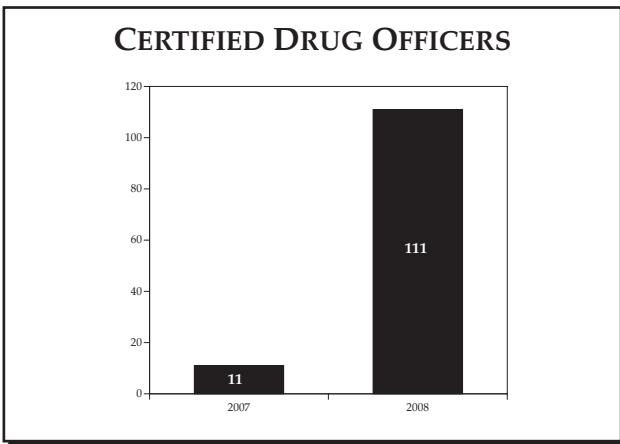
Within the \$16.0 million Safe Indian Communities Initiative, BIA proposes \$11.0 million to put an additional 51 law enforcement agents on the ground in targeted communities in Indian Country and invest in additional training for the current force to more effectively combat the problem. The BIA will expand use of a mobile meth lab to train tribal

police and others about methamphetamine labs, environmental and personal safety hazards, and interdiction and investigation strategies. Funding will target communities based on a needs analysis that looks at the violent crime rate, service population, and current staffing levels.

More officers on the ground and a better-trained force will yield positive results for Indian communities. The funding will allow an additional 100 officers for a total of 111 officers who will be certified for drug enforcement and can be deployed to combat drugs and violent crime in Indian Country. This will increase the number of certified BIA officers from three percent of the current force to 31 percent in 2008. The funding will also be used to develop specialized drug enforcement officer training, which will give officers the tools to detect drug trafficking, disrupt the activities and organization of crime groups, seize illegal substances, and follow through with prosecution.

DETENTION CENTERS

The BIA, working with Tribes, is responsible for the operation and maintenance of 78 detention centers. This responsibility requires adequate staff to manage violent offenders and protect other inmates and



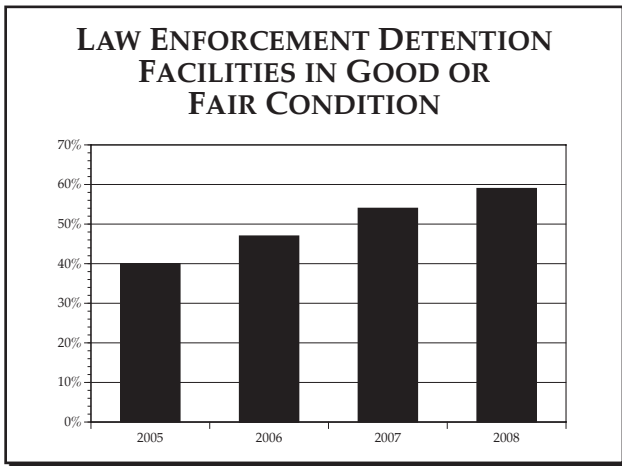
the public. The 2008 budget includes an increase of \$5.0 million for detention centers. Funding will allow BIA to train and equip detention center staff with skills necessary to provide specialized services for detainees with behavioral problems, substance abuse issues, or other specialized needs. Funding will also allow BIA to address staffing needs at newly constructed detention facilities and continue to implement the 25 recommendations in the Inspector General's report on material weaknesses in the detention services program. A 2004 report by the Interior Department's Inspector General found serious safety, security, and maintenance deficiencies that posed hazards to inmates, staff, and the public at numerous detention centers throughout Indian Country.

With this additional funding, BIA will improve the management of the detention program and increase the percent of detention centers properly staffed to National Institute of Corrections safety standards,

POSITIVE RESULTS

Through this Initiative, Interior anticipates a decrease in methamphetamine-related violent crime in targeted communities. The Department will deter violent crime by increasing law enforcement actions and will also reduce the number of dangerous incidents at detention facilities.

This initiative will also advance the goals of the President's 2006 National Synthetic Drug Control Strategy. The Synthetics Strategy, a companion to the President's National Drug Control Strategy, will foster international coordination and dramatically reduce the flow of methamphetamine into the United States. The strategy calls for a 15 percent reduction in methamphetamine use and a 25 percent reduction in domestic methamphetamine labs over the next three years, building on progress already made at Federal, State, and local levels.



thereby helping to reduce serious incidents in detention centers that have included suicides, attempted suicides, and escapes. The BIA Correction Division staff has worked with the NIC to apply staffing models that best suit the needs of Indian Country detention facilities. Using the NIC models, a staffing analysis was conducted to calculate the standard staffing requirement for each facility, taking care to differentiate the size of the facility according to NIC models. As part of the Initiative, funding for staffing at newly built detention centers will be the first use of the funds identified for detention centers. The remaining funding will be distributed to existing detention centers based on the results of the application of the NIC model.

The additional funding in the 2008 budget request will allow BIA to:

- Reduce dangerous incidents at BIA detention centers by ten percent by 2012.
- Increase the percent of BIA/tribal law enforcement agencies that are on par with recommended national staffing levels from 38 percent in 2007 to 40 percent in 2012.

Improving Indian Education



I am a passionate advocate of this important law [No Child Left Behind Act], because I know it can save children's lives and I know it can help us meet a national objective, and that is every child getting a good education in every school throughout the country.

President George W. Bush, October 18, 2006

On January 8, 2007, President Bush marked the fifth anniversary of the No Child Left Behind Act by meeting with members of Congress to discuss reauthorization. The President underscored the need to achieve the goals established by NCLB by 2014, including:

- Every student must read and do math at grade level or above.
- Accountability for every student using annual assessments.
- Establishment of standards and tests.

As States across the Nation begin to make strides in improving student achievement under NCLB, the Bureau of Indian Education schools need to make similar gains for Indian children.

The Department of the Interior's 2008 budget request seeks an increase of \$15.0 million that will allow BIE to complete a set of comprehensive reforms of the educational programs and improve student achievement by 2014.

The 184 school Bureau of Indian Education system is one of only two elementary and secondary school systems operated by the Federal government. It should be a model for achievement in meeting the goals established by the No Child Left Behind Act. However, only 30 percent of the schools in the BIE system are meeting adequate yearly progress, or AYP goals, under the No Child Left Behind Act for student performance, teacher qualifications, attendance, and graduation rates.

WHAT WE HAVE ACCOMPLISHED

The BIE system schools, located on 63 reservations in 23 States, educate approximately 46,000 students. This Administration has made significant improvements in BIE schools. The condition of school facilities is dramatically better than five years ago, and a program improvement and accountability plan has been developed and is being implemented.

The President's commitment to improve the condition of Indian school facilities has dramatically changed the environment in which Indian students learn. For example, in 2001, the facilities at two-thirds of BIE schools were in poor condition. During this Administration, funding has replaced 32 schools and supported major repair and improvement projects at 39 other schools. With completion of the work funded through 2008, 69 percent of schools will be in good or fair condition.

To provide a strategic guide for improving education services and outcomes, BIE worked with Tribes and



...forty-six thousand Indian children. I want to make sure we do all we can so those children can dream big dreams and that we help them with their education so that they accomplish those dreams.

Dirk Kempthorne, Secretary of the Interior, May 31, 2006

tribal school boards during 2005 to develop a Program Improvement and Accountability Plan. The PIAP identifies six key objectives for achieving NCLB goals:

- Achieve adequate yearly progress at all BIE-funded schools.
- Ensure safe and secure schools.
- Provide free appropriate public education for all eligible students.
- Improve administrative, organizational, and management capability.
- Improve program and financial accountability.
- Improve communication.



The PIAP lays out the tasks that must be accomplished to support each objective area. For example, the PIAP requires the design and implementation of scientifically researched plans to improve student performance; implementation of a continuous improvement monitoring process; incorporation of technology as a tool in the every day life of a school; and employ highly qualified and well trained teachers, principals, and para-professionals.

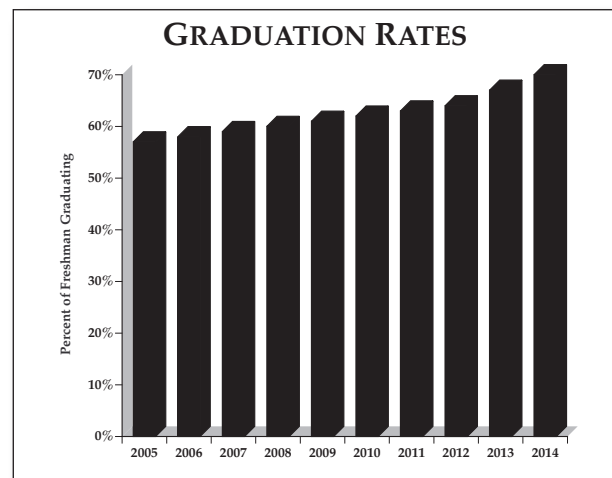
To address management and leadership objectives in the plan, BIE realigned the education line offices that supervise schools and is in the process of staffing its central office and the line offices with strong executive leadership and highly qualified managers and education specialists.

WHAT WE NEED TO DO

Building on the improvements already underway, the 2008 President's budget seeks:

- A \$5.3 million fund for education program enhancements targeted to lower performing BIE schools to improve student performance on standardized tests for math, reading, and language arts.
- An increase of \$3.6 million to add educational specialists in the BIE revamped education line offices and the central office to provide better oversight and guidance to BIE funded schools in meeting NCLB goals.
- An additional \$4.3 million for school transportation to address deferred maintenance needs and higher fuel costs.
- An increase of \$1.9 million to maintain a school and student statistics information system currently being established with start up funding from the Department of Education.

Funding these activities will produce tangible results in improved graduation rates and higher performing BIE schools.



PROGRAM ENHANCEMENTS

One-third of students in BIE funded schools have demonstrated proficiency in mathematics and one-half are proficient in reading and language arts. Improving these results is key to meeting AYP goals and ensuring the success of the BIE's nearly 46,000 students in later life.

For 2008, the Department proposes a program enhancement fund of \$5.3 million. This fund would be separate from the formula funding that all BIE schools receive and would be targeted to schools that have not achieved AYP because of student performance on standardized tests for math, reading, and language arts. The fund would provide program enhancements and specialized tools to improve student achievement, such as education specialists to help with curriculum, tutoring, or other needs identified in a school based analysis of student achievement.

During 2005 and 2006, BIE contracted with Technology and Management Services, Inc. from Washington, D.C. to conduct a study of eight high-performing schools and eight low-performing schools. The study identified barriers to making AYP and provided targeted improvement strategies, and "pockets of success" guidance for schools to utilize to support their school improvement strategies. In 2007, the study will be expanded to include eight Bureau-operated schools in North Dakota and South Dakota, and those grant schools that agree to participate. This effort will lay the ground work for implementing program enhancements at targeted schools in 2008.



EDUCATION PROGRAM MANAGEMENT

Until this year, a single Senior Executive Service Director responsible for supervising 23 line officers

spread across the country managed the BIE school system. The line officers were, for the most part, mid-level civil servants. Their workload varied from supervising a few schools to as many as 17. The Director and line officers were supported by only a handful of educational specialists with the training and expertise to guide and assist schools in meeting NCLB goals.

The BIE reorganization is putting in place a skilled national team, including education, financial, and administrative managers. Line officer positions have been upgraded to attract skilled education professionals; the workload across offices is more balanced; and line office staffing has been standardized and includes specialists in education program delivery, special education, residential programs, as well as other disciplines.

An increase of \$3.6 million will complete the BIE restructuring in 2008, providing full staffing for the new organization.

STUDENT TRANSPORTATION



The rural school service populations served by BIE schools are often widely dispersed. During the current school year, about 550 BIE-funded school buses will travel nearly 16 million miles, often over gravel or dirt roads.

The cost of transportation at BIE schools is high because of a number of factors. The condition of roads increases the wear and tear on vehicles, requiring more routine maintenance and more frequent replacement of vehicles by BIE compared to other school systems. The remote location of the schools also results in higher fuel costs relative to other locales.

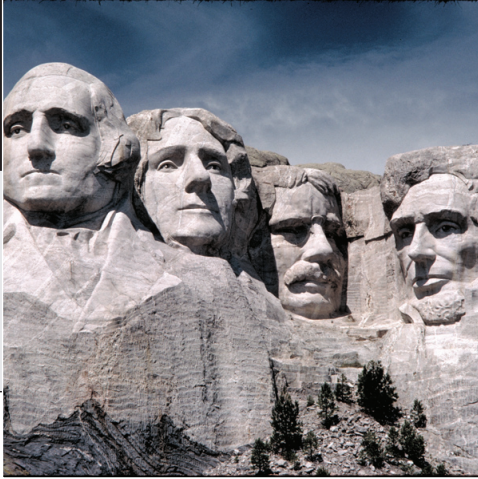
In school year 2006-2007, BIE distributed an average of \$2.59 per mile for student transportation. The 2008 increase of \$4.3 million will fund transportation needs at \$2.87 per mile. In addition to providing resources to meet operating costs, the increase funds maintenance that improves the safety and reliability of the BIE funded bus fleet.

INFORMATION TECHNOLOGY

The BIE is currently implementing a Native American Student Information System that will better track and manage information on students and facilitate

reporting required by the No Child Left Behind Act. The system is designed to eliminate most of the manual data entry currently required of school administrators and teachers and will enable line offices and the BIE central office to better monitor school progress and analyze trends.

The Department of Education provided funding to implement NASIS during 2006 and 2007. Costs associated with the maintenance of the system will become the responsibility of BIE in 2008. An increase of \$1.9 million will enable BIE to cover these costs.



Achieving Key Goals

The true test of any vibrant organization is that it can examine itself critically and constructively to strengthen its vision and improve its operations.

*Dirk Kempthorne, Secretary of the Interior
June 19, 2006*

The Department of the Interior is the Nation's principal Federal conservation agency, guardian of many of the Nation's unique cultural and historic sites, and responsible for fulfilling the Federal government's trust and other responsibilities to American Indians, Alaska natives, and affiliated island communities. As the steward of one-fifth of the Nation's lands, Interior manages renewable and non-renewable resources and energy programs that help sustain a dynamic economy and generate up to \$15 billion annually in revenues for the U.S. Treasury and States. Interior also manages significant park and wildlife areas across the Nation, along with water resources in the 17 western States.

In undertaking these responsibilities, Interior uses an integrated approach with common mission goals as defined in the Department's strategic plan. The 2007 – 2012 strategic plan continues the Department's four primary mission goals for resource protection, resource use, recreation, and serving communities, which are pursued through partnerships, effective management, and use of scientific information.

The 2008 budget will improve performance in high-priority initiatives and commitments. These include:

- Implementing the Energy Policy Act and supporting the President's National Energy Policy.
- Advancing the Administration's vision for cooperative conservation and strengthening coordination with States, Tribes, landowners, and others.
- Enhancing the protection of imperiled species through the national wildlife refuge system.
- Reducing risks to communities from wildland fires and restoring forest health through the Healthy Forests Initiative.
- Fostering historic preservation and heritage tourism through Preserve America.
- Implementing the President's Ocean Action Plan and supporting the Nation's network of marine protected areas.
- Resolving major western water challenges and improving water supply and delivery.
- Encouraging recreation on public lands to contribute to the well-being of Americans.
- Improving volunteerism through Take Pride in America and other programs.
- Achieving management excellence through the President's management agenda.

The Interior Department plays a major role in implementing both the National Energy Plan and the Energy Policy Act. As a result, roughly one third of the energy produced in the United States each year comes from public lands and waters managed by Interior. This includes almost half of the Nation's coal production, more than a third of domestic oil, 39 percent of natural gas, 17 percent of hydropower, and 50 percent of geothermal.

*Dirk Kempthorne, Secretary of the Interior
July 19, 2006*

ENHANCING ENERGY SECURITY FOR THE NATION



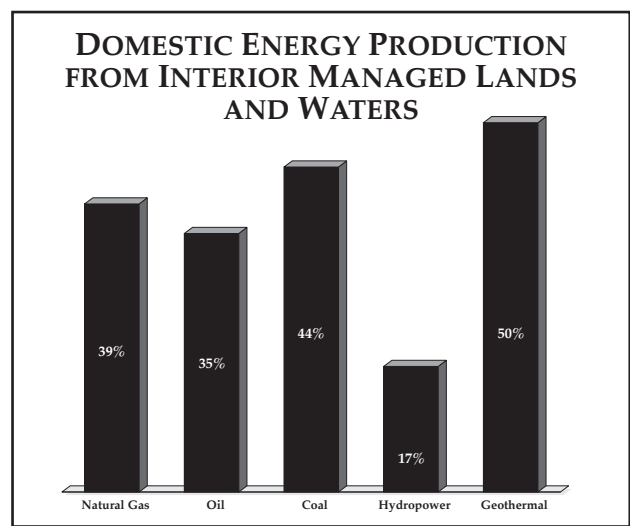
In 2008, using tools of the Energy Policy Act, three bureaus will contribute to the goals of the President's National Energy Policy. Through the work of the Bureau of Land Management, the Minerals Management Service, and the U.S. Geological Survey, the Department will encourage energy efficiency and conservation, promote alternative and renewable energy sources, and seek to strengthen energy security through increased domestic production and the availability of reliable information on domestic energy resources. Interior plays a central role in meeting the goals and objectives of the Energy Policy Act with 86 sections of the Act affecting the Interior Department.

Accomplishments to date include:

- Implementation by BLM of the pilot program authorized by the Act at seven district offices to improve processing of applications for permits to drill, while increasing monitoring of oil and gas development and expanding inspection and enforcement.

- Initiation by BLM of an oil shale research and development leasing program to boost future domestic oil production opportunities on public land.
- Coordinated efforts by BLM, MMS, and USGS, in the Gulf of Mexico and the North Slope of Alaska to accelerate research, resource modeling, assessment, and characterization of gas hydrates.
- Publication in November, 2005 of rules to improve hydroelectric re-licensing.
- Development by MMS of an alternative energy program for the Outer Continental Shelf, as authorized by the Energy Policy Act.

Other Interior agencies contribute to implementation of the Energy Policy Act. In 2005, the Department created the Office of Indian Energy Policy and Programs. Bureau of Indian Affairs regulations will authorize tribal energy resource agreements that offer Tribes an alternative for developing business agreements. The Fish and Wildlife Service continues to support energy programs, providing extensive





support to energy projects through consultation and project planning activities.

Interior bureaus and offices have also established strategies to support key energy goals for the future. Planned activities for energy programs through 2008 include:

- Increasing the number of APDs processed from 7,736 in 2005 to nearly 12,000 in 2008.
- Implementing the new 2007-2012 Five-Year OCS Oil and Gas Leasing program. On August 25, 2006, a second draft of the Proposed Program and the associated Draft Environmental Impact Statement were released to the public for review and comment. The current five-year plan expires on June 30, 2007.
- Advancing alternative energy sources on the OCS by developing rules and preparing a programmatic environmental impact statement to facilitate leases, rights-of-way, easements, and revenue sharing.
- Advancing the understanding of national geothermal resources through the use of new USGS research and assessment activities.

- Achieving substantial increases in production of renewable energy on public lands. Wind energy capacity on BLM land is expected to increase by 3,200 megawatts in the next 10 to 15 years, and two recent applications for commercial solar facilities on BLM land have an estimated combined output of 1,750 megawatts.
- Advancing oil shale as a potential future domestic source of oil. The BLM has issued research, development, and demonstration leases for five oil shale projects on public lands in Colorado's Piceance Basin. Oil shale deposits in the western U.S. contain an estimated 800 billion barrels of potentially recoverable oil, 72 percent of which is on public lands.
- Conducting research and evaluation of domestic energy resources, including oil, gas, coal, and gas hydrates.

To carry out the goals of the Energy Policy Act and enhance the availability of affordable oil, gas, and alternative energy sources, the 2008 budget for Interior programs includes \$481.3 million for energy programs, an increase of \$25.5 million from 2007. With these resources, the Department will enhance energy security through increased production, protect the environment, promote conservation, and expand the use of new technologies and renewable energy sources. The 2008 proposal includes the following:

Bureau of Land Management — In 2008, BLM will conduct landscape-scale restoration for habitat in the wildlife-energy interface as described in the Healthy Lands Initiative. An increase of \$15.0 million will enable BLM to expand these activities to the scale and scope needed to protect species and habitat and allow energy activities to continue. Overall, the BLM 2008 budget request for energy is \$142.9 million, including \$141.2 million in the Energy and

Our National and economic security depends on our developing domestic energy resources like the oil shale found in western Colorado.... These R&D projects will allow us to test our belief that we have the knowledge and expertise to develop this resource effectively, economically, and with responsibility to the environment and to local communities.

*C. Stephen Allred, Assistant Secretary – Land and Minerals Management
November 13, 2006*

Minerals program and \$1.7 million in the Lands and Realty Management program. This is an increase of \$6.0 million above 2007.

In 2008, BLM will implement fees for APDs to fully replace rental revenue currently available for processing oil and gas use authorizations, thereby maintaining BLM's capacity for timely APD processing. A legislative proposal will be transmitted to the Congress that proposes to repeal Section 365 of the Energy Policy Act. Section 365 redirects rental revenue deposits from the Treasury to fund BLM pilot offices.

The BLM request includes an increase of \$3.1 million for inspection and monitoring to ensure environmentally responsible energy development on public lands and proper reporting of production. These funds will provide BLM with the capacity to conduct an additional 1,572 inspections by 2009, with 522 additional inspections occurring in 2008.

Minerals Management Service — The MMS 2008 budget request for energy is \$290.8 million, \$16.7 million above the 2007 continuing resolution and \$5.4 million above the 2007 President's budget request. The budget includes increases to facilitate OCS development and deepwater activities, complete environmental analyses necessary for the 2008 OCS lease sales, and implement the 2007-2012 Five-Year OCS Oil and Gas Leasing program.

The Gulf of Mexico Energy Security Act of 2006, signed into law on December 20, 2006, significantly enhances OCS oil and gas leasing activities and production potential in the Gulf of Mexico. The Act

opens up 8.3 million acres in the Gulf for leasing, including 5.8 million acres previously withdrawn under congressional and presidential moratoria. The Act also shares revenues with Gulf producing States and with the Land and Water Conservation Fund, with the first distribution to take place in 2009.

U.S. Geological Survey — The USGS 2008 budget request for energy is \$26.8 million, an increase of \$668,000 for fixed costs. In 2008, USGS will continue vital research and assessment activities on domestic energy resources and environmental impacts of energy occurrence and usage.

Bureau of Indian Affairs — The BIA 2008 budget request for energy initiatives is \$11.7 million, an increase of \$214,000 for fixed costs. In 2008, BIA will continue to develop energy resources and conduct energy-related activities, including energy inventories, feasibility studies, technical training, and start-up assistance, focusing on the development of tribal resource agreements.

Fish and Wildlife Service — The FWS 2008 budget request for energy is \$8.7 million, \$2.0 million above 2007. In 2008, FWS will focus on the protection of wildlife and habitat in the wildlife-energy interface through the consultation program and project planning. The funding increase will allow FWS to expand protection to more species and habitats. For example, in 2008 FWS expects that an additional 6,640 acres of sage grouse habitat in the Green River Basin of Wyoming will be restored or enhanced.

A crosscut of Interior funding for energy programs is provided in Appendix K.



We believe cooperative conservation is the best way to protect the environment. This means we must focus on the needs of states, and respect the unique knowledge of local authorities, and welcome the help of private groups and volunteers...Through cooperative conservation, we're moving away from the old environmental debates that pit one group against another and towards a system that brings citizens of every level of government together to get results.

*President George W. Bush
July 12, 2006*

ADVANCING COOPERATIVE CONSERVATION

Cooperative conservation is the centerpiece of the Administration's environmental policy vision. To advance this vision, the President issued an Executive Order on Cooperative Conservation in August 2004 calling on Federal agencies to strengthen interagency coordination and cooperation with



States, Tribes, landowners, and others to enhance environmental performance.

With leadership from the Council on Environmental Quality, the Departments of the Interior, Agriculture, Commerce, and Defense and the Environmental Protection Agency are implementing laws, modifying regulations, and implementing programs for the environment and natural resources in a manner that promotes cooperative

conservation and includes, where appropriate, local participation in Federal decisionmaking.

In 2005, the Interior Department helped to conduct the first-ever White House Conference on Cooperative Conservation. In the Fall 2006, the Department worked with the White House and other Departments to host a series of listening sessions around the country on cooperative conservation and environmental partnerships. The listening sessions provided citizens an opportunity to exchange ideas on incentives, partnership programs, and regulations to improve conservation results and promote environmental partnerships.

To date, the Department has built strong foundations for cooperative conservation:

- From 2001 through 2007, Interior will have invested \$2.2 billion in cooperative conservation grants in partnership with States, Tribes, local governments, and private landowners with programs that preserve open space, restore habitat for wildlife, and protect endangered species.
- Since 2001, Interior agencies have restored or protected more than five million acres of lands and 10,000 miles of stream and shoreline miles through cooperative conservation partnerships.
- Interior agencies have granted cooperating agency status to States and local governments to give them a greater

Cooperative Conservation efforts are important because they tap on-the-ground insights and experience of landowners and local communities — people who know their lands better than anyone... and, therefore, are able to bring forward innovative ideas on how to address conservation and environmental challenges.

*P. Lynn Scarlett, Deputy Secretary of the Interior
August 14, 2006*

role in the Federal land use planning performed within their jurisdictions.

- Interior has established effective working relationships with State fish and game agencies. As part of this process, all 50 States have submitted, and Interior has approved, wildlife management action plans. Implementation of the plans will result in increased conservation of habitat for threatened and endangered species.
- Through the Appalachian Regional Reforestation Initiative in the last two years, the Office of Surface Mining has supported the planting of millions of trees on reclaimed mining lands.

Interior's bureaus and offices have established strategies for the future of cooperative conservation, including:

- Securing enactment of cooperative conservation legislation to reduce barriers to partnerships and foster landscape-scale conservation partnerships.
- Issuing \$18.4 million in challenge cost-share grants in 2008 that will leverage non-Federal funds by as much as four



to one to restore, enhance, or protect several million acres of wetlands, grasslands, uplands, and forests.

- Contributing to the President's goal of three million acres of wetlands restored, protected, and enhanced by 2009. To date, Interior has restored, improved, and protected 750,000 acres to advance the President's goal.

These programs provide a foundation for cooperative efforts to protect endangered and at-risk species; engage local communities, organizations, and citizens in conservation; foster innovation; and

At the 25 listening sessions held throughout the Nation, local citizens representing conservation groups, industry, water districts, towns, landowners, and others turned out to talk about cooperative conservation. The insights and suggestions from these individuals will inform programs, guide regulatory and legislative changes, and lay the groundwork for strengthening cooperative conservation.

Matt Hare of The Nature Conservancy observed at one listening session:

Finding common ground with communities, ranchers, farmers, government agencies and corporations is essential to finding creative and practical solutions that balance human needs with conservation goals.

Irene Anderson, a biologist with the Center for Biological Diversity said:

I want to focus today on a successful cooperative conservation effort here locally that I was involved with, that resulted in a win/win situation... what we ended up with is a comprehensive plan that not only protects those plants, but a sweep of other unique and common plants and animals, that benefits their habitat protection, while awaiting for appropriate mining in appropriate areas.

Hundreds of people have provided their thoughts and vision for cooperative conservation that will form the foundation for future efforts.

CHALLENGE COST-SHARE EXAMPLES

Colorado/Utah — The black-footed ferret recovery project is a cooperative effort between BLM in partnership with other Federal, State and local government agencies, and local citizens in both Colorado and Utah. Colorado operates a breeding program to supply black-footed ferret kits for reintroduction plus a pre-release conditioning facility that provides a captive but natural environment for conditioning animals for life in the wild prior to actual release. Together, partners have reintroduced over 100 black-footed ferrets into the wild in Utah. The overall goal of the program is to develop and maintain a self-sustaining population of black-footed ferrets by 2010 within the Colorado/Utah black-footed ferret reintroduction area. The goal of the national recovery plan is to establish 1,500 black-footed ferrets in 10 separate, self-sustaining populations by the year 2010. The Colorado/Utah reintroduction area is one of ten recovery areas.

West Virginia — The FWS funded a cost-share project on Big Run, in the upper Potomac River Basin in West Virginia in 2006. The project restored 45 acres of riparian forest and protected 1.5 miles of stream by excluding cattle. More than a dozen partner organizations contributed funds, talent, or labor, including several middle schools and Trout Unlimited chapters. Using a national fish habitat action plan, this effort focuses organizations and resources on common strategic priorities to achieve measurable results for fish and aquatic habitat.

achieve conservation goals while maintaining working landscapes. The 2008 budget of \$324.0 million for cooperative conservation includes:

Bureau of Land Management — The BLM 2008 budget includes \$9.4 million for challenge cost-share grants. Funding enables BLM to provide grants to local communities, non-profit groups, and others to protect endangered and at-risk species and achieve conservation goals. These grants are leveraged with a non-Federal match of 50 percent or more.

The 2008 budget for cooperative conservation includes the Healthy Lands Initiative, which includes an increase of \$15.0 million for BLM. This increase will allow BLM to continue to provide access to energy resources, while protecting species and habitat in cooperation with partners. The Healthy Lands Initiative also includes \$2.0 million for FWS and \$5.0 million for USGS.

Fish and Wildlife Service — The budget proposes \$291.7 million for FWS cooperative conservation grants and programs. This includes \$6.7 million for challenge cost share grants that land managers can use to work with adjacent communities, landowners, and other citizens to achieve common conservation goals.

The 2008 budget includes \$80.0 million for the Cooperative Endangered Species Conservation Fund. This amount, the same level as 2007, promotes species conservation through grants for recovery actions, land acquisition, and habitat conservation planning in collaboration with States and others.

The North American Wetlands Conservation Fund budget request of \$42.6 million includes an increase of \$6.0 million over 2007 to enhance wetlands restoration. Partners will continue to build upon their previous achievements in restoration conservation activities. At this level of funding, a total of 455,300 acres of wetlands will be enhanced or restored.

For the State and Tribal Wildlife Grants program, the 2008 budget includes \$69.5 million, an increase of \$19.5 million above 2007. With the completion of State Wildlife Action Plans, States are now conducting projects to conserve wildlife species. In 2008 the program will fund the projects in the States and Territories.

The 2008 budget also includes \$4.0 million for the Neotropical Migratory Birds program. This program funds migratory bird conservation in the

| | 2006 Actual | 2007 Plan | 2008 Plan |
|--------------|------------------------|----------------------|----------------------|
| Partners | 99,960 | 45,665 | 55,871 |
| Coastal | 21,962 | 3,115 | 3,634 |
| Refuges | 49,765 | 35,316 | 40,418 |
| NAWCF | 483,800 | 501,090 | 455,300 |
| Total | 655,487 | 585,186 | 555,223 |

United States, Mexico, and many Central and South American countries as well as Puerto Rico and other Caribbean nations and creates habitat conditions for migratory bird populations to flourish.

New to the suite of cooperative conservation programs highlighted in 2008 are the multi-agency Open Rivers Action Initiative and the National Fish Habitat Plan. In 2008, FWS will engage partners to accelerate the recovery of aquatic species listed under the Endangered Species Act, restore aquatic species where populations are declining to preclude the need for listing, and support increased recreational opportunities for the public. An additional \$2.3 million will leverage funding to implement the National Fish Habitat Action Plan and will help to focus attention and resources on a nationwide fisheries conservation effort to help reverse declines in fisheries.

The fisheries budget also proposes a \$6.0 million increase for the Open Rivers Initiative, a multi-agency initiative to implement fish passage habitat restoration projects that remove small, obsolete dams and other fish passage barriers. Projects will require a partner cost-share of at least 50 percent and will focus on activities that provide the best opportunities to ensure continued self-sustainable fish or other aquatic species, preclude listing of the species, and assist in the recovery of listed species. Combined with existing funding for fish passage, this provides a total of \$11.0 million for the FWS fish passage program.

The 2008 budget includes \$48.4 million for the Partners for Fish and Wildlife program, an increase of \$5.7 million over 2007. At this funding level FWS will work with partners to restore 348,975 acres of uplands and wetlands. The FWS Coastal program, funded at \$13.3 million in 2008, will expand opportunities for habitat conservation activities for trust species.

In 2008, the Migratory Bird Joint Ventures program is funded at \$11.1 million, a reduction of \$769,000 from the 2007 level. The program will continue to focus on conservation of migratory bird habitat in priority landscapes.

National Park Service — The NPS 2008 budget includes \$2.4 million for challenge cost-share grants. Funding is used for grants to local communities, non-profit groups, and others to protect endangered and at-risk species and achieve conservation goals. These grants are leveraged with a non-Federal match of 50 percent or more.

U.S. Geological Survey — The 2008 budget for cooperative conservation includes the Healthy Lands Initiative, which includes an increase of \$5.0 million for USGS. This increase will allow USGS to provide scientific support to BLM for landscape scale protections for species and habitat in cooperation with partners.

A crosscut of funding for cooperative conservation programs is provided in Appendix E.

ENHANCING THE PROTECTION OF AT-RISK SPECIES ON REFUGES



President Theodore Roosevelt established the first wildlife refuge in 1903 when he ordered Pelican Island, a small shell and mangrove covered island in Florida's Indian River, to be protected forever as a "preserve and breeding ground for native birds."

From that first refuge, the system has grown to encompass a diverse collection of wildlife and habitat that also provides extensive recreation opportunities. Today's refuge system includes 547 wildlife refuges and 37 wetland management districts covering 96 million acres. National wildlife refuges are home to more than 280 of the Nation's 1,311 endangered or threatened species, and 59 refuges have been created specifically to provide habitat for those imperiled species.

The refuge system works closely with the endangered species, fisheries, and habitat conservation programs to foster habitat conservation and the recovery of at-risk species. The refuge system also works extensively with other Federal, State and tribal agencies, local governments, non-profit, and private groups to promote shared stewardship of lands and resources.

WETLANDS RESTORATION FOR HEALTHY WILDLIFE AND SAFER COMMUNITIES

Many wetlands lie at the interface of wildlife and human populations. Long recognized as critical to a clean, properly functioning environment and to overall ecosystem health, they supply life-sustaining habitat to hundreds of species. They also provide protective buffers for towns and cities against hurricanes, floods, and storm surges and they contribute to improving water quality. Their importance was highlighted by the impacts of hurricanes along the Gulf Coast in 2005. These hurricanes demonstrated the power of nature to eradicate coastal communities and the importance of barrier islands and wetlands to protect coastal areas.

The Gulf Coast ecosystem and associated wetlands produce the largest commercial fish and shellfish harvest in the lower 48 States. In addition, they provide winter habitat for more than 50 percent of the duck population in the Mississippi Flyway, an estimated 20 percent of North America's puddle duck population, and large concentrations of diving ducks and other migratory waterfowl. The value of recreational, commercial, and non-consumptive uses of Gulf coast fish and wildlife resources exceeds \$800 million per year. Gulf Coast wetlands also support and protect nationally important energy, transportation, and cultural infrastructure. More than 80 percent of the Nation's offshore oil and gas is produced off the Gulf coast and 25 percent of the Nation's foreign and domestic oil comes ashore via its coastal pipelines, roads, ports, and waterways. Because Gulf Coast wetlands provide storm surge protection for over two million people who live in the coastal zone, the economic and cultural well being of Gulf coastal communities is directly and inextricably linked to the health of wetlands. The USGS estimates that more than 118 square miles of coastal wetlands and marshes were transformed to open water along the southeast Louisiana coast as a result of Hurricane Katrina.



The results of Katrina highlight the importance of habitat stewardship, not just in the Gulf Coast but around the Nation. Because more than 85 percent of the Nation's wetlands are on non-Federal lands, the effectiveness of Federal efforts to improve the health, quality, and use of the Nation's wetlands has been greatly enhanced through the use of expanded public-private partnerships. Through cooperative conservation, the Federal government can facilitate these partnerships with matching grants, technical assistance, and other activities.

The Council on Environmental Quality has underscored the importance of Interior's wetlands programs to the achievement of wetland goals. Cooperative conservation programs such as the FWS North American Wetlands Conservation Act grants and Partners for Fish and Wildlife provide some of the primary Federal contributions to the President's wetlands goals through on-the-ground activities to restore or create wetlands and improve the condition of wetlands. Other programs such as the FWS Coastal program accomplish significant protection of wetlands by providing technical assistance and other support. The Department also has a significant role in terms of maintaining existing wetlands on public lands including the national wildlife refuge system, as well as through the research support provided by USGS to Federal agencies and State and private partners.

Refuge system accomplishments to date include:

- Treating 747,175 acres for invasive plant species.
- Restoring 637,606 upland acres through voluntary partnerships.
- Restoring 478,944 acres of wetlands through voluntary partnerships.
- Opening 34 additional refuges or wetland management districts to hunting and 24 to fishing.
- Completing 232 refuge specific Comprehensive Conservation Plans.

The FWS has established goals to support Interior's strategic plan, including:

- Increasing the percent of recovery actions completed by the refuge system as prescribed in recovery plans.
- Increasing the percent of acres of refuge land achieving desired conditions as specified in management plans.
- Decreasing the percent of refuge acres infested with invasive plant species.

The 2008 budget request includes a programmatic increase of \$4.1 million for refuge wildlife and habitat management. This increase will fund projects such as restoring coastal prairie habitat for the endangered Attwater's prairie chicken in Texas. This restoration would expedite recovery of the Attwater's prairie chicken, which relies on coastal prairie habitat. Substantially less than one percent of coastal prairie habitat remains. This loss has been the primary cause of the decline of the Attwater's prairie chicken. Currently, only an estimated 50 birds remain in the wild. Additional funding in 2008 would allow the refuge to restore habitat for the prairie chicken including: prescribed burns, control of invasive plant species, and restoration of native grasses. This project would restore approximately 3,500 refuge acres and support restoration on surrounding private lands.

In addition to funding provided through FWS's operations account, Resource Management, refuges are supported by funding budgeted in other accounts, including land acquisition, construction, the North American Wetlands Conservation Fund, and others.



The 2008 budget request for construction is \$23.1 million and includes \$2.3 million for replacement of the existing fuel farm at the Midway Atoll National Wildlife Refuge.

Midway Island was formally transferred to FWS from the Navy on October 31, 1996. Because of its pivotal role in naval history during World War II, the refuge is also recognized as the National Memorial to the Battle of Midway and is part of the newly created Northwestern Hawaiian Islands Marine National Monument.

Much of the infrastructure remaining on the refuge was originally developed by the Navy. The current fuel farm, which supplies fuel to the island's electrical generators, powers heavy equipment, and fuels supply planes, was designed for a large naval operation and up until recently provided fuel to other Federal agencies operating in the Pacific. It is far too large for the anticipated needs of the refuge and is in poor condition. In 2003, a leak in the distribution system resulted in a 100,000 gallon fuel spill that cost \$4.5 million to remediate. The FWS expects that replacing the fuel farm with a modern, more economically sized fuel farm will more adequately protect against spills and allow the refuge to realize an operational savings.

The 2008 budget also includes an increase of \$600,000 for operation of Northwestern Hawaiian Islands Marine National Monument. Funding would be used to enhance management and protection of the remote refuge that has ecologically and culturally significant islands and atolls. The challenges at the refuge are many with habitats that have been adversely affected by human activities including contaminants, invasives, and marine debris. In addition to remediation of these impacts, FWS will work on recovery of fisheries, listed and threatened species, and avian species.

ACHIEVING THE GOALS OF THE HEALTHY FORESTS INITIATIVE

On December 8, 2006, Commerce Secretary Carlos M. Gutierrez, Secretary of the Interior Dirk Kempthorne, and Hawaii Governor Linda Lingle signed a Memorandum of Agreement for managing and protecting the Northwestern Hawaiian Islands Marine National Monument. The agreement sets the framework for management of the monument by FWS and the National Oceanic and Atmospheric Administration in close coordination with the State of Hawaii.

The national monument was created by presidential proclamation on June 15, 2006. The largest protected area of island and marine habitat in the world, it comprises 89 million acres and is 100 times larger than Yosemite National Park and larger than 46 of the 50 States.



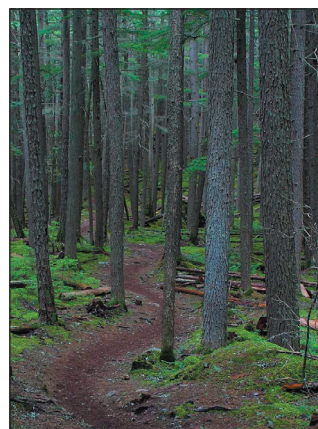
Today is an extraordinary day in the history of conservation... we are establishing a new blueprint for the protection and conservation of one of the world's most beautiful and unique ecosystems. Today, we are ensuring that the monument is not just a line on a map – it is a conservation area that will be managed cooperatively, using the best available science, while preserving cultural ties back thousands of years between Native Hawaiians and their sacred lands and waters.

Dirk Kempthorne
Secretary of the Interior
December 6, 2006

The Healthy Forests Initiative, launched in August 2002 by President Bush, is reducing risks to communities from wildland fires and restoring forest health. By protecting forests, woodlands, shrub lands, and grasslands from unnaturally intensive and destructive fires, this initiative improves the condition of our public lands, increases firefighter safety, and protects communities.

The Healthy Forests Restoration Act, enacted with the President's leadership in 2003, streamlines the preparation of environmental assessments, reducing the time from hazardous fuels project identification to on-the-ground implementation. The Act directs States and communities to prepare community wildfire protection plans, thereby increasing Federal, State, tribal, local government, and private sector collaboration in prioritizing hazardous fuels.

The Department's Healthy Forests budget in 2008 is \$307.3 million, an increase of \$5.1 million over the 2007 level.



To date, the Department of the Interior has:

- Conducted hazardous fuels treatments on 6.7 million acres from 2001 through 2006 through the hazardous fuels reduction program and approximately 1.1 million acres of landscape restoration accomplished through other land management activities.

INVASIVE SPECIES PRIORITIES

In 2007, Interior will again focus invasive plant activities based on geo-regional areas – south Florida, northern Great Plains, and the Rio-Grande River Basin. Interior will also continue coordination with other Federal agencies on species-specific government-wide priorities, such as tamarisk, the brown tree snake, and aquatic invasive species, in order to achieve shared goals. Through a collaborative effort, all of the Federal agencies that participate in this program contribute to formulation of the National Invasive Species Council performance budget. Since 2004, Interior has presented a unified invasive species performance-based crosscut budget, in conjunction with other Federal agencies, through the National Invasive Species Council.

The Department continues to make progress in the control of invasive species. In 2006, for example, FWS treated 2,500 acres of climbing fern on tree islands in Loxahatchee NWR in Florida, and BLM controlled 7,500 acres of leafy spurge and mapped 20,000 acres for invasive species occurrence across the northern Great Plains. The USGS researched re-vegetation and restoration of tamarisk infested areas in the Rio Grande River Basin in conjunction with BLM, Reclamation, and FWS. These activities helped to achieve goals to inventory and control invasives on 1,000 acres to promote endangered species recovery and water conservation.

The 2008 budget includes \$61.7 million for invasive species activities planned by Interior agencies. The BLM, FWS, NPS, BIA, and Reclamation will continue to focus resources on target species, while also taking into consideration the other associated invasive species. The USGS will continue to conduct research and will provide technical and scientific decision support for the collaborative effort. The Office of Insular Affairs will continue to lead the efforts to control the brown tree snake.

Greater detail on invasive species funding is provided in Appendix H.

- Increased treatments in the wildland-urban interface from 164,000 in 2001 to nearly 485,000 projected acres in 2007.
- Continued to improve hazardous fuels program performance through increased collaboration, sharing of resources and personnel, and by capitalizing on common methods across bureau and land management boundaries.
- Developed and made operational a state-of-the-art geographic information system, LANDFIRE, that provides nationally consistent data to support fire and land management decision-making.
- Assisted States and communities across the country in completing 650 congressionally mandated community wildfire protection plans covering 2,700 towns and villages.
- In concert with the western governors, completed the 10-Year Comprehensive Strategy to reduce wildland fire risks along with an implementation plan that contains over 150 completed items.

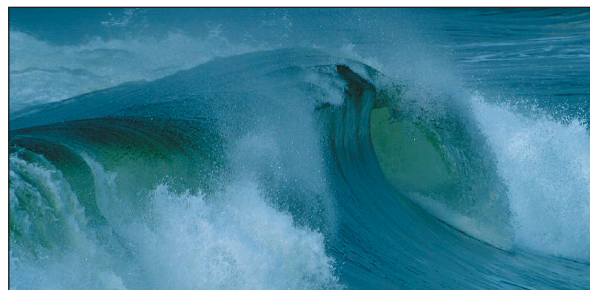
To support key goals for the Healthy Forests Initiative for the period 2006-2008, the Department will:

- Reduce fuels on over 3.2 million more acres, including 1.1 million priority acres identified in local community plans.
- Improve the condition class of 731,000 acres of land.
- Reduce risks to communities by assisting in the preparation of at least 100 community wildfire protection plans annually.
- Maintain the LANDFIRE program schedule, with full coverage of the western States completed in 2006 and the eastern portion of the Nation to be completed by 2008.
- Continue to work with partners to identify and prioritize the areas at greatest risk and to design treatments that provide the greatest reduction in risk.

FIRE PLAN ACRES TREATED

| | 2005 Actual | 2006 Actual | 2007 Estimate | 2008 Estimate |
|---|----------------|----------------|------------------|------------------|
| Number of acres treated with National Fire Plan funding | 1,269,403 | 1,106,000 | 1,055,000 | 1,061,000 |

To support ongoing implementation of the Healthy Forests Initiative, the 2008 budget includes \$202.8 million for the Wildland Fire Hazardous Fuels Reduction program, an increase of \$3.0 million over the 2007 level. In addition, in 2008 the Department plans to redirect \$1.8 million within the program from the University of Montana Center for Landscape Analysis and national initiatives to actual on-the-ground treatment funding.



IMPLEMENTING THE OCEAN ACTION PLAN

The U.S. Ocean Action Plan promotes collaboration among Federal, State, tribal, local, private, and international partners. This blueprint is guiding efforts to improve conservation practices through informed scientific and ecosystem-based decisions, while ensuring that the American public can enjoy the benefits of ocean, coastal, and Great Lakes resources.

Through its diverse ocean activities, Interior has achieved significant goals:

- On June 15, 2006, President Bush signed a proclamation creating the Northwestern Hawaiian Islands Marine National Monument. The FWS and the National Oceanic and Atmospheric Administration, in coordination with the State of Hawaii, will manage the monument.
- Interior and NOAA developed a draft framework for developing a national system of marine protected areas, as called for under Executive Order 13158 and the U.S. Ocean Action Plan.
- The FWS, NOAA, and the State of Hawaii signed a memorandum of agreement enhancing collaborative efforts to protect and manage the Northwestern Hawaiian Islands Coral Reef Ecosystem Reserve Marine Protection Areas.
- The NPS established “no-take” marine reserves at Channel Islands National Park, Buck Island Reef National Monument, and Virgin Islands Coral Reef National Monument.
- A partnership among Interior, the State of Florida, and NOAA’s Florida Keys National Marine Sanctuary focused on the management of the Dry Tortugas in the Florida Keys and created a unique management plan that balances conservation, research, and recreational use. The Dry Tortugas National Park has established a no-take marine reserve in the park while leaving more than half the park open to recreational fishing.

Our oceans sustain an abundance of natural wonders, enable the transportation of vital goods, and provide food and recreation for millions of Americans. My administration is working with every level of government, the private sector, and other non-governmental organizations to advance the next generation of ocean policy.

*President George W. Bush
September 20, 2004*

Reef Task Force to begin a planning process for an International Year of the Reef in 2008.

The Department has established ocean goals for 2006 – 2009, which include:

- Finalizing the framework and beginning implementation of a national system of marine protected areas initially developed from 1,500 existing Federal, State, and locally managed areas, to support the effective stewardship, lasting protection, restoration, and sustainable use of the Nation's significant natural and cultural marine resources.
- Using 2008 to raise the importance of coral reef conservation through the Coral Reef Task Force, including increasing global awareness of the economic, ecological, and cultural value of coral reefs and to improve commitments to protect and sustain these threatened and valuable ecosystems.

To support the Department's diverse ocean program activities, the 2008 request includes \$929.5 million to implement the U.S. Ocean Action Plan, an increase of \$13.8 million from 2007.

Included in the request is an increase of \$3.0 million for USGS. The USGS will begin implementation of the Oceans Research Priorities Plan and Implementation Strategy, integral to the U.S. Ocean Action Plan, by conducting observations, research, sea floor mapping, and forecast models. Work on ORPPIS will lead to decision-support tools to help policy makers anticipate and prepare for coastal ecosystem and community responses to extreme weather events, natural disasters, and human influences. The USGS will also build on pilot study results that will help begin the implementation of the interagency National Water Quality Monitoring Network. The network will address and integrate watershed, coastal waters, and ocean monitoring based on common criteria.

The FWS 2008 budget includes \$600,000 for management of the new Northwestern Hawaiian Islands Marine National Monument.

The following highlights Interior's work within the four relevant sections of the Ocean Action Plan.

ENHANCE OCEAN LEADERSHIP AND COORDINATION

Gulf of Mexico Alliance: Governors' Action Plan for Healthy and Resilient Coasts — The USGS has made significant commitments as a leader, contributor, or collaborator for 30 Gulf alliance actions under the five focus areas of the Governors' action plan, including water quality, restoration, education, habitat identification, and nutrients, and will continue data collection and collaboration activities through 2008. The MMS will continue its involvement with the Governors' action plan through administration of the Coastal Impact Assistance Program, a four-year Energy Policy Act requirement that authorizes disbursement of \$250.0 million from Outer Continental Shelf oil and gas



revenues to producing States and coastal political subdivisions. The CIAP funds will be directed to projects such as coastal restoration and protection, mitigation of damage to wildlife, or mitigation of OCS activities through onshore infrastructure projects.

The Subcommittee on Integrated Management of Ocean Resources Work Plan — The Subcommittee helps to carry out and implement the items identified in the U.S. Action Plan, providing opportunities for collaboration and cooperation among agencies. The USGS is a member of the Subcommittee and the Federal State Task Team; FWS is the lead for several items; MMS is involved in six of the 18 work-groups; and NPS will plan local watershed workshops with NOAA.

ADVANCE OUR UNDERSTANDING OF THE OCEANS, COASTS, AND GREAT LAKES

Ocean and Coastal Research, Survey, and Mapping Activities — The MMS, USGS, NOAA, and academic scientists are collaborating to map and characterize deep-sea benthic communities in the Gulf of Mexico. Fieldwork in the Gulf during 2006 included using deep-diving, remotely operated vehicles and manned submersibles and is planned through 2008. The MMS is also working with other agencies to implement the Marine Mapping Initiative in Section 388 of the Energy Policy Act of 2005, and coordinating with the Geospatial One-Stop GIS

portal, geodata.gov, to create a community map for all offshore data. The FWS's National Wetlands Inventory will continue to strategically update digital wetlands map data for priority areas of the United States, many of which are coastal watersheds and landscapes. All data are integrated and distributed to users via clients of the Geospatial One-Stop portal, as well as the USGS National Map portal.

ENHANCING THE USE, CONSERVATION, AND MANAGEMENT OF OCEAN, COASTAL, AND GREAT LAKES RESOURCES

Coordinate and Better Integrate the Existing Network of Marine Managed Areas — Marine protected areas offer a promising ocean and coastal management tool to mitigate or buffer impacts caused by development, over-fishing, and natural events, when used effectively with other management tools. Interior and NOAA, acting through the MPA center, have developed a framework of comprehensive ocean program coordination for the National System of MPAs, including research, habitat mapping, monitoring, education, and enforcement. Significant input and advice on preparation of the proposed framework and all of the related issues came from a FACA-chartered MPA Advisory Committee, and the Federal Marine Protected Areas System Interagency Work Group. The work group includes MMS, FWS, NPS, and NOAA's National Marine Sanctuaries Program, Fisheries program, and National Estuarine Reserve System, plus other Federal agencies such as the Navy, Corps of Engineers, and Coast Guard. An interagency cooperative law enforcement memorandum of agreement increases the capacity of staff to enforce MPA laws and regulations and creates greater operational and administrative efficiencies in marine conservation efforts. The Center has completed a Marine Managed Areas Inventory, in consultation with the States and other Federal agencies, and will use the data, along with public comment on draft guidelines in the proposed Framework, to determine which of the approximately 1,500 MMAs may qualify as candidates for the National System of MPAs.

MANAGING COASTS AND THEIR WATERSHEDS

Northwestern Hawaiian Islands Marine National Monument — This monument is the largest single conservation area in the history of our country, and the largest protected marine area in the world. The Secretaries of the Interior and Commerce and the Governor of Hawaii signed a memorandum of agreement in December 2006, providing for joint

efforts to protect and manage the Northwestern Hawaiian Islands Marine National Monument, which was established by the President in July 2006. The Monument includes the Hawaiian Islands and Midway Atoll National Wildlife Refuges, as well as NOAA's NW Hawaiian Islands Coral Reef Ecosystem Reserve and, pursuant to the MOA, State lands and waters. The State of Hawaii is taking the lead on a cooperative effort to propose the designation of the Monument as a World Heritage Site.

RESOLVING MAJOR WESTERN WATER CHALLENGES



Much of the American West faces serious water challenges and water is one of the scarcest resources in some of the fastest growing areas of the Nation. The growing needs of city residents, farmers, ranchers, Native Americans, and fish and wildlife create conflicts throughout the West. Water is the lifeblood of the American West and while demand is increasing; supply is not. To address the water supply challenges in the West, Interior is improving water supply and delivery.

To date, the Department has:

- Developed Water 2025, a long-term initiative to reduce crises and conflict over water in the West. Water 2025 challenge grants were awarded through a competitive process to provide incentives for States and local entities to create water markets and make more efficient use of existing water supplies in advance of water shortages. In 2004, 2005, and 2006 combined, Water 2025 challenge grants supported 78 projects representing \$64.0 million in water system and water management

The western States are experiencing increasing water supply challenges and the continuing drought makes these pressures more acute. Chronic water shortages, explosive population growth, over-allocated watersheds, environmental needs, and aging water facilities are combining to create the potential for crisis and conflict over water.

Dirk Kempthorne, Secretary of the Interior, July 10, 2006

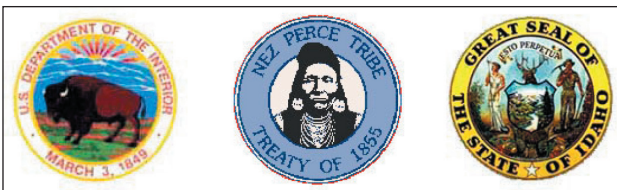
improvements across the West. For every dollar the Federal government has invested, approximately \$3 of non-Federal investment has occurred.

- Signed an historic agreement in 2003 that reapportions Colorado River water among the priority users in California and institutes innovative water management and conservation programs. Among the most significant events in the Lower Colorado River Basin since the 1930s, the agreement reduces California's use of Colorado River water to its legal apportionment for the first time in 70 years.
- Successfully implemented a water bank in the Klamath Basin to help meet Endangered Species Act-related requirements for flows in the Klamath River and allow delivery of a full supply of irrigation water to the Klamath project.
- Completed negotiation for one of the most comprehensive land and water settlements ever undertaken to address long standing Nez Perce water and land issues, as well as concerns of

tribal allottees, the State of Idaho, and private parties including those holding grazing leases.

Interior's goals for these programs include:

- Continuation of Reclamation's Water 2025 challenge grant program.
- Development of Colorado River shortage guidelines to manage the allocation among the seven Colorado River Basin States and Mexico in the event of water shortages. A draft environmental impact statement is scheduled for completion in early 2007, with a record of decision anticipated in December 2007.
- The provision of additional water, purchased in Mexico, and improvements to Mexican irrigation facilities to address environmental issues at the Colorado River Delta.
- Completion of ESA re-consultation by 2008 on Klamath project operations to provide greater certainty of project water delivery, protect fish species, and help stabilize the local economy and protect the fishery.
- Removal of the Chiloquin Dam and construction of a replacement pumping plant to restore spawning habitat for endangered suckers by 2008.



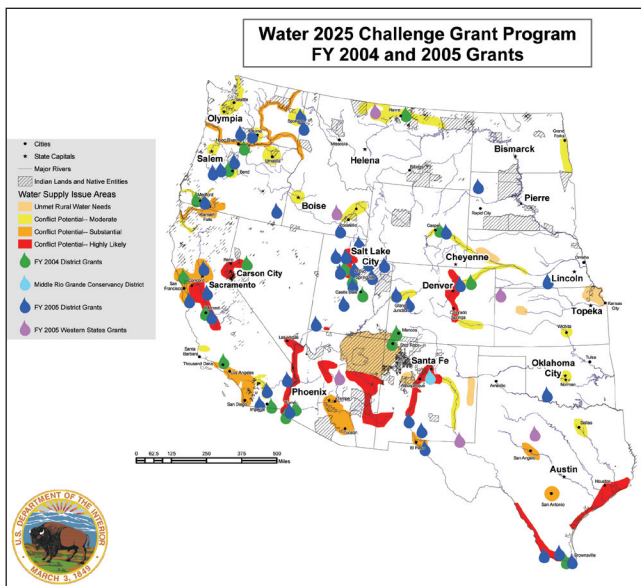
State, private, tribal, and U.S. representatives worked in good faith over several years to develop options that provide mutual benefits. The [Nez Perce] agreement will enable the State of Idaho to more effectively address its responsibilities for water resource management and the needs of protected fish. It also provides Idaho's water users the assurance, security, and flexibility they need to address the water challenges facing their businesses and communities.

Dirk Kempthorne, then Governor of Idaho, May 15, 2004

To support water supply and delivery goals, the 2008 budget proposes the following:

Water 2025 — The 2008 budget for the Bureau of Reclamation includes \$11.0 million for Water 2025. The over arching goal of Water 2025 is to prevent crises and conflict over water in the West. Water 2025 will attain this long-term goal by increasing certainty and flexibility in water supplies; diversifying water supplies; and preventing crises through cooperatively adding environmental benefits in many watersheds, rivers, and streams. Water 2025 projects and activities will focus on geographic areas where competing demands for water mean that water-related crises have the highest likelihood of occurring.

The 2008 Water 2025 request includes \$10.0 million for the 50:50 challenge grant program, which relies on local initiative and innovation to identify and formulate the most sensible improvements for local water systems. Reclamation will seek proposals from irrigation and water districts, western States, and other entities with water delivery authority, for projects to stretch existing water supplies through on-the-ground water conservation, efficiency, and water marketing projects. The challenge grant program is focused on implementing projects through cooperative partnerships that will result in an increased ability to meet otherwise conflicting demands for water.



The request also includes \$1.0 million for system optimization reviews for Reclamation to work with local entities on a 50:50 cost-share basis to assess the potential for water management improvements.

System optimization reviews will help Reclamation ensure that existing water supply infrastructure is fully utilized within the framework of existing treaties, interstate compacts, water rights, and contracts. A plan of action will be developed as a result of each system optimization review and will include recommendations and performance measures for conservation and efficiency projects that have the greatest impact in improving water management, such as water banks, facilitating water transfers, and modernizing canals.



Loan Guarantee Program — Reclamation’s 2008 budget includes \$1.0 million for a loan guarantee program, which is a critical component of Interior’s strategy to address aging infrastructure challenges in the West. Much of Reclamation’s critical water supply infrastructure was built in the early to mid-1900s and is at or nearing the end of its design life. In many cases, this infrastructure, which is still held in title by the United States but has been transferred to local irrigation districts for operation and maintenance, is in need of extraordinary maintenance work or major rehabilitation. Reclamation no longer grants loans to districts for such work and no other tools have been put into place to make up for the lack of available financing to non-Federal water users for rehabilitation improvements for these transferred works. The loan guarantee program is a business-like approach that recognizes the obstacles facing water districts in securing funds for expensive rehabilitative repairs without being able to use Federal facilities as collateral to obtain financing.

Lower Colorado River Operations Program — The 2008 Reclamation budget includes \$15.4 million for Lower Colorado River Operations to maintain the role of the Secretary as water master for the lower Colorado River and provide funding for management and oversight of both the annual and

long-range operating criteria for Colorado River reservoirs; water contract administration; and implementation of the Lower Colorado River Multi-Species Conservation program.

Klamath Basin — The 2008 budget funds Klamath Basin activities at \$64.7 million, including programs in Reclamation (\$33.3 million), BLM (\$7.3 million), FWS (\$16.3 million), USGS (\$2.6 million), BIA (\$4.6 million), and NPS (\$625,000) budgets. These bureaus will continue work to address the issues in the Klamath Basin including meeting Interior’s obligations to provide water for irrigation and wildlife refuges and meet tribal trust obligations. Funds are included for FWS to complete acquisition of the Barnes tract and for Interior to collaborate with other Federal and State agencies, Tribes, and the public to develop a basin-wide recovery plan that addresses water supply, quality, and availability; fish habitat; and fish populations.



Snake River Water Rights Settlement — The 2008 budget requests for BIA, FWS, and Reclamation fund the Snake River Settlement Act at \$28.1 million, an amount in keeping with the prescribed seven-year payment schedule.

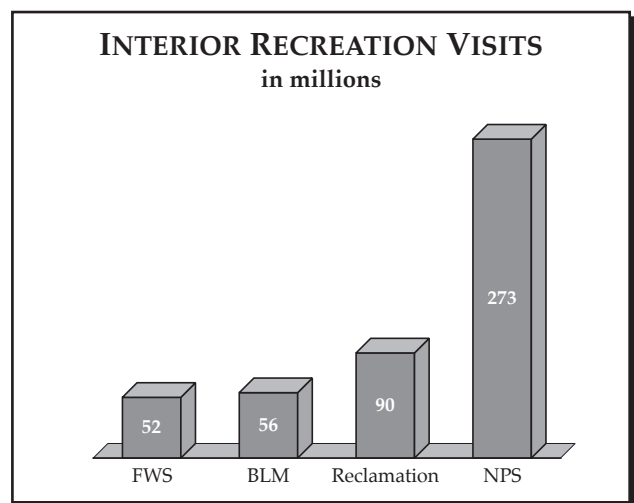
Middle Rio Grande — The 2008 request for the Middle Rio Grande Basin includes \$26.5 million and includes funding for Reclamation (\$23.2 million), USGS (\$1.5 million), and BIA (\$1.8 million). The request funds continued scientific studies of the endangered Rio Grande silvery minnow and southwestern willow flycatcher; supports Reclamation’s participation in the Middle Rio Grande Endangered Species Act Collaborative program; continues facility maintenance and channel rehabilitation to help the United States meet commitments to Mexico under the 1906 International Treaty; and includes tribal trust responsibilities.

California Bay-Delta Restoration — The 2008 Reclamation budget includes \$31.8 million for addressing water supply and quality challenges, ecosystem improvements, and conflicts in the Sacramento-San Joaquin Delta and its tributaries in accordance with the CALFED Bay-Delta Act of 2004. Critical to California’s economy, the delta serves as the hub of the State’s water management system. The Sacramento and San Joaquin Rivers, which flow into the San Francisco Bay, provide drinking water for two-thirds of California’s homes and businesses, and irrigate more than seven million acres of farmland, on which 45 percent of the Nation’s fruits and vegetables are grown. The delta and its watersheds also provide habitat for 750 plant and animal species, some of which are listed as threatened or endangered.

ENHANCING RECREATION ON PUBLIC LANDS

Interior lands boast scenic vistas, breathtaking landscapes, and unique natural wonders. Lands and waters managed by the Department provide Americans and visitors from around the world havens for recreation, education, reflection, and solace. In addition to managing these magnificent landscapes, Interior also provides and promotes a variety of outdoor experiences and recreational opportunities for the public including fishing, hiking, hunting, camping, canoeing, climbing, wildlife viewing, and photography.

The Interior Department’s 2008 request provides \$1.7 billion to advance its recreation mission with an emphasis on increased access and improved visitor experiences. The Department has:



- From 2002 – 2006, NPS improved the quality of the visitor experience at national parks by completing 6,600 repair and rehabilitation projects and by focusing operating resources through analysis of park core operations.
- Since 2001, FWS has opened 34 refuges to hunting and 24 refuges to fishing, creating recreation opportunities and stimulating local economies. Together with the many other recreational activities available to the public on refuges, these activities generated almost \$1.4 billion in total economic activity in 2004.

The national wildlife refuge system offers many outstanding places to hunt, fish, and enjoy wildlife, and we are committed to expanding hunting and fishing opportunities wherever we can.

**H. Dale Hall, Director
U.S. Fish and Wildlife Service
July 26, 2006**

- In 2006, designated 36 new national recreation trails in 24 States, adding more than 800 miles to the national trails system.
- Through partnerships in 2006, created 1,463 new miles of trails, 697 miles of river corridors, and 64,692 acres of park and open space.

The Interior Department has established goals for recreation, including:



The new trails joining the national recreation trail system illustrate the diversity of the country's pathways. These remarkable resources provide outdoor recreational opportunities that include the chance to hike the rolling tundra of Alaska's backcountry, paddle an urban waterway in Milwaukee, bike an abandoned railway in Utah, ride an equestrian trail in Virginia, or wander along a nature loop in Oklahoma.

**Dirk Kempthorne
Secretary of the Interior
June 1, 2006**

- Providing service to over 800 million recreation users (e.g. fisherman, boaters, hikers, campers) who will use parklands and waters over the next three years.
- Completing an action plan for delivering interpretive services in park facilities.
- Launching 30 new local projects with health and physical activity partners.
- Joining in partnerships with over 300 community-based projects to achieve priority community conservation and outdoor recreation goals, projecting creation or enhancement of 845 miles of trails, 730 miles of river corridors, and 38,000 acres of park, natural areas, and open space in 2007.

In support of recreation goals, the 2008 budget includes the National Parks Centennial Initiative to prepare for the 100th anniversary of the national park system. This initiative is described in the National Parks Centennial Initiative chapter of this document. The 2008 budget also proposes the following:

Fish and Wildlife Service — The 2008 budget for FWS requests \$394.8 million for the national wildlife refuge system. In 2008, the refuge system will continue to provide compatible recreation activities. Over 38 million people visit national wildlife refuges every year, which support over 20,000 private sector jobs. As ecotourism continues to increase, large numbers of tourists will travel substantial distances for outdoor activities, like hunting, fishing, wildlife observation and photography.



Bureau of Land Management — The 2008 BLM operations budget includes \$80.3 million to provide and promote recreation opportunities on public lands. This includes a request of \$65.3 million for the Recreation Management programs and an estimated \$15.0 million in recreation fees. The BLM plans to maintain an 82 percent visitor satisfaction rate with interpretation and environmental education projects in special recreation management areas, and a 90 percent satisfaction rate regarding the value of fees paid. The Healthy Lands Initiative, which is described in an earlier chapter, will help ensure continued access to large swaths of public lands for traditional purposes including recreation.



Visitor Safety — Providing for visitor safety is an integral part of ensuring recreation opportunities at parks, refuges, and public lands. In 2008, the Department proposes \$400.0 million for NPS, FWS, and BLM law enforcement operations. The NPS budget includes an increase of \$15.6 million to provide an additional 1,000 protection rangers and \$10.0 million in targeted park base increases to protect park resources and the public.

IMPROVING VOLUNTEERISM ON PUBLIC LANDS

The Department has a vibrant, successful volunteer program. The Take Pride in America program is a national, multi-agency partnership that engages, supports, and recognizes volunteers who work to improve public parks, forests, grasslands, wildlife refuges, cultural and historical sites, local playgrounds, and other recreation areas.

Each year, Interior receives tremendous contributions as a result of long-term relationships with volunteers. Through a variety of volunteer programs, individuals of all ages with differing levels of experience and educational backgrounds contribute valuable time to help the Department fulfill its missions. These volunteers bring their knowledge of local places and people and provide unique insights for visitors to parks, refuges, and public lands. In return, volunteers benefit from their experiences.

Working with the Student Conservation Association, the Public Lands Corps, and other volunteer organizations, Interior's land management bureaus work with volunteers to assist in hurricane recovery, fuels reduction, community education, and outreach that achieve results in support of important program goals. Interior's bureaus and offices utilize the services and assistance of approximately 200,000 volunteers on an annual basis. These volunteers contribute over eight million hours annually, with a value of nearly \$162 million.

To date, Interior has accomplished the following:

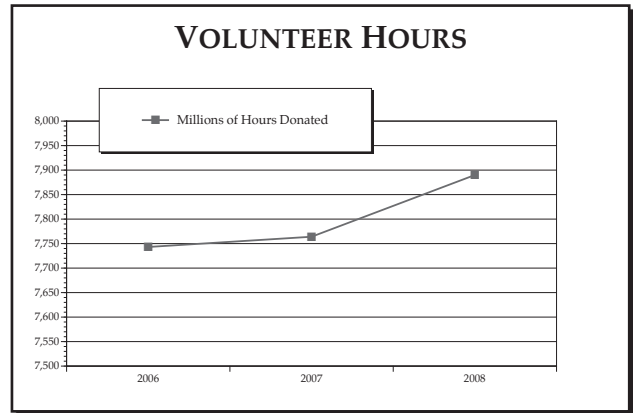
- Introduced in 2005, a public service announcement, the Take Pride broadcast PSA, featuring Clint Eastwood, to 25.5 million viewers in 120 markets, including the top 20 media markets in the country.
- Placed 16.2 million public service announcements in mainstream and trade publications, including articles in TIME Magazine and Harper's Bazaar.
- Signed up 60 cities as Take Pride cities since 2004.
- Since 2005, worked with over 30 principals to establish Take Pride schools.

Our citizens play an important role in protecting our natural spaces. Throughout our country, Americans are volunteering in their communities for environmental education programs, local parks, nature conservancies, and other stewardship opportunities. These devoted individuals are working to maintain park trails, restore wildlife habitats, plant trees, and clear overgrowth. I appreciate these volunteers for their efforts to keep America beautiful, and I encourage all Americans to demonstrate good stewardship and an appreciation for the outdoors.

*President George W. Bush
May 23, 2006*

- Conducted 1,500 Take Pride events since 2004, from litter cleanups and park beautification projects to trail maintenance and re-vegetation projects.
- Held over 900 National Public Lands Day events involving more than 100,000 volunteers.

To support volunteer goals, the 2008 National Park Service Centennial Initiative includes an increase of \$3.4 million to provide 44 coordinators at parks to better manage and coordinate the services of current volunteers, and to expand the number of volunteers by one million hours over the next four years.



TAKE PRIDE IN AMERICA SUCCESS STORIES

At the Take Pride National Awards Ceremony held in Washington, D.C. on September 14, 2006, Secretary Dirk Kempthorne presented 28 individuals and groups with Take Pride in America National Awards in 11 different categories. Winners were selected for their outstanding contributions to volunteer projects and events at local, State and Federal public lands across the country.

You freely give your time and toil to make this Nation great. In doing so, you have used your pride to make us all proud. You have transformed the Nation's public lands. You have made them more beautiful places, one acre at a time.

*Dirk Kempthorne, Secretary of the Interior
September 14, 2006*

The 14th annual National Trails Day Annual Cleanup took place on June 3, 2006. Over 1,200 events were held nationwide that inspired nearly a million trail enthusiasts to flock to their favorite trails to discover, learn about, and celebrate trails while participating in educational exhibits, trail dedications, gear demonstrations, instructional workshops, and trail work projects. Volunteers worked on 1,550 trails and contributed over 200,000 hours to the maintenance and construction of these trails. Volunteers picked up litter, removed large debris, replaced trail signs, moved boulders and trees blocking the trail, painted picnic tables in rest areas, and planted trees to help keep hikers on the trail.

On August 21 and 22, 2006, a team of 16 power wash contractors from all over America met in Washington, D.C. to help maintain some of our Nation's most cherished monuments. They donated their time and equipment to clean sections of the Thomas Jefferson and Lincoln memorials to remove years of dirt, grime, and pollution. In order to accomplish this monumental project, the participants had to overcome several obstacles including identifying environmentally compliant cleaning materials and methods, meeting strict security standards, securing access to water for the machines, and achieving safety standards for the thousands of park visitors who visited the monuments during the process.



The 13th annual National Public Lands Day was held on September 30, 2006. Local, State, and Federal land managers welcomed people of all ages to clean up, repair, build and maintain their parks, refuges, beaches, trails, and other public areas. National Public Lands Day hosted a signature event, representing the volunteers throughout the country, at the Golden Gate National Recreation Area in San Francisco, California. The volunteers spread out throughout six sites and worked for three hours pulling weeds from fields, cleaning up the beach, transplanting seedlings, removing overgrowth from a hiking trail, and caring for native plants. The 2006 National Public Lands Day included over 1,100 sites with lands in all 50 States.

THE FEDERAL LANDS RECREATION ENHANCEMENT ACT

Enacted in December 2004, the Federal Lands Recreation Enhancement Act provided the Department of the Interior and the U.S. Forest Service with the means to improve recreation and visitor amenities on public lands through the use of a consistent and publicly endorsed fee program. The REA includes the following:

- A nationally consistent interagency program that maximizes benefits to the visiting public.
- More local community and public involvement in the program that includes public participation through Recreation Resource Advisory Committees for BLM and the Forest Service.
- Interagency collaboration and leadership with a Recreation Fee Leadership Council comprised of key Interior and Agriculture officials with technical working groups.
- A new interagency national pass for use at Federal recreation sites, providing full access to specific sites managed by BLM, FWS, NPS, Reclamation, and the U.S. Forest Service.
- Free access to most public lands because the REA limits fees to sites that meet specific criteria; unlike the Fee Demonstration program, which provided broad authority to charge fees.

Implementing a well-run recreation fee program that maximizes benefits to the visiting public remains a top priority for the Departments of the Interior and Agriculture. On December 17, 2004, nine days after the REA was signed into law, the Recreation Fee Leadership Council, comprised of key Interior and Agriculture officials, convened and approved an implementation plan. The implementation plan included the creation of a steering committee to oversee day-to-day implementation. The Fee Council created four technical working groups to address each of the following implementation issues: the new interagency pass; fee collections and fee expenditures; recreation resource advisory committee; and communications.

Recreation Resource Advisory Committees — The REA created Recreation Resource Advisory Committees to provide additional opportunities for public review and comment on BLM and Forest Service recreation fee proposals. The Department of the Interior and the Department of Agriculture signed an Interagency Agreement which describes how the RRACs will function, and both the BLM and Forest Service published Federal Register Notices outlining how the RRACs will be organized. Certain existing BLM Resource Advisory Councils, acting as RRACs, already have begun reviewing fee proposals and the process of nominating members for newly-chartered RRACs in other States is underway. Agencies also published in the Federal Register guidelines for public involvement in the recreation fee proposal process.

Using recreation fee revenue to provide on-the-ground improvements to visitor services remains a top priority. Some specific examples of projects funded with fee revenues include: rehabilitating the Yellowstone National Park Canyon Visitor Center, operating the visitor transportation system at Zion National Park, enhancing boat launch facilities at the Tonto National Forest in Arizona, building an accessible boardwalk at Medicine Bow-Routt National Forest in Wyoming, and improving the museum at Desoto National Wildlife Refuge in Iowa.

AMERICA THE BEAUTIFUL — NEW INTERAGENCY PASS

Our Federal lands boast scenic vistas, breathtaking landscapes, and unique historic and cultural sites. This new interagency pass offers a cost-effective and easy option for those who plan to visit multiple Federal recreation sites. The family vacation to these destinations is an American tradition.

*P. Lynn Scarlett, Deputy Secretary of the Interior
December 5, 2006*

In January 2007 the new interagency recreation pass, the “America the Beautiful—National Parks and Federal Recreational Lands Pass,” was introduced. The new pass covers entrance or standard amenity fees associated with recreation opportunities on public lands managed by four Department of the Interior agencies — the National Park Service, the Fish and Wildlife Service, the Bureau of Land Management, and the Bureau of Reclamation, and by the Department of Agriculture’s U.S. Forest Service.



There are four different passes in the new interagency program:

- A new annual interagency pass costing \$80. For visitors to multiple Federal sites, the pass offers unlimited coverage of entrance and standard amenity recreation fees for a specific period of time, typically a year, beginning from the date of sale of the pass. Extensive surveys of the public, listening sessions, and economic analysis were conducted in order to assist in determining the price, use, and benefits of the pass.
- A \$10 lifetime senior pass for U.S. citizens 62 or over.
- A free lifetime access pass for citizens with permanent disabilities.
- A new, free annual volunteer pass for volunteers acquiring 500 hours of service on a cumulative basis.

Sales of the new pass began in January 2007. Passes are available at Federal recreation sites that charge entrance and standard amenity fees, through government internet sites, and through select third-party vendors. Passes are durable plastic and designed with technology that will enable future improvements to the program.

One hundred percent of the revenue derived from passes sold at Federal recreation sites will directly benefit the selling agency and no less than 80 percent of the revenue will remain at the site where the pass was sold.

The new pass program replaces the Golden Eagle, Golden Age, and the Golden Access Passports as well as the National Parks Pass. Existing passes will remain valid until expired, lost, or stolen.

The new passes are good at vehicle-based entry sites for all occupants in a single, non-commercial vehicle. At walk-up sites, the pass is good for the pass holder and three adults. There is no charge for children under 16. This represents a particularly cost-effective opportunity for families traveling to Federal recreation sites. For comparison purposes, Parks Canada offers a family/group annual pass for about \$140.

IMPLEMENTING THE PRESIDENT'S MANAGEMENT AGENDA

The President's management agenda has spurred an unprecedented focus on management activities across the government that will have long-lasting, institutional effects. Interior's unified strategic plan is built on a foundation of management excellence. In pursuit of management excellence, the Department seeks to improve results with the following strategies:

- The right people with the right skills.
- Strategic management: integrating budget and performance.
- Structuring Interior services for better performance.
- Managing information.
- Tracking finances.

Through these management strategies, the Department optimizes performance levels. During 2006, Interior maintained its status for four PMA areas, and advanced to yellow in status on the real property and e-government scorecards. By the end of 2008, Interior expects to achieve or maintain green status in all PMA areas.

Human Capital — Interior's green status reflects a results-oriented focus in human capital planning and execution. Hiring time frames have been reduced to less than 45 work days for the general workforce and less than 90 work days for SES positions. A performance beta site has been implemented to help improve performance standards, including effectively linking performance plans to Interior's strategic plan. The Department, which maintains a robust candidate pool for leadership positions, graduated and certified 29 new SES candidates in 2006. Interior has implemented strategies to address under-representation in the workforce, including mandatory supervisory training, automated complaints tracking, and workforce trend analysis.

By 2008, a competency assessment module will be implemented within the Learning Management System, allowing managers and employees to assess and receive assistance in strengthening competen-

We want to be held accountable for how our programs work. We are working to make every one of our programs work better, and we want everyone to know how we are doing.

*P. Lynn Scarlett
Deputy Secretary of the Interior
February 6, 2006*

cies. The Department also expects to implement its approved accountability plan, with accountability reviews underway in bureaus. Interior will increase the use of alternative dispute resolution and strengthen minority-serving institutional partnerships to promote a diverse workforce.

Competitive Sourcing — Competitive sourcing has been a valuable tool for Interior managers to improve effectiveness and efficiency. The Department's estimated annual savings to date from competitive sourcing studies is \$12.0 million. During 2007, Interior plans to complete 14 competitions on approximately 700 FTE.

Financial Performance — The Interior Department has made dramatic progress in improving financial management, most significantly in the timely preparation of financial statements and mitigating material weaknesses. Last year, Interior completed its audit within 45 days of year-end for the third time. The Department received its tenth unqualified opinion and eliminated all but one of its material weakness. This weakness pertains to controls over Indian trust funds.

Interior expects to progress to green status in 2008 by eliminating material weaknesses and expanding the use of financial information in decisionmaking. In November 2006, OSM and MMS implemented the core financial module of the Financial and Business Management System. In 2007, parts of the National Business Center will deploy the core financial module, and OSM, MMS, and parts of NBC will deploy the acquisition module. The 2008 request supports implementation of new property and initial budget formulation modules for OSM, MMS, and parts of NBC; and supports the implementation of all modules for BLM: core financials, acquisition, property, and initial budget formulation.

E-Government — In 2007, the Department progressed to yellow in status on the e-government scorecard, through its diligent efforts to imple-

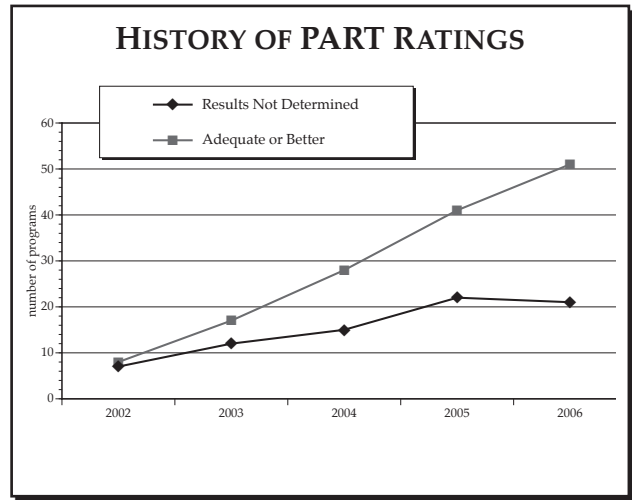
ment earned value management and its progress in e-government implementation. Interior serves as managing partner for the excellence.gov award winning Geospatial One-Stop initiative, as well as Recreation One-Stop and the Geospatial Line of Business. Through NBC, the Department is a shared-service provider for the Human Resources and Financial Management Lines of Business. By implementing the on-line booking portion of the e-travel initiative, Interior has saved nearly \$2.0 million in transaction fees.



Other notable recent accomplishments include successful launching of the Department's single source coal reporting web site and certification and accreditation of 98 percent of Interior's information technology systems. Interior's enterprise architecture program is rated number one by both the Office of Management and Budget and the Government Accountability Office.

Budget and Performance Integration — In December 2006, the Department completed revision of its Strategic Plan for 2007 – 2012. The plan provides Interior's goals through 2012 and corresponding performance measures that will be used to track annual progress against these goals. The measures in the plan are linked to employee performance plans. The Department has institutionalized the use of activity-based cost management, to ensure managers have accurate and timely information on the costs of outputs by coding employee time and purchases to activities that describe the work. Several of the Department's bureaus have enhanced the use of activity-based cost management by linking work activities to strategic plan measures, allowing an improved understanding of the costs of achieving strategic goals.

Over the past five years, all but one of Interior's programs have been assessed through the Administration's Program Assessment Rating Tool. These evaluations have led to program improvements, through implementation of recommended actions, and development of program-specific efficiency measures to foster continued program improvement. The Department has made steady progress in improving PART ratings of its programs, increasing the percentage of programs rated adequate or better from 50 percent in 2002 to 70 percent in 2006.



Real Property — In 2006, Interior reached yellow in status on the real property scorecard by developing an accurate and current inventory of real property and establishing real property performance measures. The Department also completed a rolling three-year time line for implementing the objectives and goals in the asset management plan. Interior expects to reach green in status during 2008, through implementation of its asset management plan and use of real property inventory data and performance information in daily management and decisionmaking.

SINGLE SOURCE COAL REPORTING

In 2006, under the business gateway e-government initiative, OSM launched the Single Source Coal Reporting website, a joint effort with the Department of Labor's Mine Safety and Health Administration, the Internal Revenue Service, the Pennsylvania Department of Environmental Protection, and the Virginia Department of Mines, Minerals, and Energy, to reduce the reporting burden on the coal industry. Every coal producer in the United States must report production activity and other information to multiple Federal, State, and tribal agencies. This website reduces the burden on industry through an integrated, Internet-based information capturing system that provides required information to Federal, State, and tribal agencies. Estimated annual savings to industry beginning in 2008 are approximately \$433,800, with 65 percent of permits filed electronically through SSCR. Estimated annual cost avoidance in forms processing across all government agencies beginning in 2008 is approximately \$273,223.

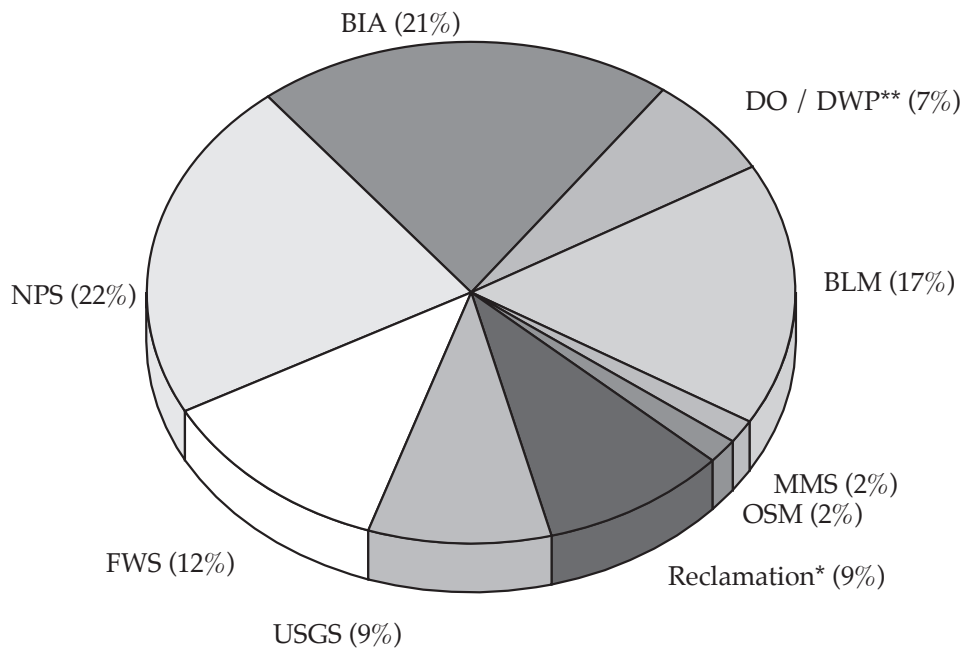
A grayscale photograph of a forest path. The path is a dirt road that curves through a dense forest of tall, thin trees. Sunlight filters through the canopy, creating dappled shadows on the ground. A solid black rectangular box is centered horizontally across the upper portion of the image, containing the text "BUREAU HIGHLIGHTS" in white, bold, serif capital letters.

BUREAU HIGHLIGHTS

BUREAU HIGHLIGHTS

This section summarizes the budget requests of the bureaus and offices of the Department, comparing the 2008 request to the 2007 continuing resolution. The graph below and the table on the following page show the allocation of the proposed 2008 budget authority to the bureaus and offices. Additional details on the Department's budget authority can be found in Appendix A.

FISCAL YEAR 2008 CURRENT APPROPRIATIONS



| | | | | | |
|------------|--------------|---------------------|--------------|-------------------|--------------|
| BLM | 1,812 | Reclamation* | 1,001 | NPS | 2,364 |
| MMS | 161 | USGS | 975 | BIA | 2,229 |
| OSM | 168 | FWS | 1,287 | DO / DWP** | 707 |

* Includes Central Utah Project Completion Act

** Includes OS, OIA, SOL, OIG, OST, PILT, HAZMAT, NRDA, and WCF



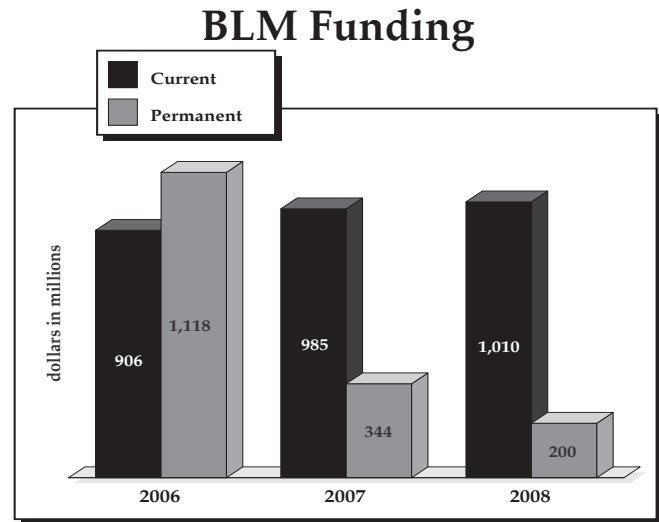
BUREAU OF LAND MANAGEMENT

Mission — The Bureau of Land Management’s mission is to sustain the health, diversity, and productivity of the public lands for the use and enjoyment of present and future generations.

Program Overview — As the Nation’s largest land manager, BLM is responsible for 262 million acres of public land — nearly one-eighth of all land in the United States. The BLM is guided by the Federal Land Policy and Management Act of 1976, which gave BLM its comprehensive mission to manage the public lands for a variety of uses so as to benefit present and future generations. The BLM accomplishes this by managing for outdoor recreation, livestock grazing, energy and mineral development, and other public uses, and by conserving natural, historical, cultural, and other resources on the public lands.

Most of the country’s BLM-managed public land is located in 12 western States, including Alaska. These lands, once remote, now provide the growing communities of the West with open space that gives the region much of its character. The BLM, which has a budget of \$1.0 billion and a workforce of nearly 8,000 employees, excluding the Wildland Fire Management program, also administers 700 million acres of onshore Federal mineral estate throughout the Nation.

The BLM customers are as diverse as the natural resources it manages. Public lands support an increasing number of visitors. In 2008, 58 million visitors are expected to participate in recreational activities such as wildlife watching, hiking, camping, hunting, and whitewater rafting. The BLM Recreation Resources, Cultural Resources, and Challenge Cost Share programs leverage up to 8:1 of in-kind, volunteer, or funding support. In addition, BLM programs provide access to resources that support the oil and gas and minerals industries, utility companies, ranchers, and the timber industry. The BLM conducts programs in partnership with States, Tribes, and local communities and with conservation groups and research scientists. The BLM management activities benefit recreational and traditional land users while contributing to the vitality of State and local economies. In 2008, public lands will generate an estimated \$4.5 billion in revenues,



mostly from energy development. Approximately 44 percent of these receipts are provided directly to States and counties to support roads, schools, and other community needs.

Management Excellence — In 2008, BLM will continue to vigorously pursue implementation of the President’s management agenda for improving management and performance of the Federal government and practicing the Secretary’s vision for citizen-centered management excellence. The BLM has demonstrated an outstanding record in financial management by receiving 12 consecutive unqualified or clean financial audit opinions. Key to BLM’s success has been the availability of timely and accurate financial information made available to all employees through BLM’s management information system. The BLM is a leader in the implementation of activity-based cost management. The BLM implemented cost management in 2000 and now has seven years of cost and performance data available in its cost management system. This information is used as a principal means to integrate budget and performance. The BLM will continue to aggressively collect and analyze cost and

performance data to look for opportunities to further improve performance and reduce costs.

The 2008 budget reflects BLM's ongoing efforts to implement key findings and recommendations stemming from program reviews using the Performance Assessment Rating Tool. The PART reviews have recommended that BLM more effectively utilize cost recoveries to improve program performance and reduce costs to the taxpayer. The 2008 budget includes a reduction to the Land and Realty Management program that BLM proposes to offset through more effective implementation of its cost recovery regulations for processing rights-of-way. The PART recommendation that BLM increase its reliance on cost recoveries in its energy programs also underpins the 2008 budget. The budget proposes that BLM's Oil and Gas Management program transition from its dependence on mandatory mineral rental receipts in 2006 and 2007, to increased reliance in 2008 on fees for processing applications for permits to drill. Legislation will be submitted to repeal provisions in Section 365 of the Energy Policy Act of 2005 that prohibit BLM from implementing regulations to establish APD fees and that divert mineral rental receipts from the Treasury to BLM. The BLM will also continue to emphasize monitoring resource conditions in 2008, consistent with past PART findings and recommendations.

The BLM has also been working to improve management of its human capital resources. A comprehensive workforce plan was completed in 2003 and updated through a programmatic review in 2005. In 2006 BLM implemented a leadership training program and a leadership succession plan.

To improve services to its customers, BLM is expanding electronic government. This includes implementing e-government initiatives such as Recreation One-Stop and Geospatial One-stop. The BLM request includes a \$2.5 million increase for implementation of the Financial and Business Management System, through the Department's Working Capital Fund.

Budget Overview — Excluding the request for the Wildland Fire Management program, the BLM request is \$1.0 billion in current appropriations, which is \$25.2 million above the 2007 continuing resolution and \$6.9 million above the 2007 President's request. The request includes an \$18.3 million program increase to restore the priorities of the 2007 President's budget that are not included at the 2007 continuing resolution level, including fixed costs, eliminating unrequested Congressional earmarks, and implementing other program enhancements and reduction proposals included in the 2007 President's budget. The budget does not request appropriations from the mandatory Range Improvement Fund. Instead, a legis-

lative proposal will be submitted to amend the Federal Land Policy and Management Act to direct that the 50 percent of grazing fee receipts currently deposited in the Range Improvement Fund be deposited in the General Fund of the U.S. Treasury.

Healthy Lands Initiative — The BLM budget includes an increase of \$15.0 million for the Healthy Lands Initiative. The Healthy Lands Initiative seeks to address challenges associated with increased energy development and other resource use activities in the West and their potential conflicts with needs for wildlife and habitat conservation.

The public lands administered by BLM in the West are vitally important as wildlife habitat and support other important multiple uses, such as energy development and recreation. The BLM is struggling to address challenges associated with growing energy activities in the West and the potential conflicts that result at the wildlife-energy interface, and those associated with managing at-risk species, such as the sage grouse, to prevent listing and to better assure recovery for those listed as threatened and endangered. In 2008, the Interior Department proposes a bold new initiative, the Healthy Lands Initiative, which will help BLM respond to the need for more abundant and healthier habitat for species while at the same time maintaining or increasing access to the public lands for energy development, recreation, and other important public uses. The BLM budget request includes a \$15.0 million increase for BLM to increase habitat restoration and species protection on a landscape scale. The funds will be targeted to six priority geographic areas where the declining health of sagebrush and sagebrush-dependent species threatens to reduce access for either energy development or other public uses such as recreation and grazing: the Green River Basin in southwest Wyoming; Snake River Plain in southern Idaho; Utah; southeast Oregon, southwest Idaho, and northern Nevada; Colorado; and the southwest and northwest parts of New Mexico. The 2008 Healthy Lands Initiative includes additional funding for USGS and FWS to support and complement BLM's habitat conservation efforts in the Green River Basin.

The BLM will work cooperatively with partners to implement large, focused habitat protection and restoration projects that will significantly enhance the health and productivity of public lands, while allowing energy development, recreation, and other important uses to continue. An estimated \$10 million in leveraged funds will be provided by partners. The restoration projects will address the problems of decreasing native vegetation for fish and wildlife, the increasing invasion of non-native species, and degraded water quality. Improving the condition of wildlife habitat will promote the recovery of species and help assure continued access to and

multiple use of public lands. The Initiative's focus on aggressive habitat conservation at the landscape scale and its emphasis on cooperative conservation will create efficiencies and economies of scale to maximize benefits for wildlife by improving habitat across large swaths of Federal, State, and private lands.

The \$15.0 million increase will enable BLM to treat 206,540 BLM acres in sagebrush emphasis areas and treat 98,744 BLM acres within the wildlife-energy interface in the six specific geographic areas. The BLM further estimates that partner funding will support the treatment of 52,680 BLM acres and 33,202 non-BLM acres of sagebrush habitat and 3,735 BLM acres and 11,861 non-BLM acres in the wildlife-energy interface in the six emphasis areas.

Energy — The 2008 BLM budget builds upon the significant funding increases included in the 2007 President's budget to enable BLM to support implementation of the Energy Policy Act of 2005 and to continue to support the goals of the President's National Energy Plan for increasing domestic energy supplies. The 2008 budget includes an increase of \$3.1 million to support increased oil and gas inspections and monitoring to better ensure that oil and gas operations are conducted in an environmentally sound manner. The increase is necessary for BLM's oversight capabilities to match the pace of industry's on-the-ground operations.

The BLM will continue to expeditiously process applications for permits to drill to meet the Nation's growing demand for energy. As previewed in the 2007 Interior budget, the 2008 BLM budget request for oil and gas management reflects a proposed transition from reliance on mandatory mineral leasing receipts authorized by Section 365 of the Energy Policy Act to cost recoveries. The Administration will be proposing legislation to repeal provisions in Section 365 that prohibit BLM from implementing cost recovery fees for processing APDs and divert mineral leasing receipts from the Treasury to BLM. The BLM currently estimates it will receive \$21 million in Section 365 receipts in 2007. Assuming that the same number of APDs are submitted in 2008 as in 2007, BLM proposes to phase-in full cost recovery for APDs beginning with a fee amount that would generate approximately \$21 million in 2008, thereby maintaining the program's capability for processing APDs and other use authorization-related activities at essentially the same level as in 2007. The proposed increased reliance on cost recoveries is consistent with the findings of previous Inspector General reports and the 2005 PART review of this program, which found that the program does not adequately charge identifiable users for costs incurred on their behalf.

The 2008 budget also includes an increase of \$2.0 million to enhance BLM's management of the Mining Law Ad-

ministration program. This increase is expected to be fully offset with annual mining claim maintenance fees.

Other Program Changes — The BLM budget includes a number of program reductions. The budget includes a \$3.0 million reduction to the Cultural Resources Management program that will fund the program at essentially the 2006 enacted level. A \$4.7 million reduction will be applied to the Wild Horse and Burro Management program. The BLM will focus resources on short-term and long-term care and adoptions and gathers will be reduced. The BLM will continue to explore innovative methods to reduce long-term holding costs, increase awareness, and promote adoptions. If successful, these methods may make funds available for additional gathers. The BLM will reduce funding for its Resource Management Planning program by \$3.0 million, which will allow BLM to continue to effectively manage the on-going projects. The BLM will manage a proposed \$4.3 million reduction in its Deferred Maintenance program by deferring work on lower priority projects. During 2007 and 2008, BLM will also work aggressively to implement the Capital Asset Management plan to determine if there are additional assets that can be disposed to reduce future deferred maintenance costs. A reduction of \$1.0 million in the Lands and Realty Management program will be offset with more effective implementation of cost recovery rules for processing rights-of-way. The budget reduces funding for the Alaska Conveyance program by \$1.8 million and the Cadastral Survey program by \$3.2 million. The budget also reduces funding for the National Fish and Wildlife Foundation by \$750,000 and Recreation Resources Management by \$219,000. The BLM will reduce spending on travel in 2008 by \$2.2 million by increasing the use of audio and video conferencing and reducing lower-priority travel. The travel reduction is spread across most programs in the Management of Land and Resources account.

The BLM request includes a reduction of \$5.5 million for information technology for savings achieved through the consolidation of functions and cost efficiencies, completion of projects, and use of available balances. This includes a reduction of \$1.0 million in the Department's Land and Resource Management System reflecting the use of anticipated 2007 balances to continue system planning in 2008. The BLM budget request also reflects a savings of \$2.0 million that BLM will achieve from implementing management improvements and other efficiencies through a realignment of functions in its business center and in applied science areas. The \$2.0 million reduction is allocated in the Management of Land and Resources account at the program level. The BLM will finalize plans for implementing these realignments in 2007.

In the Oregon and California Grant Lands account, BLM's 2008 budget maintains recent funding increases

provided to increase timber sales. The budget includes a \$5.0 million reduction in the other areas of the O&C account due to the completion of the western Oregon land use plans in 2007 and a decreased need for funding in other program areas.

Construction and Maintenance — The 2008 budget request includes \$6.5 million for BLM’s construction program, the same as the 2007 President’s budget. Of the total, \$6.2 million is for 12 projects in five States, covering improvements to facilities and infrastructure such as administrative buildings, sanitation systems, roads, and trails. Site and facility priorities are determined through an evaluation of applicable health and safety issues, resource protection needs, mission support objectives, and public service goals. The construction budget includes \$316,000 for architectural and engineering services.

Land Acquisition — The 2008 BLM budget reflects a proposal to fund BLM’s land acquisition program with a combination of appropriations from the Land and Water Conservation Fund and receipts from the sale of the subsurface mineral estate to the surface owner at a total level of \$6.6 million. The budget includes a request of \$1.6 million to fully fund BLM’s acquisition management costs. The budget estimates that an additional \$5.0 million will be generated from the sale of the subsurface mineral estate. This \$5.0 million in receipts will provide \$4.1 million for five line-item acquisition projects and \$944,000 for emergencies and hardships. The BLM is

currently authorized under Section 209 of the Federal Land Policy and Management Act to sell the subsurface mineral estate with no known value. Proposed legislative language credits these receipts to BLM’s Land Acquisition account and establishes a minimum sale price of \$10 per acre for this subsurface mineral estate.

Legislative Proposal — The Administration will again propose legislation to amend BLM’s land sale authority under the Federal Land Transaction Facilitation Act to expand the public lands available for disposal under FLTFA and change the distribution of the proceeds from those sales. Under the Act, BLM is currently limited to selling lands identified for disposal in land-use plans that were in effect prior to the enactment of FLTFA, and the Act makes the proceeds available for the acquisition of other non-Federal lands within specially-designated areas such as national parks, refuges, and monuments. Like the 2007 President’s budget, the 2008 budget proposes to amend FLTFA to: allow BLM to use updated management plans to identify areas suitable for disposal; allow a portion of the receipts to be used by BLM for restoration projects; return 70 percent of the net proceeds from the sales to the Treasury; and cap receipt retention by the Department at \$60.0 million per year. This proposal will minimize the amount of Federal spending not subject to regular oversight through the appropriations process and will ensure that taxpayers directly benefit from these land sales.

Fixed Costs — The budget includes an increase of \$30.0 million to fully fund BLM’s fixed costs.

HIGHLIGHTS OF BUDGET CHANGES

By Appropriation Activity/Subactivity

APPROPRIATION: Management of Land and Resources

| | 2006 Actual | 2007 CR | 2008 Request | Change from 2007 |
|--|-------------|-----------|--------------|---------------------|
| Land Resources | | | | |
| Soil, Water, and Air Management..... | 33,838 | 32,053 | 32,698 | +645 |
| Rangeland Management | 69,870 | 68,279 | 70,538 | +2,259 |
| Public Domain Forest Management..... | 10,404 | 10,464 | 10,673 | +209 |
| Riparian Management | 22,124 | 21,598 | 22,214 | +616 |
| Cultural Resources Management..... | 15,015 | 18,136 | 15,575 | -2,561 |
| Wild Horse and Burro Management.... | 36,362 | 36,351 | 32,107 | -4,244 |
| Subtotal, Land Resources..... | 187,613 | 186,881 | 183,805 | -3,076 |
| Impact of the CR (<i>non-add</i>)..... | | [-1,830] | | |
| Wildlife and Fisheries Management | | | | |
| Wildlife Management | 28,166 | 28,387 | 28,347 | -40 |
| Fisheries Management | 12,314 | 12,418 | 12,664 | +246 |
| Subtotal, Wildlife/Fisheries Mgmt.. | 40,480 | 40,805 | 41,011 | +206 |
| Impact of the CR (<i>non-add</i>)..... | | [-628] | | |
| Threatened/Endangered Species Mgmt... | 21,254 | 21,435 | 21,994 | +559 |
| Impact of the CR (<i>non-add</i>)..... | | [-294] | | |
| Recreation Management | | | | |
| Wilderness Management | 16,559 | 16,215 | 16,705 | +490 |
| Recreation Resources Management..... | 48,572 | 47,550 | 48,613 | +1,063 |
| Subtotal, Recreation Management... | 65,131 | 63,765 | 65,318 | +1,553 |
| Impact of the CR (<i>non-add</i>)..... | | [+995] | | |
| Energy and Minerals Management | | | | |
| Oil and Gas Management | 88,962 | 115,308 | 121,191 | +5,883 |
| Coal Management | 9,159 | 9,246 | 9,535 | +289 |
| Other Mineral Resources Mgmt..... | 10,036 | 10,151 | 10,480 | +329 |
| Subtotal, Energy & Minerals Mgmt... | 108,157 | 134,705 | 141,206 | +6,501 |
| Impact of the CR (<i>non-add</i>)..... | | [-20,983] | | |
| Alaska Minerals..... | 2,263 | 0 | 0 | 0 |
| Impact of the CR (<i>non-add</i>)..... | | [+2,222] | | |
| Realty and Ownership Management | | | | |
| Alaska Conveyance and Lands..... | 40,002 | 35,234 | 34,040 | -1,194 |
| Cadastral Survey | 15,790 | 13,951 | 11,139 | -2,812 |
| Land/Realty Management | 33,186 | 33,331 | 33,371 | +40 |
| Subtotal, Realty/Ownership Mgmt. | 88,978 | 82,516 | 78,550 | -3,966 |
| Impact of the CR (<i>non-add</i>)..... | | [4,265] | | |
| Resource Protection and Maintenance | | | | |
| Resource Management Planning | 49,527 | 49,142 | 47,071 | -2,071 |
| Resource Protection and Law Enfrmt. | 18,942 | 18,556 | 18,859 | +303 |
| Hazardous Materials Management..... | 15,889 | 15,933 | 16,130 | +197 |
| Subtotal, Resource Protection..... | 84,358 | 83,631 | 82,060 | -1,571 |
| Impact of the CR (<i>non-add</i>)..... | | [-266] | | |

| | 2006 Actual | 2007 CR | 2008 Request | Change from 2007 CR |
|---|-------------|----------|--------------|------------------------|
| Transportation and Facilities Maintenance | | | | |
| Operations..... | 6,179 | 6,247 | 6,408 | +161 |
| Annual Maintenance | 31,571 | 30,977 | 31,628 | +651 |
| Deferred Maintenance..... | 38,896 | 38,157 | 33,795 | -4,362 |
| Subtotal, Trans/Facilities Maint..... | 76,646 | 75,381 | 71,831 | -3,550 |
| Impact of the CR (<i>non-add</i>)..... | | [-7,365] | | |
| Land and Resource Information System | | | | |
| Land and Resource Information System | 17,949 | 17,585 | 16,225 | -1,360 |
| Impact of the CR (<i>non-add</i>)..... | | [+356] | | |
| Mining Law Administration | | | | |
| Administration | 32,696 | 32,696 | 34,696 | +2,000 |
| Fee Collection | 0 | 0 | 0 | 0 |
| Offsetting Fees | -32,696 | -32,696 | -34,696 | -2,000 |
| Subtotal, Mining Law Admin..... | 0 | 0 | 0 | 0 |
| Workforce and Organizational Support | | | | |
| Information Systems Operations | 21,139 | 18,728 | 15,300 | -3,428 |
| Administrative Support | 50,680 | 50,560 | 50,896 | +336 |
| Bureau-wide Fixed Costs | 73,627 | 77,895 | 86,885 | +8,990 |
| Subtotal, Support | 145,446 | 147,183 | 153,081 | +5,898 |
| Impact of the CR (<i>non-add</i>)..... | | [-35] | | |
| Communication Site Management | | | | |
| Communications Site Management | 2,000 | 2,000 | 2,000 | 0 |
| Offsetting Fees | -2,000 | -2,000 | -2,000 | 0 |
| Subtotal, Comm. Site Mgmt. | 0 | 0 | 0 | 0 |
| Grasshoppers/Mormon Crickets | | | | |
| Grasshoppers/Mormon Crickets | 0 | 0 | 0 | 0 |
| Impact of the CR (<i>non-add</i>)..... | | [+78] | | |
| Challenge Cost Share..... | | | | |
| Challenge Cost Share..... | 9,357 | 9,357 | 9,357 | 0 |
| Impact of the CR (<i>non-add</i>)..... | | [-70] | | |
| Healthy Lands Initiative | | | | |
| Healthy Lands Initiative | 0 | 0 | 15,000 | +15,000 |
| TOTAL APPROPRIATION (<i>without CR</i>) | | | | |
| TOTAL APPROPRIATION (<i>without CR</i>) | 847,632 | 863,244 | 879,438 | +16,194 |
| Impact of the Continuing Resolution... | | -23,555 | | +23,555 |
| TOTAL APPROPRIATION (<i>with CR</i>)..... | | | | |
| TOTAL APPROPRIATION (<i>with CR</i>)..... | 847,632 | 839,689 | 879,438 | +39,749 |

Highlights of Budget Changes

| | |
|--------------------------------------|----------------------------|
| Fixed Costs | <u>Amount</u> [+27,095] |
| Impact of 2007 Continuing Resolution | +23,555 |
| Land Resources | -3,076 |

A decrease in Wild Horse and Burro Management of \$4,700 will focus funds on caring for 31,000 animals in short- and long-term holding facilities and managing the adoption program. Horse gathers will be reduced in 2008. The BLM will continue to explore innovative methods to reduce long-term holding costs, increase awareness, and promote adoptions. If successful, these methods may make funds available for additional gathers. A decrease of \$3,000 restores the Cultural Resources Management program to 2006 funding levels in order to fund higher BLM priorities. A reduction of \$852 in this activity reflects efficiencies in administrative travel and from consolidating staff in BLM's centers. This is a continuation of the streamlining efforts initiated in 2007. Fixed costs increases total \$5,476 and are fully funded.

| | <u>Amount</u> |
|---|---------------|
| <p>Wildlife and Fisheries Management</p> <p>Decreases of \$675 in Wildlife Management and \$75 in Fisheries Management reflects reductions in pass-through funding to the National Fish and Wildlife Foundation. The NFWF is a well established organization that is able to generate significant amounts of funding on its own. This will enable BLM to target funds to other priority areas. Streamlining efforts in this activity result in a reduction of \$156. Fixed costs increases total \$1,112 and are fully funded.</p> | +206 |
| <p>Threatened and Endangered Species Management</p> <p>Streamlining reductions equal \$73. Fixed costs increases total \$632 and are fully funded.</p> | +559 |
| <p>Recreation Management</p> <p>A decrease of \$219 in Recreation reflects deferring new travel management plan starts and implementation delays in ongoing plans in low use and non-NLCS areas. This will allow BLM to more effectively manage high priority, ongoing projects. Streamlining efforts in this activity result in a reductions of \$248. Fixed costs increases total \$2,020 and are fully funded.</p> | +1,553 |
| <p>Energy and Minerals Management</p> <p>The Oil and Gas Management program retains the significant increases from the 2007 request for implementing the Energy Policy Act of 2005 and requests an additional increase of \$3,104 to support additional inspection and monitoring activities. The Administration proposes the elimination of the Permit Processing Improvement Fund, which is funded with mineral rental receipts (\$21.0 million estimated in 2007), and the Geothermal Steam Act Implementation Fund (\$3.0 million estimated in 2007). These new funds were authorized in the Energy Policy Act of 2005. The Administration assumes that new cost recovery fees for APD processing in 2008 would produce \$21.0 million in revenue, offsetting the elimination of the Permit Processing Improvement Fund. Streamlining reductions equal \$354. Fixed costs increases total \$3,751 and are fully funded.</p> | +6,501 |
| <p>Alaska Minerals</p> <p>In 2008, the program is eliminated as was also proposed in the 2007 President's budget.</p> | 0 |
| <p>Realty and Ownership</p> <p>Land transfers will continue at a slower pace with a decrease of \$1,761 in Alaska Conveyance and Lands. A decrease of \$3,174 in Cadastral Survey reflects a reduction of survey work. The program will continue to focus efforts on providing core functions and oversight of approving surveys, addressing public inquiries, boundary consultation, guidance and oversight, and Geographic Coordinate Database management. A decrease of \$1,000 in Lands and Realty Management will be offset through more efficient administration of cost recovery regulations. Streamlining reductions in this activity equal \$336. Fixed costs increases total \$2,305 and are fully funded.</p> | -3,966 |
| <p>Resource Protection and Maintenance</p> <p>A decrease of \$3,000 in Resource Management Planning reflects the deferral of five new planning projects until 2009 to allow the program to more effectively manage ongoing projects. Streamlining reductions in this activity equal \$576. Fixed costs increases total \$2,005 and are fully funded.</p> | -1,571 |
| <p>Transportation and Facilities Maintenance</p> <p>A decrease in Deferred Maintenance of \$4,322 reflects deferral of work on lower priority projects. The BLM is working aggressively to implement the Capital Asset Management plan to determine if there are additional assets that can be disposed of to reduce future deferred maintenance costs. Streamlining reductions in this activity equals \$294. Fixed costs increases total \$1,066 and are fully funded.</p> | -3,550 |
| <p>Land and Resource Information Systems</p> <p>A decrease of \$1,000 for the DOI Land Resource Management system reflects the use of anticipated 2007 balances to continue system planning in 2008. Another decrease of \$500 reflects IT savings. Streamlining reductions equals \$107. Fixed costs increases total \$247 and are fully funded.</p> | -1,360 |

Amount

Workforce and Organizational Support

+5,898

A decrease of \$4,000 reflects IT savings, in particular, through conversion of bureau-wide area network data responsibilities to the Enterprise Services Network, improvements to the local area network capabilities, and continuation by BLM to institute best management practices. The request reflects a \$2,530 increase for Working Capital Fund program changes for the Financial and Business Management System. Streamlining reductions equal \$1,113. Fixed costs increases total \$8,481 and are fully funded.

Mining Law Administration

0

The budget includes an increase of \$2,000 to process more plans of operations, more mining notices and increase the percent of plans and notices inspected. This increase is expected to be fully offset by increased mining claim fee collections.

Healthy Lands Initiative

+15,000

An increase of \$15,000 reflects initiation of aggressive landscape-scale habitat enhancement projects in six emphasis areas in the West to ensure important future uses of the land, including access for energy development. An estimated \$10,000 in leveraged funds will be provided from partners. Additional funding is requested in the USGS and FWS budgets to enable them to support and complement BLM's habitat conservation efforts in Green River Basin in Wyoming.

APPROPRIATION: Construction

| | <u>2006 Actual</u> | <u>2007 CR</u> | <u>2008 Request</u> | <u>Change from 2007</u> |
|---|--------------------|----------------|---------------------|-------------------------|
| TOTAL APPROPRIATION <i>(w/o CR or fire)</i> | 11,750 | 6,476 | 6,476 | 0 |
| Impact of the Continuing Resolution... | | +5,000 | | -5,000 |
| TOTAL APPROPRIATION <i>(with CR)</i> | 11,750 | 11,476 | 6,476 | -5,000 |
| Fire Transfer | -2,000 | 0 | 0 | 0 |
| Fire Repayment | 0 | +2,000 | 0 | -2,000 |
| TOTAL APPROPRIATION <i>(with CR and fire)</i> | 9,750 | 13,476 | 6,476 | -7,000 |

Highlights of Budget Changes

Amount

Impact of 2007 Continuing Resolution

-5,000

Construction

The budget request includes \$6,476 for twelve line item construction projects in five States to address the highest priority health, safety, and resource protection needs. A detailed list of construction projects is included in Appendix D.

APPROPRIATION: Land Acquisition

| | <u>2006 Actual</u> | <u>2007 CR</u> | <u>2008 Request</u> | <u>Change from 2007</u> |
|---|--------------------|----------------|---------------------|-------------------------|
| Acquisitions | 5,370 | 6,200 | 0 | -6,200 |
| Emergencies and Hardships..... | 985 | 1,000 | 0 | -1,000 |
| Acquisition Management..... | 2,266 | 1,567 | 1,619 | +52 |
| TOTAL APPROPRIATION <i>(w/o CR or fire)</i> | 8,621 | 8,767 | 1,619 | -7,148 |
| Impact of the Continuing Resolution... | | -5,700 | 0 | +5,700 |
| TOTAL APPROPRIATION <i>(with CR)</i> | 8,621 | 3,067 | 1,619 | -1,448 |
| Fire Transfer | -3,000 | 0 | 0 | 0 |
| Fire Repayment | 0 | 3,000 | 0 | -3,000 |
| TOTAL APPROPRIATION <i>(w/ CR and fire)</i> ... | 5,621 | 6,067 | 1,619 | -4,448 |

Highlights of Budget Changes

The budget proposes to fund the land acquisition program at a total level of \$6,619 through a combination of appropriations from the Land and Water Conservation Fund (+\$1,619) and an estimated \$5,000 in receipts from the sale of subsurface mineral estate with no known mineral values to surface owners. The BLM is currently authorized to sell under Section 209 of the Federal Land Policy and Management Act and proposes language to credit these receipts to the BLM Land Acquisition account.

| | |
|--------------------------------------|------------------------|
| Fixed Costs | <u>Amount</u> [+52] |
| Impact of 2007 Continuing Resolution | +5,700 |
| Land Acquisition | -4,448 |

The budget assumes that of the \$5.0 million in estimated receipts available in 2008, \$4,056 will be available for five line item projects and \$944 will be available for Emergencies and Hardships. The budget fully funds the acquisition management program with appropriations from the Land and Water Conservation Fund. The BLM acquisition strategy continues to emphasize the input and participation of affected local communities and stakeholders in projects, and the use of alternative and innovative conservation tools such as easements and purchases of development rights.

APPROPRIATION: Oregon and California Grant Lands

| | <u>2006 Actual</u> | <u>2007 CR</u> | <u>2008 Request</u> | <u>Change from 2007</u> |
|--|--------------------|----------------|---------------------|-------------------------|
| W. Oregon Resources Management | 95,270 | 99,122 | 96,648 | -2,474 |
| W. Oregon Info. and Resources Data Sys. | 2,141 | 2,161 | 2,186 | +25 |
| W. Oregon Trans. and Facilities Maint. | 10,742 | 10,821 | 11,092 | +271 |
| W. Oregon Construction and Acquisition | 298 | 304 | 316 | +12 |
| TOTAL APPROPRIATION (<i>without CR</i>) | 108,451 | 112,408 | 110,242 | -2,166 |
| Impact of the Continuing Resolution... | | -4,075 | 0 | +4,075 |
| TOTAL APPROPRIATION (<i>with CR</i>) | 108,451 | 108,333 | 110,242 | +1,909 |

Highlights of Budget Changes

| | |
|-------------------------------------|---------------------------|
| Fixed Costs | <u>Amount</u> [+2,895] |
| Impact of the Continuing Resolution | +4,075 |
| Oregon and California Grant Lands | -2,166 |

In Reforestation and Forest Development, a decrease of \$1,200 reflects the deferral of 1,200 acres of forest pruning and other health treatments. This is possible because the 2007 timber sale offerings will be dominated by thinning sales, requiring that BLM perform silvicultural activities on fewer acres in 2008. In Other Forest Resources, a decrease of \$800 reflects the deferral of lower priority habitat improvements. In Resource Management Planning, a decrease of \$3,000 reflects reduced staffing and contract needs following completion of the six draft Resource Management Plan/ Environmental Impact Statements in 2007. Streamlining reductions in this appropriation equals \$61. Fixed costs increases total \$2,895 and are fully funded.

APPROPRIATION: Range Improvements

| | 2006 Actual | 2007 CR | 2008 Request | Change from 2007 |
|---|--------------------|----------------|---------------------|-----------------------------|
| Improvements to Public Lands | 7,873 | 0 | 0 | 0 |
| Farm Tenant Act Lands | 1,527 | 0 | 0 | 0 |
| Administrative Expenses | 600 | 0 | 0 | 0 |
| TOTAL APPROPRIATION <i>(without CR)</i> | 10,000 | 0 | 0 | 0 |
| Impact of the Continuing Resolution | | +10,000 | 0 | -10,000 |
| TOTAL APPROPRIATION <i>(with CR)</i> | 10,000 | 10,000 | 0 | -10,000 |

Highlights of Budget Changes

Range Improvements

Amount
-10,000

The 2008 BLM budget does not request an appropriation from the Range Improvement Fund. The Administration will submit legislation to amend the Federal Land Policy Management Act to direct that the 50 percent of grazing fee receipts currently deposited in the Range Improvement fund (i.e., the Federal share of such receipts), be deposited in the General fund of Treasury for deficit reduction. Regulations recently promulgated by BLM provide that BLM and a grazing permittee or lessee (or other cooperating party) will share title to future range improvements – permanent structures such as fences, wells, or pipelines – if they are constructed under what is known as a Cooperative Range Improvement Agreement, as was allowed prior to 1995. The regulations should encourage grazing permittees to take on more of the cost of constructing range improvement projects.

APPROPRIATION: Service Charges, Deposit, and Forfeitures

| | 2006 Actual | 2007 CR | 2008 Request | Change from 2007 |
|---|--------------------|----------------|---------------------|-----------------------------|
| Rights-of-Way Processing | 12,840 | 12,150 | 13,150 | +1,000 |
| Energy and Minerals Cost Recovery | 2,082 | 3,760 | 24,760 | +21,000 |
| Mining Law Cost Recovery | 0 | 0 | 0 | 0 |
| Recreation Cost Recovery | 54 | 54 | 54 | 0 |
| Adopt-a-Horse Program | 846 | 703 | 703 | 0 |
| Repair of Damaged Lands | 6,143 | 4,000 | 4,000 | 0 |
| Cost Recoverable Realty Cases | 765 | 857 | 857 | 0 |
| Timber Purchaser Expenses | 92 | 50 | 50 | 0 |
| Commercial Film and Photography Fees | 206 | 231 | 231 | 0 |
| Copy Fees | 2,935 | 3,100 | 3,100 | 0 |
| TOTAL APPROPRIATION | 25,963 | 24,905 | 46,905 | +22,000 |
| OFFSETS | -25,963 | -24,905 | -46,905 | -22,000 |
| TOTAL APPROPRIATION | 0 | 0 | 0 | 0 |

APPROPRIATION: Miscellaneous Trust Funds

| | 2006 Actual | 2007 CR | 2008 Request | Change from 2007 |
|---------------------------|--------------------|----------------|---------------------|-----------------------------|
| TOTAL APPROPRIATION | 15,447 | 12,405 | 12,405 | 0 |



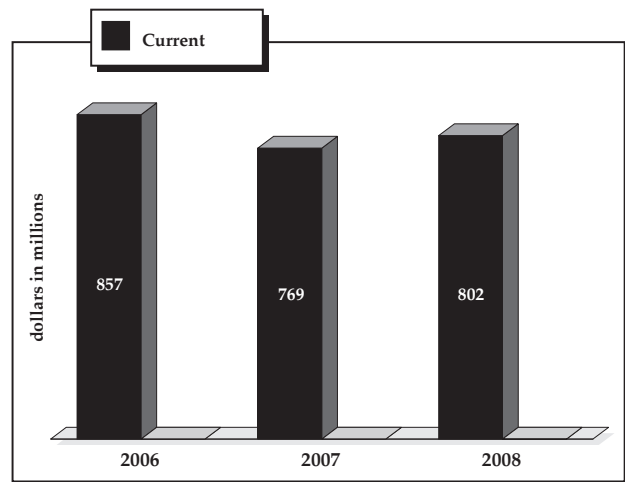
WILDLAND FIRE MANAGEMENT

Program Overview — The Wildland Fire Management appropriation provides the Interior Department's funding for wildland fire prevention, suppression, and rehabilitation activities in support of the National Fire Plan. The program supports two of the mission goals of the Department's Strategic Plan, serving communities and resource protection. Wildland Fire Management activities are performed by four Interior bureaus, the Bureau of Land Management, the Fish and Wildlife Service, the National Park Service, and the Bureau of Indian Affairs. The Office of Wildland Fire Coordination coordinates the Department's National Fire Plan efforts among the Interior bureaus and with other agencies. Multi-bureau operational programs are managed by the National Interagency Fire Center in Boise, Idaho. Interior's major partner in the National Fire Plan is the U.S. Forest Service at the Department of Agriculture. The Wildland Fire Leadership Council, consisting of high-level Federal, State and county officials, and other non-Federal partners, provides policy guidance for the National Fire Plan participating agencies.

The program serves communities by reducing hazardous fuels and improving the management of wildland fires. Through this program, the Department cooperates with its Federal, State, and local partners to reduce the levels of hazardous fuels, prepare for and respond to wildfires, suppress and contain unwanted and unplanned fires, and stabilize areas that have suffered damage from the wildfires. The Department devotes about 65 percent of its Hazardous Fuels Reduction funding to reducing fuel loads in the wildland urban interface.

The program supports the Departmental goal of resource protection through activities that restore and maintain proper functioning of watersheds and landscapes by reducing hazardous fuels outside the WUI and beginning the restoration of burned areas into fire-adapted areas. The buildup of hazardous fuels on an estimated 180 million acres of lands under Federal management not only presents a danger to WUI communities, but also sets the stage for long-term damage to the land and the valuable natural resources found there.

Wildland Fire Funding



Management Excellence — The program is also proposing a number of realignments to focus resources on highest priority needs. These efforts are described below in the Budget Overview section. However, Interior continues to focus its efforts to contain the high costs of suppression. The Wildland Fire Management program has worked to better understand the factors leading to the high costs of suppression, conducting large fire management and cost reviews at most large incidents. The reviews have led to significant improvements in the management of fire incidents such as assigning advisors and contract officer representatives to oversee all large fires and helping line officers understand the cost implications of fire fighting options. Over the next year, Interior will continue to examine methods for holding costs down while maintaining program performance.

Budget Overview — The 2008 budget proposes \$801.8 million to support the fire preparedness, suppression, fuels reduction, and burned area rehabilitation needs of the Interior Department. This request is \$32.6 million above the 2007 continuing resolution and \$32.3 million

above the 2007 President's budget. The request includes a \$307,000 program increase to restore the priorities of the 2007 President's budget that are not included at the 2007 continuing resolution level, including fixed costs and implementing other program enhancements and reduction proposals included in the 2007 President's budget request.

Interior continues to provide a robust level of support to the Healthy Forests Initiative. The budget proposes \$202.8 million for the hazardous fuels reduction program, an increase of \$3.0 million for fixed costs. In addition, the Department will shift funds within the Hazardous Fuels Reduction program to support more on-the-ground projects. Specifically, Interior plans to shift funding from the National Center for Landscape Analysis in Montana to critical fuels treatment projects and to reduce funding that has been used in the past for other national level efforts to advance progress in treating high priority acres.

The 2008 budget request includes \$268.3 million for the Preparedness for readiness program, a net reduction of \$6.5 million from the 2007 level, which is offset by a \$10.7 million increase in the program for fixed costs. Within this reduced level, the budget request also includes a proposal to realign the base resources in the Preparedness program to better support initial attack by increasing the

number of firefighters. Maintaining an effective initial attack capability is critical to controlling fires when they are small and less costly to suppress. To support the increased emphasis on initial attack at the request level, the Department will take a number of steps, including reducing some extended attack resources, continuing a gradual reduction in management and support personnel, and capitalizing on aviation program strategies begun in 2006 to achieve further efficiencies.

The 2008 Interior budget proposes \$4.0 million for the Joint Fire Science program, which is \$1.9 million below the 2007 level and is at the approximate level that existed prior to the National Fire Plan. The Department will reduce funding for research projects and increase the program's emphasis on processing research deliverables, such as journal papers and symposia proceedings from projects funded in previous years.

The 2008 Wildland Fire Management request includes \$294.4 million for suppression operations, an increase of \$37.4 million over the 2007 level, to reflect the ten-year average cost of fire suppression.

Fixed Costs — The 2008 budget request includes an increase of \$14.0 million to fully fund non-discretionary fixed cost increases.

HIGHLIGHTS OF BUDGET CHANGES

By Appropriation Activity/Subactivity
(all dollar amounts in thousands)

APPROPRIATION: Wildland Fire Management

| | 2006 Actual | 2007 CR | 2008 Request | Change from 2007 |
|---|-------------|---------|--------------|---------------------|
| Preparedness..... | 268,839 | 274,801 | 268,334 | -6,467 |
| Suppression Operations..... | 230,721 | 257,041 | 294,398 | +37,357 |
| Supplemental Appropriation | 100,000 | 0 | 0 | 0 |
| Other Operations | | | | |
| Hazardous Fuels Reduction | 208,113 | 199,787 | 202,792 | +3,005 |
| Burned Area Rehabilitation | 24,116 | 24,286 | 24,591 | +305 |
| State and Local Assistance | 9,852 | 0 | 0 | 0 |
| Fire Facilities | 7,734 | 7,734 | 7,734 | 0 |
| Joint Fire Science (inc. FS transfer in 2006) | 7,277 | 5,911 | 4,000 | -1,911 |
| Subtotal, Other Operations..... | 257,092 | 237,718 | 239,117 | +1,399 |
| TOTAL APPROPRIATION (without fire) | 856,652 | 769,560 | 801,849 | +32,289 |
| Impact of the Continuing Resolution... | | -307 | | +307 |
| TOTAL APPROPRIATION (without fire) | 856,652 | 769,253 | 801,849 | +32,596 |
| Fire Transfer | +96,000 | 0 | 0 | 0 |
| Fire Repayment | 0 | -96,000 | 0 | +96,000 |
| TOTAL APPROPRIATION (with fire) | 952,652 | 673,253 | 801,849 | +128,596 |

Note: FTE are included in bureau totals.

Highlights of Budget Changes

| | <u>Amount</u> |
|---|---------------|
| Fixed Costs | [+14,018] |
| Impact of the Continuing Resolution | +307 |
| Preparedness | -6,467 |
| <p>The Department's fire organization and the base Preparedness budget are re-aligned to better support initial attack, which is critical to controlling fires when they are small and less costly to suppress. Proposed changes include adding additional initial attack firefighters (+\$5,402); disbanding or re-directing approximately six Type 1 crews that work primarily on extended attack instead to initial attack (-\$3,000); capitalizing on aviation program strategies begun in 2006 to achieve further efficiencies (-\$8,500); reducing management and support personnel at national, regional, and field unit offices (-\$5,800); and reducing operating and support costs to focus savings on initial attack capabilities (-\$5,277). Fixed costs budgeted total \$10,708.</p> | |
| Suppression Operations | +37,357 |
| <p>An increase of \$37,357 is requested to fund the ten-year suppression average.</p> | |
| Other Operations | +1,399 |
| <p><i>Joint Fire Science Program:</i> The request contains a reduction of \$1,911. It continues funding for ongoing research and allows initiation of a few new research projects. The program will focus on technology transfer and processing of research deliverables such as journal papers and symposia proceedings funded in previous years.</p> | |



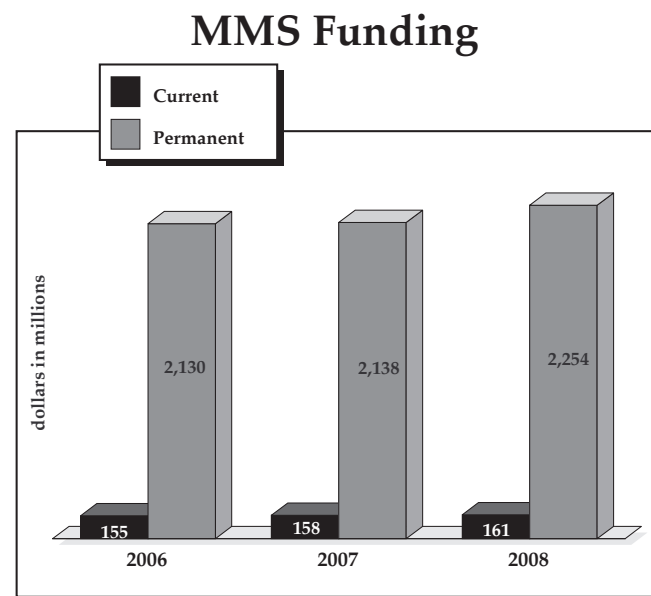
MINERALS MANAGEMENT SERVICE

Mission — The Minerals Management Service was formed by Secretarial Order in 1982 to facilitate the Nation's mineral revenue collection efforts and the management of its Outer Continental Shelf offshore lands. The MMS manages energy and mineral resources, including alternative energy resources, on the Nation's OCS in an environmentally sound and safe manner. The MMS is also responsible for the timely and accurate collection, distribution, accounting for, and auditing of revenues owed by holders of mineral leases on Federal onshore, offshore, and Indian lands.

Program Overview — A cornerstone of the National Energy Policy is securing energy for the Nation. The MMS plays a central role by managing access to the mineral resources of the OCS to help meet the energy demands and other needs of the Nation while balancing such access with the protection of the human, marine, and coastal environments. In addition, the Energy Policy Act of 2005 significantly broadened the scope of MMS' mission, with new responsibilities including oversight of alternate energy-related uses on the OCS, and the Coastal Impact Assistance program. These activities will provide substantial benefit to the American economy by diversifying the domestic energy portfolio and increasing energy-related revenues. On December 20, 2006, the President signed into law the Gulf of Mexico Energy Security Act of 2006. By opening new areas, the Act significantly enhances OCS oil and gas leasing activities and the potential for additional revenue from leases in the Gulf of Mexico.

Currently, MMS administers over 8,200 active mineral leases on 47 million OCS acres. Production from these leases generates billions of dollars in revenue for the Federal Treasury and State governments while supporting thousands of jobs. The MMS oversees production of 21 percent of the natural gas and 30 percent of the oil produced domestically. Since OCS leasing inception, through September 2006, OCS lands have yielded more than 223 trillion cubic feet of natural gas and 41 billion barrels of oil.

Revenues collected by MMS are one of the largest sources of non-tax revenue to the Federal government. In addition to Federal and tribal interests, MMS also supports States and local governments through statutorily-required revenue sharing. In 2006, MMS distributed \$12.6 billion in mineral revenues to States, to the Office of the Special Trustee for American Indians for distribution to Indian Tribes and individual owners, to other Federal agencies in support of a variety of Federal programs, and to the U.S. Treasury. This figure is expected to increase to \$14.0 billion in 2008.



Since 1994, increasing OCS rental revenues have permitted MMS to use receipts to cover operating costs, for which funds would otherwise need to be appropriated. As a result, over \$1.0 billion in cumulative discretionary budget authority was made available to address other Federal high priority programs. The 2008 budget request includes \$135.7 million in offsetting collections.

To ensure OCS development is carried out in a safe and environmentally responsible manner, MMS inspects all offshore facilities, reviews plans of exploration and development, analyzes statements of financial responsibility, and funds scientific and engineering research related to

OCS mineral and alternative energy development. The MMS's comprehensive compliance strategy includes an automated compliance verification program to validate the accuracy and timeliness of revenues paid, and an audit program staffed by MMS, State, and tribal auditors to ensure proper revenues are collected and disbursed.

Royalties on Deepwater Leases — Deepwater OCS development has thrived in recent years due to royalty relief. Incentives have paved the way for technological advancements and long-term infrastructure investments that have enabled deepwater growth in the Gulf of Mexico. This component of OCS production is now effectively established and economically viable. To ensure that American taxpayers are fairly compensated for the sale of Federal OCS minerals, MMS will raise royalty rates from 12.5 percent to 16.67 percent for all new deepwater Gulf of Mexico leases beginning in 2007. The MMS estimates that the increased royalty rate of 16.67 percent for new deepwater offshore Gulf of Mexico leases will increase OCS revenues by \$3.4 billion over the next twenty years. The rate increase is incorporated into the revenue and offsetting collections projections in the 2008 MMS budget.

Deep Gas and Deep Water Incentives — The 2008 budget proposes to repeal Section 344 of the Energy Policy Act of 2005, which extended existing deep gas incentives in two ways. First, it mandated an increase in the royalty suspension volumes from 25 to 35 billion cubic feet of natural gas in a third drilling depth category (greater than 20,000 feet subsea). Second, it directed that incentives for all three drilling depth categories also be applied to leases in 200-400 meters of water. The 2008 budget also proposes to repeal Section 345 of the Energy Policy Act, which provided additional mandatory royalty relief for certain deep water oil and gas production. Additional royalty relief for oil and gas exploration is unwarranted in today's price environment. A legislative proposal will be transmitted to the Congress to propose repeal.

Management Excellence — The budget continues to support implementation of the President's management initiatives. The Department recently revised its five-year Strategic Plan for the period 2007-2012. Concurrently, MMS completed a review of its performance structure and made needed revisions to its plan based upon the analysis. The MMS has continued to make progress in improved budget and performance integration, human resource management, financial management, e-government, and competitive sourcing.

All MMS programs have undergone a Program Assessment Rating Tool evaluation. The PART process has resulted in findings that support MMS fiscal and legislative priorities. For example, the findings from the review of the OCS Resource Evaluation and Leasing program

recognized that MMS "...manages access to mineral resources with exceeding proficiency..." and supported legislation, now enacted as part of the Energy Policy Act of 2005, granting the bureau additional authority over alternative energy projects on OCS lands and the alternative use of OCS facilities.

The MMS uses cost data, gathered from the bureau's activity-based cost management model, in decisionmaking. For example, in developing the 2008 budget, ABC data was considered by management when establishing the agency's performance targets. In addition, ABC data was used to compare royalty in-kind and royalty in-value administrative costs. As the system matures, MMS anticipates using ABC data to re-engineer business processes, allocate resources, and project future funding requests.

The MMS also continues to implement strategies outlined in its workforce plan, used in conjunction with the Department's Strategic Plan. The Offshore Minerals Management program will use the results of a planned functional analysis, begun in 2006 and to be completed in 2007, to determine if and where opportunities are available to improve productivity by redirecting and reducing staffing levels, and refocusing resources away from lower priority activities, while maintaining or improving service quality. The 2008 budget assumes \$2.0 million in anticipated savings related to the analysis.

On December 6, 2006, the Department of the Interior's Inspector General issued a final report on its audit of the MMS compliance review process. The IG audit concluded that compliance reviews can be an effective part of the MMS Compliance and Asset Management program and discussed areas that could be strengthened to improve results. On December 28, 2006, MMS responded to the report by issuing its *Action Plan to Strengthen Minerals Management Service Compliance Program Operations*. Strengthened procedures, improved administrative controls, and enhanced tracking systems represent just a few of the improvements that MMS is initiating in response to the audit.

The 2008 budget includes a program increase of \$395,000 for implementation of the Financial and Business Management System, funded through the Department's Working Capital Fund.

Budget Overview — The 2008 MMS budget request is \$297.2 million in current appropriations and offsetting receipts, an increase of \$16.2 million above the 2007 continuing resolution and \$4.9 million above the 2007 President's budget. The request includes a \$5.3 million program increase in appropriated funding and a \$6.0 million increase in offsetting collections to restore the priorities of the 2007 President's budget that are not included

at the 2007 continuing resolution level, including fixed costs, eliminating unrequested congressional earmarks, and implementing other program enhancements and reduction proposals included in the 2007 President's budget. Four permanent appropriations totaling \$2.3 billion will provide States with their statutory shares of mineral leasing revenues generated on Federal lands.

Offsetting receipts are estimated to be \$135.7 million in 2008, an increase of \$13.0 million over the 2007 continuing resolution and \$7.0 million over the 2007 President's budget. The request for direct appropriations is \$161.5 million, an increase of \$3.2 million from the 2007 continuing resolution, and a reduction of \$2.1 million from the President's budget.

The requested funding will enable MMS to facilitate OCS development and deepwater activities; continue hurricane recovery efforts in the Gulf of Mexico, including well abandonment; improve compliance and enforcement capabilities; and complete environmental analyses necessary for the 2008 OCS lease sales and the 2007-2012 Five-Year OCS Oil and Gas Leasing program.

OCS Program — The goal of the OCS program is to provide for safe and environmentally sound energy and mineral development on the OCS and to ensure that the public receives fair market value for these resources. To carry out this goal, MMS activities include administration of OCS leases; review of new exploration and development plans; examination of pipeline right-of-way applications; environmental assessments; and annual safety inspections of mineral extraction operations on-site. The MMS requests \$160.0 million in 2008 for OCS program activities, a net increase of \$591,000 above 2007.

The Proposed 2007-2012 Five-Year OCS Oil and Gas Leasing program is a major component of the Nation's overall energy strategy. The program has the potential to open up new offshore areas for leasing and development, and expand activities in current planning areas. The Gulf of Mexico Energy Security Act, signed into law on December 20, 2006, requires that MMS open for leasing 8.3 million acres, including 5.8 million acres in the Central Gulf of Mexico Planning Area that were previously held under Congressional moratoria and 546 thousand acres in the Eastern Gulf of Mexico Planning Area that were not included in the proposed 2007-2012 Plan. These new areas will require supplemental environmental review. The Central Gulf of Mexico portion of the 181 Area was reviewed in a draft environmental impact statement, published in November 2006, and will be available for lease in Sale 205, scheduled for early fall 2007. The second additional sale area, 181 South, which includes approximately 5.8 million acres in the Central Gulf of Mexico Planning Area, has not yet been analyzed,

but will receive an appropriate environmental review at a later date before any leasing occurs.

The 2008 President's request includes \$4.0 million to fulfill MMS's environmental and oversight responsibilities under the 2007-2012 Five-Year Oil and Gas Leasing program. Specific components contained within this increase are: \$2.5 million for environmental studies and required NEPA analysis in those areas previously included in the five-year program, where data either does not exist or is extremely outdated; \$822,000 for workforce needs associated with the new and expanded leasing areas; and \$678,000 for additional leasing and program support.

The MMS is witnessing a surge in exploration activity and development in the ultra-deepwater area of the Gulf of Mexico at water depths between 5,000 feet to about 10,000 feet. At the end of 2004, there were 2,300 active leases in ultra-deepwater, and in the five-year period 2001-2005, there were a total of 230 wells drilled, of which 148 were exploratory wells. This activity and the discoveries of oil and gas have now started to translate into development projects. Nine development projects began production in the ultra-deepwater area in 2003-2005. Several significant new ultra-deepwater discoveries also were announced in the Gulf of Mexico in the summer of 2006. The budget includes \$1.3 million to acquire the required expertise and resources needed to facilitate and manage OCS ultra-deepwater development.

The MMS also proposes an \$820,000 Gulf of Mexico hurricane recovery initiative to address well abandonment and pollution prevention. The MMS seeks the capability not only to address important outstanding issues from the devastation of recent hurricanes, but also to ensure the Gulf and other areas are as well prepared as possible for future events.

The 2008 OMM budget includes \$8.9 million in decreases, including \$3.0 million in savings that will be realized by requiring industry to share in the costs of environmental analysis needed for non-competitive renewable energy projects. As discussed under the MMS Management Excellence section, the OMM program is also undergoing a comprehensive workforce study to redirect resources to priority needs, and anticipates a \$2.0 million savings by maximizing productivity and redirecting and reducing staffing levels. In accordance with the OCS Connect implementation plan, MMS proposes a \$1.4 million decrease that reflects the transition from development and planning to implementation and maintenance. Other decreases include \$1.0 million in Environmental Studies, and \$1.0 million for methane hydrates research.

Minerals Revenue Management — The goal of the MRM program is to ensure that revenue from Federal

and Indian mineral leases are effectively, efficiently, and accurately collected, accounted for, and disbursed to recipients. These revenues, which have historically averaged over \$6.5 billion per year, are distributed and disbursed to 38 States, 41 Indian Tribes, some 30,000 American Indian mineral royalty owners, and to U.S. Treasury accounts. In the 2008 budget request, the total MRM program is funded at \$82.4 million, an increase of \$3.2 million above 2007.

The MRM program's primary business of collecting, accounting, and assuring compliance for Federal and Indian mineral revenues is highly dependent on its information technology system, the MRM Support System. In 2008, MMS is proposing \$2.4 million in MRM support system modifications, which will enhance compliance and enforcement efforts. The \$940,000 adjustment line monitoring initiative would provide for systems improvements and staff support to ensure that required company adjustments are made only within allowable time frames. It is anticipated this capacity will provide a much larger return to the U.S. Treasury than the initiative will cost. With an increase of \$1.5 million for the interactive payment reconciliation and billing initiative, MMS will automate the interface with its customer base on numerous activities, and enhance on-line reporting and verification capabilities. The funding will address an area of concern in the Bureau's 2006 financial audit, as well as provide a strong return on investment.

System upgrades to meet new requirements in the Energy Policy Act will be completed in 2007, allowing \$750,000 to be redirected to other priorities. Technological advances will also allow MMS to eliminate dial-in service to access the MRM network and result in \$250,000 in cost savings.

Net Receipt Sharing — The Administration proposes amending Section 35 of the Minerals Leasing Act to deduct two percent from the States' share of receipts from mineral leasing activities on public domain lands, beginning in 2008. This percentage will defray a portion of the administrative costs incurred in the management of onshore leasing activities, and would be deposited into the U.S. Treasury as miscellaneous receipts.

Royalty-In-Kind Program — The RIK program has demonstrated that under certain circumstances, taking royalties in-kind can be beneficial compared to taking royalties in-value. These advantages include: revenue enhancement, reduced administrative costs for MMS and the industry, conflict avoidance, and earlier receipt of royalty revenues. The Department of the Interior, Environment, and Related Agencies Appropriations Act, 2006,

and the Energy Policy Act of 2005 granted MMS permanent authority to fund transportation and administrative costs for the RIK program through RIK revenue receipts.

As MMS has made progress in optimizing RIK volumes and increasing Treasury revenues, it has examined its business practices and basic organizational structure. Although RIK volumes are expanding, MMS anticipates that the administrative costs will remain relatively flat. The preliminary 2008 estimate for RIK administrative costs is \$19.6 million, an increase of \$600,000 for fixed cost adjustments over 2007. When compared to RIV, MMS estimates that RIK resulted in administrative cost avoidance of \$3.7 million in 2005, primarily due to decreased audit, compliance, and litigation costs. The MMS anticipates similar cost avoidance in future years.

Coastal Impact Assistance Program — The Energy Policy Act of 2005 authorized disbursement of \$250.0 million from OCS oil and gas revenues in each of the fiscal years 2007 through 2010 to producing States (Alabama, Alaska, California, Louisiana, Mississippi, and Texas) and coastal political subdivisions (counties, parishes, or boroughs) for approved coastal restoration and conservation purposes. The CIAP Plan guidelines were published in the Federal Register on September 29, 2006. Under the statute, States must submit plans no later than July 1, 2008. The 2007 President's budget included appropriations language authorizing MMS to use a share of the receipts to administer the program. This language is proposed again in the 2008 budget. It is critical that MMS receive this authority in 2008 in order to provide the resources needed for support of the program. These funds would allow MMS to receive State plans, complete environmental assessments, and allocate funding.

Oil Spill Research Program — This program supports oil pollution research and other duties related to oil spill prevention, as authorized by the Oil Spill Pollution Act of 1990. The budget proposes total funding of \$6.4 million in 2008, which is \$500,000 below 2007. The decrease is the result of the completion of a four-year phased replacement of equipment for the National Oil Spill Response Test Facility. Funding in 2008 reflects the return to regular operation and maintenance funding, while protecting the recent investment as well as funding increased operational costs. The National Oil Spill Response Test Facility is the only one of its type in the world providing full-scale equipment and methodology testing in a safe, controlled environment.

Fixed Costs — The 2008 budget request includes an increase of \$5.9 million to fully fund fixed cost increases anticipated for the upcoming fiscal year.

SUMMARY OF BUREAU APPROPRIATIONS

(all dollar amounts in thousands)

Comparison of 2008 Request with 2007 Continuing Resolution:

| | 2007 CR | | 2008 Request | | Change from 2007 | |
|---|--------------|------------------|--------------|------------------|------------------|-----------------|
| | FTE | Amount | FTE | Amount | FTE | Amount |
| Appropriations | | | | | | |
| Royalty and Offshore Minerals Management..... | 1,653 | 151,391 | 1,633 | 155,048 | -20 | +3,657 |
| Oil Spill Research | 18 | 6,903 | 18 | 6,403 | 0 | -500 |
| Subtotal, Direct Appropriations..... | 1,671 | 158,294 | 1,651 | 161,451 | -20 | +3,157 |
| Offsetting Collections | | | | | | |
| Subtotal, Appropriations..... | 0 | 122,730 | 0 | 135,730 | 0 | +13,000 |
| | 1,671 | 281,024 | 1,651 | 297,181 | -20 | +16,157 |
| Permanents and Trusts | | | | | | |
| Mineral Leasing and Associated Payments | 0 | 1,875,413 | 0 | 1,994,729 | 0 | +119,316 |
| Leases of Lands Acquired for Flood Control, Navigation, and Allied Purposes..... | 0 | 2,435 | 0 | 2,608 | 0 | +173 |
| Nat'l. Forests Funds, Payments to States..... | 0 | 6,405 | 0 | 6,803 | 0 | +398 |
| Geothermal Revenue, County Share | 0 | 3,438 | 0 | 0 | 0 | -3,438 |
| Coastal Impact Assistance Program | 0 | 250,000 | 17 | 250,000 | +17 | 0 |
| Subtotal, Permanents and Trusts | 0 | 2,137,691 | 17 | 2,254,140 | +17 | +116,449 |
| TOTAL, MINERALS MGMT SERVICE (w/o OC) | 1,671 | 2,295,985 | 1,668 | 2,415,591 | -3 | +119,606 |
| TOTAL, MINERALS MGMT SERVICE (w/ OC)..... | 1,671 | 2,418,715 | 1,668 | 2,551,321 | -3 | +132,606 |

HIGHLIGHTS OF BUDGET CHANGES

By Appropriation Activity/Subactivity

APPROPRIATION: Royalty and Offshore Minerals Management

| | 2006 Actual | 2007 CR | 2008 Request | Change from 2007 |
|---|-------------|-----------|--------------|---------------------|
| Outer Continental Shelf Lands | | | | |
| Leasing and Environmental Program | | | | |
| Appropriation..... | 15,505 | 22,004 | 17,595 | -4,409 |
| Offsetting Collections | 22,206 | 23,206 | 27,606 | +4,400 |
| Total, Leasing and Environ. Prog..... | 37,711 | 45,210 | 45,201 | -9 |
| Resource Evaluation Program | | | | |
| Appropriation..... | 18,381 | 18,091 | 17,773 | -318 |
| Offsetting Collections | 11,026 | 12,026 | 12,026 | 0 |
| Total, Resource Evaluation Prog | 29,407 | 30,117 | 29,799 | -318 |
| Regulatory Program | | | | |
| Appropriation..... | 33,023 | 33,565 | 35,020 | +1,455 |
| Offsetting Collections | 18,449 | 20,449 | 21,049 | +600 |
| Total, Regulatory Program..... | 51,472 | 54,014 | 56,069 | +2,055 |
| Information Management Program | | | | |
| Appropriation..... | 9,632 | 9,475 | 8,338 | -1,137 |
| Offsetting Collections | 20,549 | 20,549 | 20,549 | 0 |
| Total, Info. Mgmt. Program | 30,181 | 30,024 | 28,887 | -1,137 |
| OCS Lands Appropriation..... | 76,541 | 83,135 | 78,726 | -4,409 |
| Lands Offsetting Collections | 72,230 | 76,230 | 81,230 | +5,000 |
| Subtotal, OCS Lands..... | 148,771 | 159,365 | 159,956 | +591 |
| Impact of the CR (<i>non-add</i>) | | [-10,594] | | [+10,594] |
| Minerals Revenue Management | | | | |
| Compliance and Asset Management | | | | |
| Appropriation..... | 25,488 | 25,899 | 26,229 | +330 |
| Offsetting Collections | 17,235 | 17,235 | 19,235 | +2,000 |
| Total, Compliance and Asset Mgmt | 42,723 | 43,134 | 45,464 | +2,330 |
| Revenue and Operations | | | | |
| Appropriation..... | 17,894 | 16,759 | 17,642 | +883 |
| Offsetting Collections | 17,265 | 19,265 | 19,265 | 0 |
| Total, Revenue and Operations..... | 35,159 | 36,024 | 36,907 | +883 |
| MRM Appropriation..... | 43,382 | 42,658 | 43,871 | +1,213 |
| Offsetting Collections | 34,500 | 36,500 | 38,500 | +2,000 |
| Subtotal, Minerals Revenue Mgmt... | 77,882 | 79,158 | 82,371 | +3,213 |
| Impact of the CR (<i>non-add</i>) | | [-1,276] | | [+1,276] |
| General Administration | | | | |
| Executive Direction | | | | |
| Appropriation..... | 1,100 | 1,533 | 1,615 | +82 |
| Offsetting Collections | 1,000 | 1,000 | 1,000 | 0 |
| Total, Executive Direction | 2,100 | 2,533 | 2,615 | +82 |
| Policy and Management Improvement | | | | |
| Appropriation..... | 3,199 | 3,090 | 3,215 | +125 |
| Offsetting Collections | 1,000 | 1,000 | 1,000 | 0 |
| Total, Policy and Mgmt. Improve | 4,199 | 4,090 | 4,215 | +125 |

| | 2006 Actual | 2007 CR | 2008 Request | Change from 2006 |
|--|-------------|---------|--------------|------------------|
| Administrative Operations | | | | |
| Appropriation..... | 15,489 | 15,282 | 16,005 | +723 |
| Offsetting Collections..... | 1,555 | 1,555 | 1,555 | 0 |
| Total, Admin. Operations..... | 17,044 | 16,837 | 17,560 | +723 |
| General Support Services | | | | |
| Appropriation..... | 11,680 | 10,953 | 11,616 | +663 |
| Offsetting Collections..... | 12,445 | 12,445 | 12,445 | 0 |
| Total, General Support Services..... | 24,125 | 23,398 | 24,061 | +663 |
| GA Appropriation..... | 31,468 | 30,858 | 32,451 | +1,593 |
| Offsetting Collections..... | 16,000 | 16,000 | 16,000 | 0 |
| Subtotal, General Administration..... | 47,468 | 46,858 | 48,451 | +1,593 |
| Impact of the CR (non-add)..... | | [+610] | | [-610] |
| Net Appropriation Transfers..... | -3,343 | 0 | 0 | 0 |
| TOTAL (w/o hurricane supp. or CR)..... | 270,778 | 285,381 | 290,778 | +5,397 |
| Total Appropriation (w/o h. supp. or CR).. | 148,048 | 156,651 | 155,048 | -1,603 |
| Total Offsetting Collections..... | 122,730 | 128,730 | 135,730 | +7,000 |
| Hurricane Supplemental..... | 31,000 | 0 | 0 | 0 |
| Impact of the CR-Appropriation..... | 0 | -5,260 | 0 | +5,260 |
| Impact of the CR-Offsetting Collections.. | 0 | -6,000 | 0 | +6,000 |
| TOTAL (w/ hurricane supp. and CR)..... | 301,778 | 274,121 | 290,778 | +16,657 |
| Total Appropriation (w/ h. supp. and CR) | 179,048 | 151,391 | 155,048 | +3,657 |
| Total Offsetting Collections..... | 122,730 | 122,730 | 135,730 | +13,000 |

Highlights of Budget Changes

| | Amount |
|---|----------|
| Fixed Costs | [+5,886] |
| Impact of the Continuing Resolution | -11,260 |
| Outer Continental Shelf Lands | |
| Leasing and Environmental Program | -9 |
| An increase of \$3,863 is requested to implement the 2007-2012 Five-Year Program. The requested funding level will allow investment in environmental studies, environmental analysis, resource assessment, and leasing consultation, including some areas where no concerted oil and gas related data have been gathered in over 25 years. Decreases include a savings of \$3,000 for alternative energy cost sharing; \$1,000 for redirection of Environmental Studies to higher priorities; and \$560 resulting from a comprehensive workforce study that will identify opportunities to redirect resources, maximize productivity, and reduce staffing levels. Fixed costs are budgeted at \$688 and are fully funded. | |
| Resource Evaluation Program | -318 |
| Increases of \$137 are requested to implement the 2007-2012 Five-Year Program and \$411 for the Deepwater and Ultra Deepwater initiative. Decreases include \$1,000 for Energy Policy Act Implementation — Methane Hydrate Research and \$640 resulting from a comprehensive workforce study to redirect resources to priority needs. Fixed costs are budgeted at \$774 and are fully funded. | |
| Regulatory Program | +2,055 |
| Increases of \$889 are requested for the Deepwater and Ultra Deepwater initiative and \$820 for additional Gulf of Mexico Hurricane Recovery to address proper abandonment, pollution prevention, and oversight of repairs to numerous platforms affected by the hurricanes. A decrease | |

Amount

is requested of \$800 resulting from a comprehensive workforce study to redirect resources to priority needs. Fixed costs are budgeted at \$1,146 and are fully funded.

Information Management Program -1,137

A decrease of \$1,394 is requested for the OCS Connect initiative. In accordance with the OCS Connect implementation plan, this requested reduction reflects the transition from development and planning to implementation and maintenance. Fixed costs are budgeted at \$257 and are fully funded.

Minerals Revenue Management
Compliance and Asset Management +2,330

An increase of \$940 is requested for implementation of the adjustment line monitoring initiative. Fixed costs are budgeted at \$1,390 and are fully funded.

Revenue and Operations +883

An increase of \$1,450 is requested for the interactive payment reconciliation and billing initiative. Decreases requested include \$750 for completion of Energy Policy Act implementation and \$250 to eliminate IT Dial-in Service. Fixed costs are budgeted at \$433 and are fully funded.

General Administration
General Support Services +663

Funding of \$395 is requested to help defray the expense of implementation of the bureau's new FBMS information technology system. Fixed costs are budgeted at \$268 and are fully funded.

APPROPRIATION: Oil Spill Research

| | 2006 Actual | 2007 CR | 2008 Request | Change from 2007 |
|---------------------------|-------------|---------|--------------|---------------------|
| TOTAL APPROPRIATION | 6,903 | 6,903 | 6,403 | -500 |

Highlights of Budget Changes

Amount

Oil Spill Research -500

A decrease of \$500 is the result of the completion of a four-year phased replacement of equipment for the National Oil Response Test Facility.



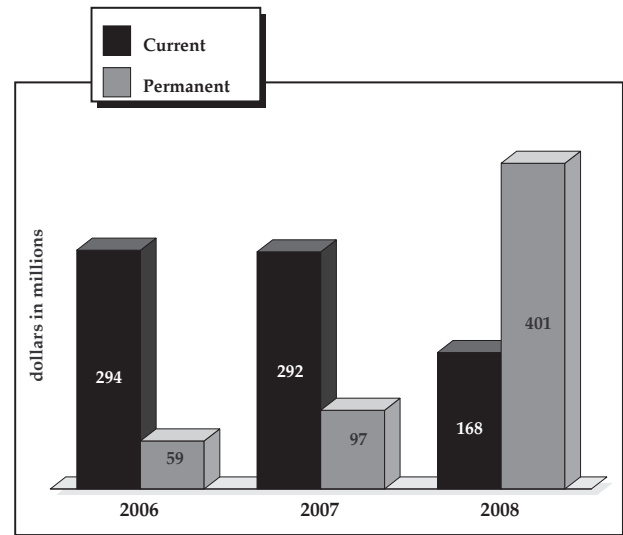
OFFICE OF SURFACE MINING RECLAMATION AND ENFORCEMENT

Mission — The Office of Surface Mining Reclamation and Enforcement was established in 1977 to carry out the requirements of the Surface Mining Control and Reclamation Act in cooperation with States and Indian Tribes. The OSM's primary objectives are to ensure that coal mining activities are conducted in a manner that protects citizens and the environment during mining, to ensure that the land is restored to beneficial use following mining, and to mitigate the effects of past mining by aggressively pursuing reclamation of abandoned coal mines.

Program Overview — The OSM carries out its mandates by providing grants to primacy States and Tribes to carry out their own regulatory and reclamation programs consistent with OSM standards. The OSM also administers regulatory and reclamation programs on Federal and tribal lands and in "non-primacy" States. The OSM works closely with States and Tribes to implement its results-oriented regulatory oversight system and provides technical information and tools to help States and tribal partners to develop sufficient knowledge, expertise, and capability to meet their responsibilities under SMCRA. In the last few years, OSM has focused on innovative approaches to implementing SMCRA, shifting from direct oversight and review of State programs to measuring on-the-ground results. To maximize reclamation from available funding, OSM will continue to implement creative approaches and incentives to encourage reclamation of abandoned mine sites.

The SMCRA established the Abandoned Mine Reclamation Fund to finance the restoration of land mined and abandoned prior to August 1977. Section 402(a) of SMCRA established a per tonnage fee for mined coal and these fees are placed in the Abandoned Mine Reclamation Fund. Interest accrues on the collected fees and is transferred as necessary to the United Mine Workers of America health benefit plans for unassigned beneficiaries. Although substantial progress has been made, approximately \$3.0 billion of priority 1 and 2 problems—threatening public health and safety—remain unreclaimed. Today, certified States and Tribes have completed reclamation on all of their abandoned coal mine sites or are working on non-coal sites, while non-certified States and Tribes

OSM Funding



are still decades away from completing the most critical high priority sites.

Surface Mining Control and Reclamation Act Amendments of 2006 — The Tax Relief and Health Care Act of 2006, which included the Surface Mining Control and Reclamation Amendments Act of 2006, revised the fee collections and distribution of the mine reclamation fees. The Act also changed the method by which State and tribal reclamation grants are funded. Beginning in 2008, State and tribal reclamation grants are funded by permanent appropriations. High-priority Federal reclamation programs, State and Federal emergency programs, and OSM operations continue to be funded through discretionary appropriations.

The 2006 **Amendments** extended the mine reclamation fee collection authority through September 30, 2021, and reduced the fee ten percent below current levels. The **Amendments** changed the fee structure beginning in 2008, to: 31.5 cents per ton of surface mined coal, 13.5 cents per ton of coal mined underground, and nine cents per ton of lignite, or ten percent of the value of the coal

at the mine, paid by operators of active mines. Further fee reductions occur in 2012.

The **Amendments** also changed the distribution of the fee and the method by which State and tribal reclamation grants are funded. Once fully phased in, approximately 83 percent of the fees collected each year will be disbursed to States and Tribes the following year without appropriation. The **Amendments** repay State share balances prorated over seven years; provides reclamation grants to non-certified States and Tribes; and phases in payments to certified and non-certified States and Tribes from the Treasury, in lieu of coal fee receipts.

The Surface Mining Control and Reclamation Act Amendments direct all of the interest which accrues on the collected fees to three United Mine Workers of America retiree benefit plans. The interest finances health benefits for unassigned beneficiaries. The Act eliminates the ten percent allocation for the Rural Abandoned Mine Program, and uses funds existing in RAMP at the time the Act passed to supplement the UMWA plan needs.

Management Excellence — The OSM continues to follow the President's management agenda for improving management and performance of the Federal government and practicing the Secretary's vision for citizen-centered management excellence. The OSM programs have worked extensively to integrate from the goals in Interior's unified strategic plan.

With the completion of the 2006 Program Assessment Rating Tool of the Federal Regulatory and Abandoned Mine Land program, all of OSM's major programs have been reviewed under the PART process. For the 2008 budget, re-evaluations for two programs were conducted. These reviews incorporated work completed on the development of appropriate performance measures for the regulatory and reclamation programs and resulted in ratings of "Effective" for those programs. The OSM continues to implement the measures developed under the PART process.

The 2008 budget includes a program increase of \$133,000 for implementation of the Financial and Business Management System, through the Department's Working Capital Fund.

Budget Overview — The 2008 budget request for OSM is \$168.3 million in discretionary appropriations, \$123.5 million below the 2007 continuing resolution and \$129.9 million below the 2007 President's budget. The request includes a \$6.4 million increase to restore the priorities of the 2007 President's budget that are not included in the 2007 continuing resolution level, including fixed costs

and other program enhancements in the 2007 President's budget. The budget includes \$115.5 million for Regulation and Technology. This program is not impacted by the reauthorization. The 2008 request for Abandoned Mine Reclamation Fund is \$52.8 million.

The Surface Mining Control and Reclamation Act Amendments of 2006 result in the shift of the State and tribal AML grants to mandatory funding, a decrease of \$134.2 million. In 2008, OSM will receive and distribute \$401.4 million in permanent appropriations. This includes \$194.1 million in State share balance payments to certified and non-certified States and Tribes; \$94.3 million in reclamation grants to non-certified States and Tribes; and \$113.0 million in payments to three United Mine Workers of America retiree health benefit plans.

Abandoned Mine Reclamation Fund — The total discretionary funding requested for current appropriations is \$52.8 million, a decrease of \$130.0 million below 2007. Beginning in 2008, this funding will cover discretionary spending for the following activities: approved State emergency programs; State program evaluations; Federal reclamation program operations; emergency and high-priority coal projects under the Federal reclamation program in States and Tribes without approved AML programs; watershed cooperative agreements administered by OSM; and program development and maintenance.

The OSM will continue to support the Watershed Cooperative Agreement program through discretionary funds in 2008. The budget request includes \$1.6 million for this program, \$500,000 above the 2007 President's request. This program supports construction of acid mine drainage treatment facilities, and leverages significant additional funding and in-kind donations.

Regulation and Technology — The goal of the Regulation and Technology program is to implement Title V of SMCRA by providing oversight and technical support for the regulation of active mining. Total funding requested for the regulatory program is \$115.5 million, \$6.6 million above 2007.

The SMCRA provides that States should have the primary responsibility for regulating surface coal mining and reclamation operations on non-Indian lands within their borders. Twenty-four States have approved permanent regulatory programs for the regulation of coal mining activities. The program is cost-effective because States are able to implement the program at a significantly lower cost than OSM. To encourage States to assume this responsibility, SMCRA authorizes the annual award of grants to States with approved regulatory programs, for up to 50 percent of the State's cost of administering the program.

The 2008 budget includes an increase of \$2.2 million above 2007 for State regulatory grants, to provide program and fixed cost increases for the States' regulatory programs. Should a State relinquish primacy, the cost to the Federal government increases significantly. Regulatory grants will allow the States and Tribes to prevent 93 percent of active mine sites from causing off site impacts and

thereby releasing 80,000 acres from phase one and two performance bonds.

Fixed Costs — The 2008 budget request includes an increase of \$1.5 million to fully fund fixed cost increases anticipated for the upcoming fiscal year.

SUMMARY OF BUREAU APPROPRIATIONS
(all dollar amounts in thousands)

Comparison of 2008 Request with 2007 Continuing Resolution:

| | 2007 CR | | 2008 Request | | Change from 2007 | |
|---|------------|----------------|--------------|----------------|------------------|-----------------|
| | FTE | Amount | FTE | Amount | FTE | Amount |
| Current Appropriations | | | | | | |
| Regulation and Technology | 354 | 108,910 | 354 | 115,460 | 0 | +6,550 |
| Abandoned Mine Reclamation Fund | 190 | 182,838 | 190 | 52,835 | 0 | -130,003 |
| Subtotal, Appropriations..... | 544 | 291,748 | 544 | 168,295 | 0 | -123,453 |
| Permanent Appropriations | | | | | | |
| Payments to States in Lieu of | | | | | | |
| Coal Fee Receipts (Treasury Funds) | 0 | 0 | 0 | 194,100 | 0 | +194,100 |
| Payments to UMWA Health Plans* (AML) | 0 | 97,000 | 0 | 113,000 | 0 | +16,000 |
| Payments to UMWA Health Plans (Treasury Funds) | 0 | 0 | 0 | 0 | 0 | 0 |
| Mandatory Grants to States and Tribes (AML) | 0 | 0 | 0 | 94,300 | 0 | +94,300 |
| Subtotal, Permanent Appropriations | 0 | 97,000 | 0 | 401,400 | 0 | +304,400 |
| TOTAL, OFFICE OF SURFACE MINING | 544 | 388,748 | 544 | 569,695 | 0 | +180,947 |

* In 2007, the payment is for the Combined Benefit plan only; in 2008 it is for three plans.

HIGHLIGHTS OF BUDGET CHANGES

By Appropriation Activity/Subactivity

APPROPRIATION: Regulation and Technology

| | 2006 Actual | 2007 CR | 2008 Request | Change from 2007 |
|---|-------------|----------|--------------|---------------------|
| Environmental Restoration..... | 326 | 257 | 260 | +3 |
| Impact of the CR | | [-5] | | |
| Environmental Protection..... | 78,395 | 80,965 | 83,810 | +2,845 |
| Impact of the CR | | [-2,383] | | |
| Technology Development and Transfer... | 14,903 | 15,101 | 15,416 | +315 |
| Impact of the CR | | [-444] | | |
| Financial Management..... | 481 | 485 | 491 | +6 |
| Impact of the CR..... | | [-14] | | |
| Executive Direction and Administration. | 14,875 | 15,401 | 15,483 | +82 |
| Impact of the CR | | [-453] | | |
| Subtotal (<i>without CR</i>)..... | 108,980 | 112,209 | 115,460 | +3,251 |
| Impact of the Continuing Resolution... | | -3,299 | | +3,299 |
| TOTAL APPROPRIATION (<i>with CR</i>)..... | 108,980 | 108,910 | 115,460 | +6,550 |

Highlights of Budget Changes

| | <u>Amount</u> |
|---|---------------|
| Fixed Costs | [+975] |
| Impact of the Continuing Resolution. | +3,299 |
| Environmental Protection | +2,845 |
| A \$2,194 increase is requested for State regulatory grants. Fixed costs total \$651 which are fully funded in the request. | |
| Executive Direction | +82 |
| A net increase of \$82 for FBMS implementation is requested. | |

APPROPRIATION: Abandoned Mine Reclamation Fund

| | 2006 Actual | 2007 CR | 2008 Request | Change from 2007 |
|---|-------------|----------|--------------|------------------|
| Environmental Restoration..... | 167,609 | 167,855 | 34,483 | -133,372 |
| Impact of the CR | | [-2,797] | | |
| Technology Development and Transfer... | 3,864 | 3,910 | 3,983 | +73 |
| Impact of the CR | | [-65] | | |
| Financial Management..... | 6,142 | 6,253 | 6,408 | +155 |
| Impact of the CR | | [-104] | | |
| Executive Direction & Administration.... | 7,633 | 7,918 | 7,961 | +43 |
| Impact of the CR | | [-132] | | |
| Subtotal (<i>without CR</i>)..... | 185,248 | 185,936 | 52,835 | -133,101 |
| Impact of the Continuing Resolution... | | -3,098 | | +3,098 |
| TOTAL APPROPRIATION (<i>with CR</i>)..... | 185,248 | 182,838 | 52,835 | -130,003 |

Highlights of Budget Changes

| | <u>Amount</u> |
|---|---------------|
| Fixed Costs | [+523] |
| Impact of the Continuing Resolution. | +3,098 |
| Environmental Restoration | -133,372 |
| <p>A net decrease of \$133,372 includes a program change of \$134,175 reflecting the provisions of the SMCRA Amendments Act of 2006. Action by the Congress to appropriate funds for State and tribal abandoned mine land programs is no longer necessary. The Act shifted costs for abandoned mine land reclamation and other related activities to permanent appropriations beginning in 2008. The overall decrease of \$133,372 also reflects a \$500 increase for Watershed Cooperative Agreements and fixed costs of \$303, which are fully funded in the request.</p> | |
| Executive Direction | +43 |
| <p>A net increase of \$43 reflects a decrease of \$8 in fixed costs and a program change of \$51 for FBMS implementation.</p> | |



BUREAU OF RECLAMATION

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

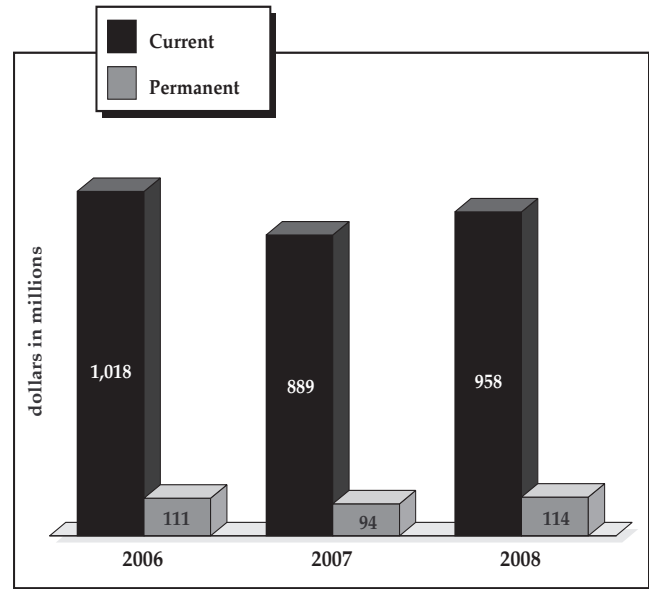
Program Overview — Reclamation is the largest supplier and manager of water in the 17 western States. It maintains 472 dams and 348 reservoirs with the capacity to store 245 million acre-feet of water. These facilities deliver water to one in every five western farmers for about ten million acres of irrigated land and provide water to over 31 million people for municipal, rural, and industrial uses. Reclamation is also the Nation's second largest producer of hydroelectric power, generating 44 billion kilowatt hours of energy each year from 58 power plants. In addition, Reclamation's facilities provide substantial flood control, as well as many recreation and fish and wildlife benefits.

Since its establishment in 1902, Reclamation has developed water supply facilities that have contributed to sustained economic growth and an enhanced quality of life in the western States. Lands and communities served by Reclamation projects have been developed to meet agricultural, tribal, urban, and industrial needs. Reclamation continues to develop authorized facilities to store and convey new water supplies.

Water is one of the scarcest resources in some of the fastest growing areas of the Nation; it is the lifeblood of the American West. In many areas existing water supplies as currently managed are, or may become, inadequate to meet the demands for water for people, cities, farms, and the environment. These supply and management challenges, coupled with the fact that the West has experienced severe drought conditions over the past several years, guarantee that water supply-related crises will become more frequent if action is not taken now.

Reclamation is committed to working with its customers, States, Tribes, and other stakeholders to find ways to balance and provide for the mix of water resource needs in 2008 and beyond. One of several ways that Reclamation is assisting the West in addressing its water supply

Reclamation Funding



issues is Water 2025. Reclamation's Water 2025 initiative addresses the challenges of preventing crises and conflict over water in the West.

Reclamation is currently developing a common set of evaluation criteria that will be used to allocate water conservation funding on a Reclamation-wide basis. These criteria will apply to Water 2025, the Water Conservation Field Services program, and other Reclamation water conservation programs in order to foster and maintain a unified, West-wide approach for Reclamation's water conservation programs. By increasing the certainty, flexibility, diversity, and efficiency of water supplies and the transparency and uniformity of water conservation funding throughout the West, local governments and irrigation districts will be better prepared to meet the needs of people, cities, farms, and the environment that are currently in danger of going unmet, even in normal water years.

Management Excellence — Reclamation continues to strive for excellence in the President's management agenda. Efforts toward advancing management ex-

cellence in the 2008 budget include improvements in performance-based budgeting; program evaluations utilizing the Program Assessment Rating Tool process; and managerial studies to improve organizational, management, and resource configurations.

The National Academy of Sciences, at Reclamation's request, completed and published its study in 2006 to assist Reclamation in determining the appropriate organizational, management, and resource configurations to meet its construction and related infrastructure management responsibilities associated with fulfilling its core mission of delivering water and power for the 21st century.

The Managing for Excellence action plan, developed in response to the Academy's report, outlines a process and timeframe for identifying and addressing the specific actions that can be taken to increase transparency, efficiency, and accountability within Reclamation. As of the end of January 2007, Reclamation will have completed approximately 50 percent of the 41 action items identified. Implementation of the action items will continue.

As part of the 2008 budget development process, Reclamation and OMB evaluated two programs using the PART - the Central Valley Project Improvement Act and CALFED programs. The Central Valley Project Improvement Act program was rated adequate and as a result of one of the recommendations, Reclamation will develop and implement a long-term action plan to achieve program performance goals. The CALFED program was also rated adequate. Recommendations include having an independent science board review the CALFED program performance measures to determine whether the program is achieving intended results. Improvement plans for both programs are being developed and will be implemented in 2007.

In 2006, the President signed the Reclamation Rural Water Supply Act that establishes a formal Reclamation rural water program, which addresses the key recommendations of the 2003 PART review on the program.

Budget Overview — The Bureau of Reclamation's 2008 President's budget request is \$958.4 million, which is \$69.6 million above 2007. The request includes a \$5.2 million program reduction to restore the priorities of the 2007 President's budget that are not included in the 2007 continuing resolution, including eliminating unrequested congressional earmarks and implementing program enhancement and reduction proposals included in the 2007 President's budget.

The 2008 request for current appropriations is \$958.4 million and is offset by discretionary receipts in the Central Valley Project Restoration Fund, estimated to be \$51.3

million, which results in a net discretionary request of \$907.1 million. The request for permanent appropriations in 2008 totals \$114.4 million.

Water and Related Resources — The 2008 request for Reclamation's principal operating account is \$816.2 million, an increase of \$60.3 million over the 2007 continuing resolution and \$70.8 million over the 2007 President's budget. This net increase includes restoration of the cancellation of \$88.0 million of unobligated balances associated with desert terminal lakes and project reductions of \$27.8 million. Consistent with the 2007 President's request, under-financing, an undistributed reduction in anticipation of delays in construction schedules and other planned activities, is not included in the 2008 budget request.

The budget proposal continues to emphasize assuring operation and maintenance of Bureau of Reclamation facilities in a safe, efficient, economic, and reliable manner; ensuring systems and safety measures are in place to protect the public and Reclamation facilities; working smarter to address the water needs of a growing population in an environmentally responsible and cost-efficient manner; and assisting States, Tribes, and local entities in solving contemporary water resource issues. Funding for each project or program within Reclamation's budget request is based upon Departmental and bureau priorities, compliance with the Department of the Interior strategic plan, and performance accomplishments.

The 2008 request includes a total of \$429.5 million for water and energy, land, and fish and wildlife resource management development activities. Funding in these activities provides for planning, construction, water conservation activities, management of Reclamation lands including recreation, and actions to address the impacts of Reclamation projects on fish and wildlife.

The 2008 budget request also provides a total of \$386.7 million for facility operations, maintenance, and rehabilitation activities. Providing adequate funding for these activities continues to be one of Reclamation's highest priorities. The Bureau continues to work closely with water users and other stakeholders to ensure that available funds are used effectively. These funds are used to allow the timely and effective delivery of project benefits; ensure the reliability and operational readiness of Reclamation's dams, reservoirs, power plants, and distribution systems; and identify, plan, and implement dam safety corrective actions and site security improvements.

Water 2025, Preventing Crises and Conflicts — The 2008 budget includes \$11.0 million for Water 2025. The Administration will submit legislation for the authorization necessary to accomplish the goals of this program.

The overarching goal of Water 2025 is to meet the challenge of preventing crises and conflicts over water in the West. Water 2025 will achieve this by increasing the certainty and flexibility of water supplies, diversifying water supplies, and preventing crises through cooperatively adding environmental benefits in many watersheds, rivers, and streams.

The 2008 Water 2025 request includes \$10.0 million for the 50:50 challenge grant program, which relies on local initiative and innovation to identify and formulate the most sensible improvements for local water systems. The request also includes \$1.0 million for system optimization reviews for Reclamation to work on a 50:50 cost-share basis with local entities to assess the potential for water management improvements.

Loan Guarantee Program — The 2008 request includes \$1.0 million to develop and administer the Loan Guarantee program, which is a critical component of Interior’s strategy to address aging water infrastructure challenges in the West. The Loan Guarantee program, which uses a business-like approach that recognizes the inability of many water districts to secure funds for expensive rehabilitative repairs without the capability to use Federal facilities as collateral to obtain bank financing, was authorized by the Reclamation Rural Water Supply Act of 2006.

Project Requests — The budget request includes \$58.0 million for the Animas La Plata project to continue implementation of the Colorado Ute Settlement Act. This funding will provide for continued construction of the Ridges Basin Dam and Durango Pumping Plant, and for continuation of construction of the Ridges Basin Inlet Conduit.

The request provides \$27.2 million for the Central Arizona project and \$124.8 million for operating, managing, and improving California’s Central Valley project. Within this amount, the CVP Replacements, Additions, and Extraordinary Maintenance program includes a total of \$19.4 million, an increase of \$1.1 million for such items as spillway regulating gates, repair and procurement of radial gate attachments at Nimbus Dam, and an overhaul of the fixed wheel gate at Trinity Dam. The CVP Sacramento River Division includes a total of \$8.0 million, of which \$5.5 million is for the fish passage program at Red Bluff Diversion Dam and other activities including fish-related studies, planning documents, and land acquisition.

The 2008 Reclamation budget request includes \$15.4 million for Lower Colorado River operations to maintain the role of the Secretary as water master for the lower Colorado River. The request provides funding for management and oversight of both the annual and long-range operating criteria for Colorado River reservoirs; water contract administration; and implementation of

the Lower Colorado River Multi-Species Conservation program. The Bureau of Reclamation remains committed to maximizing efficient ways to deliver water under its contracts and to conserve water for multiple uses, including endangered species protection.

Removal of the Savage Rapids Dam is funded at \$15.0 million, an increase of \$2.0 million from 2007. Removal of this irrigation diversion dam and the installation of pumping facilities will allow the local farming community to continue irrigated agriculture and remove a migration barrier for the threatened southern Oregon and northern California coho salmon. The Columbia Basin project is funded at \$12.0 million, an increase of \$1.8 million from 2007.

The budget requests \$16.8 million for Endangered Species Act recovery implementation programs. In late 2006, the Secretary and the Governors of Colorado, Nebraska, and Wyoming signed the Platte River Recovery Implementation program and the budget request includes a \$6.4 million increase in the Great Plains region to implement the program. The Columbia/Snake Salmon Recovery program is funded at \$15.0 million. Reclamation’s portion of the Nez Perce Water Rights Settlement Agreement, \$6.9 million, is funded in this program.

The Klamath project is funded at \$25.0 million and includes funds for Reclamation to collaborate with other Federal and State agencies, Tribes, and the public to develop a basin-wide recovery plan that addresses water supply, water quality, fish habitat, and fish populations. The Middle Rio Grande project is funded at \$23.2 million, which will continue funding of endangered species activities and Reclamation’s participation in the Middle Rio Grande Endangered Species Act Collaborative program as well as repair of priority river maintenance sites.

The 2008 Reclamation budget request funds Mni Wiconi, the rural water component of the Garrison Diversion Unit, and Lewis and Clark rural water systems at \$55.0 million, \$13.7 million below the 2007 level. Since the early 1980s, Congress has directed Reclamation to develop 13 independently authorized single-purpose water supply projects for rural communities throughout the West. Two performance assessments were conducted on Reclamation’s rural water activities in recent years which found shortcomings in Reclamation’s involvement in rural water projects, mainly due to the lack of a formal rural water program.

On December 22, 2006, the President signed the Reclamation Rural Water Supply Act of 2006. Title I of the statute requires the Secretary to establish a formal rural water supply program for rural water and major maintenance projects in the 17 western States. The Act requires the

establishment of programmatic and eligibility criteria for the rural water program along with other reporting requirements and criteria for appraisal and feasibility studies. Implementation of the Act will allow the Department, the Administration, and the Congress to set priorities and establish clear guidelines for project development to help meet the water supply needs of rural communities throughout the West.

A total of \$77.0 million is requested for Reclamation's Safety of Dams program, an increase of \$8.0 million, which is primarily directed to dam safety issues at Folsom Dam. Program funding includes \$57.1 million to initiate safety of dams corrective actions and \$18.5 million for safety evaluations of existing dams. Also included is \$1.4 million for the Department of the Interior Safety of Dams program.

A total of \$35.5 million is requested for site security to ensure the safety and security of the public, Reclamation's employees, and key facilities. This funding includes \$11.7 million for physical security upgrades and \$23.8 million to continue all aspects of Reclamation-wide security efforts, including law enforcement, risk and threat analysis, implementing security measures, security risk assessments and security-related studies, and guards and patrols. The 2008 budget assumes that the annual costs associated with guard and patrol activities will be treated as project operations and maintenance costs, subject to reimbursement based upon project cost allocations.

The request funds Title XVI water reclamation and reuse projects at \$10.1 million. This request level is similar to previous budget requests.

The budget proposes to reallocate repayment of capital costs of the Pick-Sloan Missouri Basin program. The Administration will submit legislation to Congress to reallocate repayment of construction and operations costs to power customers. Power customers would be responsible for repayment of all construction from which they benefit. This change would increase reimbursements from power customers by an estimated \$23 million in 2008 and in the out-years. This proposal is consistent with the Government Accountability Office and the Office of Inspector General recommendations regarding the project's cost allocation. The reallocation will likely result in modest increases to power rates for Pick-Sloan customers.

Central Valley Project Restoration Fund — The 2008 budget includes a request of \$51.6 million for the CVPRF. This budget request is offset by collections estimated at \$51.3 million from mitigation and restoration charges authorized by the Central Valley Project Improvement Act. The request includes a \$7.5 million reduction due

to the proposed legislation for the San Joaquin River Restoration Fund. Without the legislative proposal, the CVPRF request is \$59.1 million.

The 2008 program funds a variety of activities to restore fish and wildlife habitat and populations in the CVP service area of California, including: acquiring water for anadromous fish and other environmental purposes; providing for long-term water deliveries to wildlife refuges; continuing the anadromous fish restoration program with the goal of doubling the natural production of anadromous fish; monitoring the effectiveness of restoration actions; acquiring fee title or conservation easements to facilitate better management; restoring land to improve wildlife habitat, conserve water, and reduce drainage; and continuing funding for fish screens on diversions along the Sacramento River.

San Joaquin River Restoration Fund Proposed Legislation — The 2008 budget also reflects the settlement of *Natural Resources Defense Council v. Rodgers*. The Administration will submit authorizing legislation to establish the San Joaquin River Restoration Fund. Under the settlement, the legislation proposes to redirect \$7.5 million per year of payments from the CVP Friant Division and \$9.8 million from the Reclamation Fund into the San Joaquin Fund, which would be available without further appropriation to implement the provisions of the settlement.

California Bay-Delta Restoration — The budget requests \$31.8 million for CALFED, pursuant to the CALFED Bay-Delta Authorization Act that was signed into law in 2004. The legislation provides a six-year Federal authorization to implement the collaborative CALFED program. A consortium of Federal and State agencies fund and participate in the CALFED program, focusing on the health of the ecosystem and improving water management and supplies. In addition, CALFED addresses the issues of water supply reliability, aging levees, and threatened water quality.

Funding for California Bay-Delta Restoration is requested in the following program areas: \$7.0 million for the environmental water account; \$8.5 million for the storage program; \$5.0 million for water conveyance; \$1.5 million for ecosystem restoration; \$4.8 million for water quality; \$3.0 million for science; and \$2.0 million for Reclamation's oversight function to ensure program balance and integration.

Reclamation's Working Capital Fund — This Fund is operated for the purpose of managing financial activities such as acquisition and replacement of capital equipment; recovery of the cost of services provided to others; indirect cost recovery for the technical service center and management services and human resources

in regional and area offices; and information technology-related costs and services. The WCF operates on a self supporting basis through user charges deposited in the fund. The 2008 budget includes \$1.4 million for implementation of the Department-wide Financial and Business Management System, through the Department's Working Capital Fund.

Other Accounts — No funding is requested for the Loan program under the Small Reclamation Projects Act. The request for the Policy and Administration appropriation, the account that finances Reclamation's central management functions, is \$58.8 million. Permanent appropriations available in the Colorado River Dam Fund are estimated to be \$95.7 million in 2008.

SUMMARY OF BUREAU APPROPRIATIONS (all dollar amounts in thousands)

Comparison of 2008 Request with 2007 Continuing Resolution:

| | 2007 CR | | 2008 Request | | Change from 2007 | |
|--|--------------|-----------------|--------------|------------------|------------------|------------------|
| | FTE | Amount | FTE | Amount | FTE | Amount |
| Appropriations | | | | | | |
| Water and Related Resources | 3,211 | 755,945 | 3,211 | 816,197 | 0 | +60,252 |
| Loan Program | 1 | 0 | 1 | 0 | 0 | 0 |
| Policy and Administration..... | 289 | 57,248 | 289 | 58,811 | 0 | +1,563 |
| Central Valley Project Restoration Fund..... | 17 | 41,478 | 17 | 59,122 | 0 | +17,644 |
| Legislative Proposal..... | 0 | 0 | 0 | -7,500 | 0 | -7,500 |
| <i>Subtotal, CVPRF (with leg proposal)</i> | <i>[17]</i> | <i>[41,478]</i> | <i>[17]</i> | <i>[51,622]</i> | <i>[0]</i> | <i>[+10,144]</i> |
| California Bay-Delta Restoration..... | 15 | 34,110 | 15 | 31,750 | 0 | -2,360 |
| Working Capital Fund | 1,700 | 0 | 1,700 | 0 | 0 | 0 |
| <i>Subtotal, Appropriations (with leg proposal)</i> | <i>5,233</i> | <i>888,781</i> | <i>5,233</i> | <i>958,380</i> | <i>0</i> | <i>+69,599</i> |
| <i>Subtotal, Appropriations (without leg proposal)</i> | <i>5,233</i> | <i>888,781</i> | <i>5,233</i> | <i>965,880</i> | <i>0</i> | <i>+77,099</i> |
| Central Valley Project Restoration Fund Offset..... | 0 | -33,755 | 0 | -51,321 | 0 | -17,566 |
| <i>Net Discretionary</i> | <i>5,233</i> | <i>855,026</i> | <i>5,233</i> | <i>907,059</i> | <i>0</i> | <i>+52,033</i> |
| Permanents and Other | | | | | | |
| Colorado River Dam Fund, | | | | | | |
| Boulder Canyon Project | 201 | 83,309 | 201 | 95,669 | 0 | +12,360 |
| Basin Funds..... | 210 | 0 | 210 | 0 | 0 | 0 |
| Spectrum Relocation Activities | 0 | 4,550 | 0 | 0 | 0 | -4,550 |
| Loan Program Subsidy Re-estimate/Modification | 0 | 4,725 | 0 | 0 | 0 | -4,725 |
| Loan Program Liquidating Account | 0 | -2,606 | 0 | -2,644 | 0 | -38 |
| Miscellaneous Permanents | 0 | 280 | 0 | 280 | 0 | 0 |
| Reclamation Trust Funds | 5 | 3,000 | 5 | 3,000 | 0 | 0 |
| San Gabriel Basin Restoration Fund..... | 0 | 1,000 | 0 | 750 | 0 | -250 |
| San Joaquin River Restoration Fund | 0 | 0 | 0 | 17,300 | 0 | +17,300 |
| <i>Subtotal, Permanents and Other.....</i> | <i>416</i> | <i>94,258</i> | <i>416</i> | <i>114,355</i> | <i>0</i> | <i>+20,097</i> |
| TOTAL, RECLAMATION APPROPRIATIONS | 5,649 | 983,039 | 5,649 | 1,072,735 | 0 | +89,696 |
| TOTAL, RECLAMATION, NET OF RECEIPTS | 5,649 | 949,284 | 5,649 | 1,021,414 | 0 | +72,130 |

HIGHLIGHTS OF BUDGET CHANGES

By Appropriation Activity/Subactivity

APPROPRIATION: Water and Related Resources

| | 2006 Actual | 2007 CR | 2008 Request | Change from 2007 |
|--|-------------|---------|--------------|---------------------|
| Animas La Plata Project | 55,440 | 57,420 | 58,000 | +580 |
| Boise Area Projects | 4,737 | 5,229 | 5,163 | -66 |
| Central Arizona Project | 22,096 | 27,203 | 27,179 | -24 |
| Central Valley Project | 128,100 | 120,187 | 124,775 | +4,588 |
| Colorado-Big Thompson..... | 15,717 | 15,195 | 11,689 | -3,506 |
| Colorado River Basin Salinity Control..... | 22,453 | 22,652 | 21,012 | -1,640 |
| Colorado River Storage Project..... | 12,998 | 10,201 | 10,684 | +483 |
| Columbia Basin Project | 11,050 | 10,154 | 11,957 | +1,803 |
| Columbia/Snake River | | | | |
| Salmon Recovery..... | 16,581 | 17,325 | 15,000 | -2,325 |
| Dam Safety Program..... | 61,342 | 69,003 | 77,000 | +7,997 |
| Endangered Species | | | | |
| Recovery Implementation..... | 9,222 | 11,299 | 16,818 | +5,519 |
| Klamath Project | 20,844 | 24,750 | 25,000 | +250 |
| Loan Guarantee Program..... | 0 | 0 | 1,000 | +1,000 |
| Lower Colorado River | | | | |
| Operations Program | 16,954 | 17,028 | 15,418 | -1,610 |
| Middle Rio Grande Project | 27,795 | 23,760 | 23,200 | -560 |
| Native American Affairs | 8,044 | 6,307 | 6,179 | -128 |
| Pick-Sloan Missouri Basin Program | 39,877 | 41,850 | 40,966 | -884 |
| Rural Water Projects | | | | |
| Fort Peck Reservation Dry Prairie | 15,840 | 5,000 | 0 | -5,000 |
| Garrison Diversion Unit..... | 27,321 | 24,221 | 20,220 | -4,001 |
| Lewis and Clark Rural Water | 17,325 | 21,000 | 15,000 | -6,000 |
| Mid-Dakota Rural Water..... | 410 | 15 | 15 | 0 |
| Mni Wiconi Project..... | 29,261 | 32,170 | 29,000 | -3,170 |
| North Central MT Rural Water Supply | 5,692 | 0 | 0 | 0 |
| Perkins County Rural Water Systems .. | 947 | 0 | 0 | 0 |
| Less Non-Rural Water Component .. | -13,694 | -13,699 | -9,235 | +4,464 |
| Subtotal, Rural Water Projects..... | 83,102 | 68,707 | 55,000 | -13,707 |
| Savage Rapids Dam..... | 1,485 | 13,000 | 15,000 | +2,000 |
| Science and Technology Program..... | 16,130 | 8,539 | 9,003 | +464 |
| Site Security..... | 39,600 | 39,600 | 35,500 | -4,100 |
| Title XVI Water Reclam. / Reuse Projects.. | 25,642 | 10,100 | 10,100 | 0 |
| Water 2025 | 4,950 | 14,500 | 11,000 | -3,500 |
| Water Conservation Field Services..... | 9,943 | 7,221 | 6,232 | -989 |
| Yakima Project / Basin Water Enhance..... | 15,920 | 20,641 | 16,414 | -4,227 |
| Yuma Area Project..... | 21,799 | 22,732 | 22,909 | +177 |
| Other Project / Programs..... | 182,858 | 148,821 | 143,999 | -4,822 |
| Transfer to Army Corps of Engineers | -1,980 | 0 | 0 | 0 |
| Subtotal (without rescission) | 872,699 | 833,424 | 816,197 | -17,227 |
| Desert Terminal Lakes Rescission..... | 0 | -88,000 | 0 | +88,000 |
| TOTAL APPROPRIATION (w/o CR or d. supp) .. | 872,699 | 745,424 | 816,197 | +70,773 |
| Impact of the Continuing Resolution... | | +10,521 | | -10,521 |
| TOTAL APPROPRIATION (with CR)..... | 872,699 | 755,945 | 816,197 | +60,252 |
| Drought Supplemental..... | +9,000 | 0 | 0 | 0 |
| TOTAL APPROPRIATION (with CR & d. supp) | 881,699 | 755,945 | 816,197 | +60,252 |

Program Changes

The 2008 request includes funds for the following projects and programs.

Animas La Plata Project

In December 2000, legislation was enacted to resolve the Colorado Ute Tribes' water rights claims and allow construction of a smaller Animas La Plata project to proceed. The reformulated project limits depletions to an average of 57,100 acre-feet per year and provides only municipal and industrial water for the Tribes and local non-Indian entities. Funding will provide for continued construction of the Ridges Basin Dam and Durango pumping plant, and the Ridges Basin inlet conduit.

Boise Area Projects

The request provides for operations, maintenance, and rehabilitation of project facilities.

Central Arizona Project

Funds are requested for continued construction of the Gila River Indian Community distribution system, San Xavier farm extension, and San Carlos Apache distribution system. Other work activities include recreation development; fulfilling native fish protection along the Gila and Santa Cruz Rivers; continue work on the New Mexico Unit; and work with Tucson area municipal entities on Tucson aqueduct reliability.

Central Valley Project

Funds are requested for continued facility operations, maintenance, rehabilitation, and for numerous management and development efforts, including construction of the American River pump station; water conservation and drainage management programs; the Trinity River restoration program; construction of screens on unscreened diversions; and mitigation of fish losses at C.W. "Bill" Jones Tracy Pumping Plant (formerly Tracy Pumping Plant). Related activities will be funded by the CVP Restoration Fund and California Bay-Delta appropriation.

Colorado-Big Thompson

The Colorado-Big Thompson Project diverts approximately 260,000 acre-feet of water annually from the Colorado River headwaters on the western slope of the Rocky Mountains for distribution to eastern slope project lands. The reduction in 2008 reflects off-budget funding by local power customers. Funding is provided to continue coordination of activities associated with conservation, enhancement, development and restoration of fish and wildlife populations and their habitats.

Colorado River Basin Salinity Control Program

The Yuma desalting plant will be maintained in ready reserve status, while Reclamation works to identify and evaluate the options for replacing or recovering bypass flows to Mexico. Funds are provided for operation, maintenance, and rehabilitation of completed projects in the Upper Colorado River basin and for a basin-wide program to identify and implement cost effective salinity control options based on proposals from non-Federal interests.

Colorado River Storage Project

Funds are requested for the Federal share of the costs of facility operations, maintenance, and rehabilitation, including the rehabilitation of recreation facilities at Reclamation-constructed reservoirs. Implementation of mitigation measures continue, including preconstruction work on temperature control modifications on Glen Canyon Dam.

Columbia Basin Project

Bonneville Power Administration, through memorandum of agreement, directly funds power operation and maintenance costs. In addition, BPA directly funds, through subagreements, major power replacements, additions, and improvements. Funds are requested to continue ongoing support for the planning and implementation of effective water conservation measures with water districts and other entities under the water conservation field services program. The project also continues the day-to-day operation of two storage dams and reservoirs; three Grand Coulee power plants; one pump and generating plant; associated switchyards and transmission lines; the feeder canal at Grand Coulee; and the distribution canal systems for the irrigation reserved works.

Columbia and Snake River Salmon Recovery

This program implements actions under Section 7(a)(2) of the Endangered Species Act and required by biological opinions issued in December 2000 by the FWS and November 2004 by the National Marine Fisheries Services. The 2004 biological opinion has been remanded to NOAA Fisheries and a new biological opinion is due in July 2007. During the remand, the 2004 biological opinion remains in place as Reclamation continues to implement actions identified in the 2004 updated proposed action. These requirements ensure that agency actions are not likely to jeopardize the continued existence of endangered or threatened species, or to adversely modify or destroy their designated critical habitats. These actions include modifications to dam and fish facility operations.

Dam Safety Program

Funds are requested for the Safety Evaluation of Existing Dams program, for corrective actions on individual dams, and for other dam safety activities. Funding continues dam safety management and risk reduction activities at Reclamation's 361 high and significant hazard dams. Corrective actions are planned to continue or start on Deer Flat Dam (ID), Hyrum Dam (UT), Lauro Dam (CA), Folsom Dam (CA), Stony Gorge Dam (CA), Stampede Dam (CA), Scofield Dam (UT), Morrow Point Dam (CO), Deer Creek Dam (UT). Funds are also provided for minor modifications at other facilities and for the Department of the Interior dam safety program.

Endangered Species Recovery Implementation

This program provides for the development and implementation of measures for the preservation, conservation, and recovery of native and endangered, threatened, proposed, and candidate species that are resident in, or migratory to, habitats affected by the operation of Reclamation projects. On-going efforts funded by this program involve the Colorado, San Juan, and Platte river basins, as well as watersheds in the Pacific Northwest.

Klamath Project

The request continues and increases funding for studies and initiatives related to improving water supplies to meet the competing demands of agricultural, tribal, wildlife refuge, and environmental needs in the Klamath River basin. Key areas of focus include increasing surface and groundwater supplies, continuing a water bank, making improvements in fish passage and habitat, taking actions to improve water quality, develop a basin-wide recovery plan, and continuing coordination of Reclamation's Conservation Implementation program.

Loan Guarantee Program

On December 22, 2006, the President signed the Reclamation Rural Water Supply Act of 2006. Title II of the Act, the Twenty-first Century Water Works Act, authorizes the Secretary to issue loan guarantees to help districts who are responsible for some or all major operation, maintenance, and replacement repairs to Reclamation facilities with the financing. The \$1.0 million requested by Reclamation in 2008 is estimated to cover administration costs and loans of about \$7 million.

Lower Colorado River Operations Program

This program funds work necessary to carry out the Secretary's responsibilities as water master of the lower Colorado River, including the development of the Shortage Guidelines and reservoir management strategies, during low reservoir conditions. It funds measures under the multi-species conservation program to provide long term Endangered Species Act compliance for lower Colorado River operations for both Federal and non-Federal purposes.

Middle Rio Grande Project

Funds are provided for operations, maintenance, and rehabilitation of project facilities and for Bureau of Reclamation efforts focused on the protection and recovery of the Rio Grande silvery minnow and southwestern willow flycatcher.

Native American Affairs Program

This program provides funding for efforts to promote the successful application of Reclamation's programs to Indian issues and needs; for support for Indian water rights negotiations and the implementation of enacted settlements; and for assistance to Tribes in their efforts to become self-sufficient in the management and development of their water resources.

Pick-Sloan Missouri Basin Program

Funds are provided for the Federal share of the costs of operations, maintenance, and rehabilitation of facilities on thirty-three units of the Pick-Sloan Missouri Basin program.

Rural Water Projects

On December 22, 2006, the President signed P.L. 109-451, the Rural Water Supply Act of 2006. Title I of the statute requires the Secretary to establish a formal rural water supply program for rural water and major maintenance projects in the 17 western States. The Act requires the establishment of programmatic and eligibility criteria for the rural water program along with other reporting requirements, and criteria for appraisal and feasibility studies. Implementation of the Act will allow the Department, the Administration and Congress to set priorities and establish clear guidelines for project development to help meet the water supply needs of rural communities throughout the West.

Fort Peck Reservation/Dry Prairie Rural Water

No funds are requested for this project.

Garrison Diversion Unit

Funds are requested for grants to the State of North Dakota for municipal, rural, and industrial water projects; for development of Indian MR&I water and irrigation facilities; for work at several wildlife refuges; and for operation and maintenance of completed project facilities.

Lewis and Clark Rural Water

This water system addresses concerns regarding the low quality, contamination vulnerability, and insufficient supply of existing drinking water sources in five counties in southeast South Dakota, two counties of southwest Minnesota, and five counties of northwest Iowa. Funds are requested for continued construction of several segments of treated waterline, acquisition of pipeline rights-of-way, and design of treated water pipelines and a water treatment plant.

Mni Wiconi Project

Funds are requested for design and construction activities on the Oglala Sioux and Rosebud Sioux Indian reservations and West River/Lyman-Jones rural water systems; and for operation and maintenance of new and existing facilities on the Indian reservations.

Savage Rapids Dam Removal

Funding is provided to continue construction of a pumping facility to allow Grants Pass irrigation district to comply with a Federal court consent decree requiring the district to cease irrigation diversions using Savage Rapids Dam.

Science and Technology Program

Funds are requested for development of new solutions and technologies that respond to Reclamation's mission-related needs and that provide for innovative management, development, and protection of water and related resources.

Site Security

Funds are requested to continue Reclamation's on-going site security efforts that include physical security upgrades at key facilities, guards and patrols, anti-terrorism program activities, security risk assessments, and security-related studies.

Title XVI Water Reclamation and Reuse Program

Funds are requested to continue Federal cost sharing for nine water reclamation and reuse projects and studies and to conduct a water recycling and desalination research program that includes studies of potential water reclamation and reuse projects.

Water 2025

Water 2025 is a multi-faceted program with components that embody the overarching goal of preventing crises and conflict over water in the West. Water 2025 will increase certainty and flexibility in water supplies, diversify water supplies, and prevent crises through cooperatively adding environmental benefits in many watersheds, rivers and streams. Implementation of Water 2025 in 2008 includes continuation of the competitive 50:50 challenge grant program to take on-the-ground actions to prevent water-related crisis and conflicts; and beginning in 2008, Reclamation will work on a 50:50 cost-share basis with local entities to conduct water system optimization reviews to assess the potential for water management improvements in a given basin or district.

Water Conservation Field Services Program

Funds are requested to support area and regional offices to provide technical assistance in development of effective water management and conservation plans; promote and support water management and conservation training; demonstrate conservation technologies; encourage and promote implementation of water efficiency measures; outreach; and a limited amount of cost shared assistance related to the implementation of water efficiency and conservation measures.

Yakima Project/Basin Water Enhancement

Work includes operation and maintenance of existing facilities and the implementation of water conservation; fish and wildlife improvements; and other measures authorized by the Yakima River Basin Water Enhancement Act. Funding is also included to begin implementation of the Yakama Nation's water conservation plans.

Yuma Area Projects

The request funds infrastructure maintenance along the lower Colorado River necessary to ensure uninterrupted water delivery to both urban and agricultural users in Arizona and California, and to Mexico. Work also includes river management, well inventory, flood and drainage control, protection of endangered species and their habitat, and land use management activities.

APPROPRIATION: Policy and Administration

| | 2006 Actual | 2007 CR | 2008 Request | Change from 2007 |
|--|--------------------|----------------|---------------------|-------------------------|
| TOTAL APPROPRIATION <i>(without CR)</i> | 57,338 | 58,069 | 58,811 | +742 |
| Impact of Continuing Resolution | | -821 | | +821 |
| TOTAL APPROPRIATION <i>(with CR)</i> | 57,338 | 57,248 | 58,811 | +1,563 |

Program Changes

Policy and Administration

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

APPROPRIATION: Central Valley Project Restoration Fund

| | 2006 Actual | 2007 CR | 2008 Request | Change from 2007 |
|--|--------------------|----------------|---------------------|-------------------------|
| Fish and Wildlife Resources Habitat | 47,136 | 36,578 | 44,090 | +7,512 |
| Fish and Wildlife Resources Mgt | 5,000 | 4,900 | 7,532 | +2,632 |
| TOTAL APPROPRIATION <i>(without CR)</i> | 52,136 | 41,478 | 51,622 | +10,144 |
| Impact of Continuing Resolution | | 0 | | 0 |
| TOTAL APPROPRIATION <i>(with CR)</i> | 52,136 | 41,478 | 51,622 | +10,144 |

Program Changes

Central Valley Project Restoration Fund

Funds collected from project beneficiaries are used for the protection, restoration, and enhancement of fish and wildlife and associated habitat in the CVP area of California. Programs are planned in cooperation with FWS and the Central Valley Project Restoration Fund Roundtable.

APPROPRIATION: California Bay-Delta Restoration

| | 2006 Actual | 2007 CR | 2008 Request | Change from 2007 |
|--|--------------------|----------------|---------------------|-----------------------------|
| TOTAL APPROPRIATION <i>(without CR)</i> | 36,130 | 38,610 | 31,750 | -6,860 |
| Impact of Continuing Resolution | | -4,500 | | +4,500 |
| TOTAL APPROPRIATION <i>(with CR)</i> | 36,130 | 34,110 | 31,750 | -2,360 |

Program Changes**California Bay-Delta Restoration**

This account funds activities that are authorized by the Calfed Bay-Delta Authorization Act that was signed into law on October 25, 2004, which focuses on the health of the Bay-Delta ecosystem and improving water management and supplies. Funds are requested for the environmental water account, the storage program, conveyance, water use efficiency, ecosystem restoration, and planning and management activities.



CENTRAL UTAH PROJECT

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

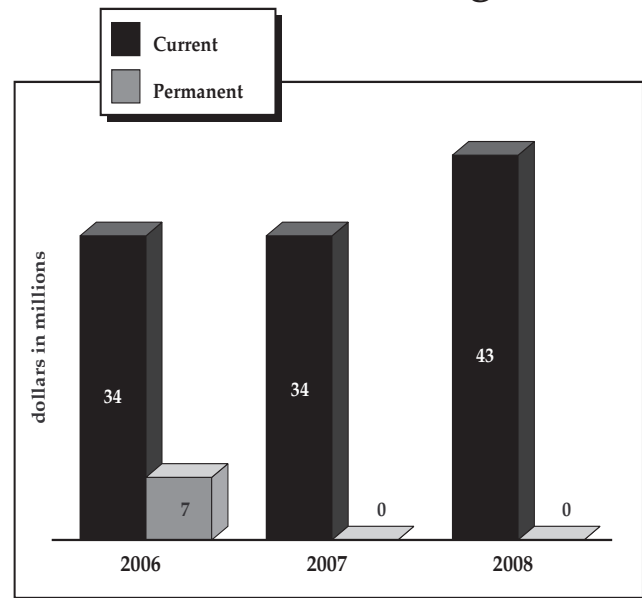
Program Overview — The Central Utah Project Completion Act provides for completion of the project by the Central Utah Water Conservancy District. The Completion Act also authorizes funding for fish, wildlife, and recreation mitigation and conservation activities; establishes the Utah Reclamation Mitigation and Conservation Commission to oversee implementation of those activities; and authorizes funding for the Ute Indian Water Rights Settlement. A program office located in Provo, Utah provides a liaison function with the District, Mitigation Commission, and the Ute Indian Tribe and otherwise assists in carrying out responsibilities of the Secretary.

In 2006, there was significant progress on several projects that will assist Interior in meeting strategic plan commitments related to delivering water and hydropower. Construction on the Big Sand Wash Reservoir enlargement was completed and construction on the Roosevelt Pipeline was initiated. As a result, the CUPCA office expects to meet its contractual commitment to deliver water by 2009. Funds made available in 2006 for water conservation measures will also assist Interior in meeting strategic goals by conserving an estimated 88,000 acre-feet of water.

In 2006, the Mitigation Commission continued its plans for hatcheries; acquired lands for the Great Salt Lake wetlands project; continued to implement the Provo River Restoration project; planned for wetlands along the lower Duchesne River; worked to recover the endangered June sucker; and acquired easements for fishing access. These activities are aligned with Interior's strategic plan and assisted Interior in meeting strategic goals related to resource protection.

As part of the 2007 budget development process, the Central Utah Project was evaluated using the Program Assessment Rating Tool. The project was rated as adequate, concluding that it has a strong track record of building infrastructure in a cost-effective fashion; working closely with local water management entities; meeting

CUPCA Funding



its water delivery contracts; and meeting many of the environmental mitigation targets outlined in the 1992 authorizing legislation.

Budget Overview — The 2008 Central Utah Project budget is \$43.0 million, an increase of \$8.9 million above the 2007 continuing resolution and \$2.8 million above the 2007 President's budget. The increase will maintain progress toward timely completion of the project.

The request includes funding for the balance of the Federal share of the enlarged Big Sand Wash Dam and Reservoir and continues construction of the Roosevelt Pipeline, features of the Uinta Basin replacement project; continues to implement water management improvement projects; provides funding for design work and construction of the Spanish Fork Canyon Pipeline and the Mapleton-Springville Pipeline, features of the Utah Lake system; and implements fish, wildlife, and recreation mitigation and conservation projects.

The request includes \$39.6 million for planning and construction activities administered by the District; \$1.6 mil-

lion for program administration; \$789,000 for mitigation and conservation activities funded through the program office; and \$976,000 for mitigation and conservation activities funded through the Mitigation Commission.

The 2008 CUPCA budget request assumes that the Western Area Power Administration's 2008 budget request will include \$7.2 million for the annual payment to the Mitigation Commission.

SUMMARY OF BUREAU APPROPRIATIONS

(all dollar amounts in thousands)

Comparison of 2008 Request with 2007 Continuing Resolution:

| | 2007 CR | | 2008 Request | | Change from 2007 | |
|--|-----------|---------------|--------------|---------------|------------------|---------------|
| | FTE | Amount | FTE | Amount | FTE | Amount |
| Appropriations | | | | | | |
| Central Utah Project Completion Account..... | 5 | 33,173 | 5 | 42,024 | 0 | +8,851 |
| Utah Reclamation Mitigation and Conservation.... | 0 | 965 | 0 | 976 | 0 | +11 |
| Subtotal, Appropriations..... | 5 | 34,138 | 5 | 43,000 | 0 | +8,862 |
| Permanents and Trusts | | | | | | |
| Utah Reclamation Mitigation and Conservation.... | 12 | 0 | 12 | 0 | 0 | 0 |
| Subtotal, Permanents and Trusts | 12 | 0 | 12 | 0 | 0 | 0 |
| TOTAL, CENTRAL UTAH PROJECT..... | 17 | 34,138 | 17 | 43,000 | 0 | +8,862 |

HIGHLIGHTS OF BUDGET CHANGES

By Appropriation Activity/Subactivity

APPROPRIATION: Central Utah Project Completion Account

| | <u>2006 Actual</u> | <u>2007 CR</u> | <u>2008 Request</u> | <u>Change from 2007</u> |
|---|--------------------|----------------|---------------------|-----------------------------|
| Central Utah Project Construction..... | 30,958 | 37,068 | 39,615 | +2,547 |
| Mitigation and Conservation | 393 | 519 | 789 | +270 |
| Program Administration..... | 1,719 | 1,603 | 1,620 | +17 |
| TOTAL APPROPRIATION (<i>without CR</i>).. | 33,070 | 39,190 | 42,024 | +2,834 |
| Impact of the Continuing Resolution... | | -6,017 | | +6,017 |
| TOTAL APPROPRIATION (<i>with CR</i>)..... | 33,070 | 33,173 | 42,024 | +8,851 |

Program Changes

Central Utah Project Construction

The request includes \$39,615 for use by the Central Utah Water Conservancy District, including \$23,597 to complete design and begin construction of the Utah Lake Drainage Delivery System; \$5,000 for administration and implementation of approved Water Conservation Measures; \$9,518 to continue construction on the Uinta Basin replacement project; and \$1,500 for other Title II programs that include implementation of ground water conjunctive use programs.

Mitigation and Conservation

The request includes \$789 for activities funded through the program office.

Program Administration

The \$1,620 supports the program office in Provo, Utah, and other activities necessary to carry out responsibilities of the Secretary.

APPROPRIATION: Utah Reclamation Mitigation and Conservation Account

| | <u>2006 Actual</u> | <u>2007 CR</u> | <u>2008 Request</u> | <u>Change from 2007</u> |
|---------------------------|--------------------|----------------|---------------------|-----------------------------|
| TOTAL APPROPRIATION | 937 | 965 | 976 | +11 |

Program Highlights

Fish, Wildlife, and Recreation Mitigation and Conservation

The request includes \$976 for use by the Utah Reclamation Mitigation and Conservation Commission for CRSP/State-wide fish, wildlife, and recreation activities.



U.S. GEOLOGICAL SURVEY

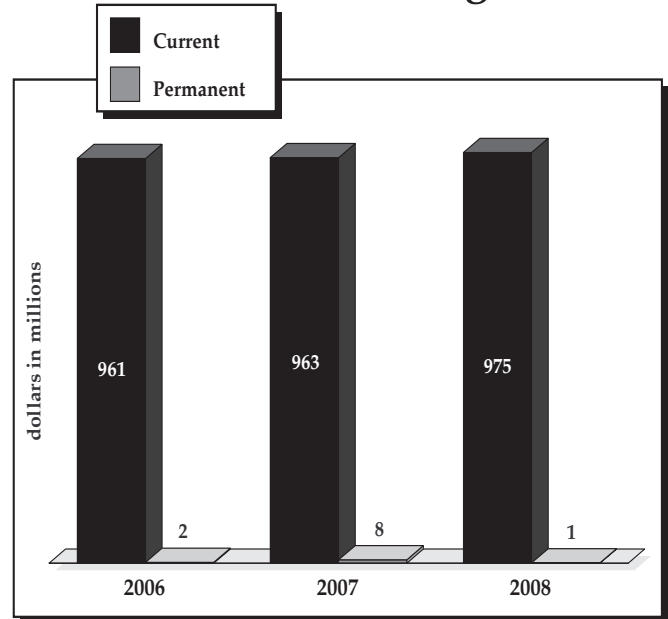
Mission — The mission of the U.S. Geological Survey is to provide reliable scientific information to: describe and understand the Earth; minimize loss of life and property from natural disasters; assist others in managing water, biological, and other natural resources; and enhance and protect the quality of life.

Program Overview — The USGS provides a broad range of expertise in geography, geology, hydrology, and biology. The USGS places a special emphasis on providing science to the land and resource management bureaus of the Interior Department. The USGS hazards programs produce information and enhance understanding of natural hazards, such as earthquakes, volcanoes, and landslides, which are used to reduce the impacts of these events on human life and the economy. The USGS is a primary Federal source of objective resource assessments and unbiased research on oil, gas, and alternative energy potential, production, consumption, and environmental effects. These investigations enable the Nation to make sound decisions regarding domestic energy production with an understanding of potential impacts on the environment.

The USGS analyses of water quality and quantity help water managers develop, regulate, and monitor management practices to ensure the continued availability of water resources for human consumption, agriculture, business, recreation, and fish and wildlife and habitat. Biological studies are used to help maintain healthy ecosystems and natural resources so that these habitats can continue to provide food, energy, medicine, transportation, and recreation. The USGS geography program is expanding its partnerships with Federal agencies and State and local governments to develop and promote use of the geographic data and products that are important tools for States, public and private entities, universities, and citizens for economic and community development, land and natural resource management, and health and safety services.

To deliver the most accurate, timely, and impartial science possible, USGS is seeking ways to integrate its diverse programs, capabilities, and talents to address those issues that require a multi-disciplinary solution. The USGS

USGS Funding



places great value on partnerships and is increasing customer involvement to work collaboratively on issue identification, resource needs, and science solutions. Natural and biological science supports informed decisionmaking by land and resource managers at Federal, State, and local levels; government program managers; industrial and agricultural corporations; scientists and academia; and the public.

Management Excellence — The USGS continues to advance the President’s management agenda for improving performance of the Federal government and implementing the Secretary’s vision for citizen-centered management excellence. The 2008 budget supports the Department’s 2007-2012 strategic plan, specifically in relation to improving understanding of ecosystems, resources, and natural hazards.

The USGS continuously pursues excellence in management and administration of its programs, routinely identifying opportunities to streamline and automate functions and improve internal controls. The bureau encourages managers and employees to review business

practices regularly and develop alternative methods and processes to save time and resources.

The USGS has been engaged in workforce analysis and workforce planning for the past few years, which will be the basis for USGS to renew and restructure its workforce so that it can focus on priority areas and undertake new avenues of scientific research that currently are beyond its technical and organizational capabilities. These efforts will help USGS address future science needs over the years to come. For example, USGS is refocusing its geospatial technical operations business activities to respond to technological and other changes in the way the Nation produces and uses maps and geospatial data.

The close proximity of USGS managers and scientists to Interior land and resource managers in the field allows USGS to be more responsive to regional and local issues and provide the scientific expertise and leadership necessary to assist managers in solving their current problems and addressing their future science needs. The USGS works in close cooperation with more than 2,000 Federal, State, tribal, and local governmental agencies, private sector companies, and non-profit organizations across the country. Partnerships provide highly effective means to leverage resources among many contributors, bringing a greater wealth of knowledge, expertise, and capability for important land and resource management issues.

The USGS is addressing its high priority science needs through the Natural Hazards Initiative. Proposed by USGS in 2007, and continued in 2008, the initiative builds stronger communities by significantly reducing the vulnerability of the millions of people most at risk from having their lives and livelihoods endangered by natural hazards. The 2008 budget includes an additional \$1.3 million in support of the hazards initiative.

As part of the 2008 budget process, the Coastal and Marine Geology program was reviewed using the Program Assessment Rating Tool. The program was found to be moderately effective. The review recognized the program's leadership within the USGS in coordinating bureau-wide coastal activities. The budget includes a \$1.5 million increase for this program as discussed below.

The 2008 budget also includes a program increase of \$2.0 million for implementation of the Financial and Business Management System, which is funded through the Department's Working Capital Fund.

Budget Overview — The proposed 2008 USGS budget request is \$975.0 million, \$12.3 million above the continuing resolution and \$30.2 million above the 2007 President's budget. The request includes a \$17.9 million program decrease to restore the priorities of the 2007 President's

budget that are not included at the 2007 continuing resolution level, including fixed costs, eliminating unrequested congressional earmarks, and implementing other program enhancements and reduction proposals included in the 2007 President's budget.

The 2008 budget continues to focus on the highest priorities for research, while ensuring that USGS builds the expertise it needs to continue answering the complex scientific questions that may arise tomorrow. The budget emphasizes increases for science that will ensure the long term viability of wildlife and habitat as energy resources are being developed; implement the Ocean Action Plan; and allow critical infrastructure improvements at the Patuxent Wildlife Research Refuge, a leading international research institute for wildlife and applied environmental research.

Healthy Lands Initiative — The budget includes \$5.0 million for the Healthy Lands Initiative. The USGS works with a focus on the Green River Basin in Wyoming, using the data inventory developed in 2007 that will establish baseline conditions, present the current level of knowledge, and identify gaps in data and information. The inventory will include mapped information on the biologic, hydrologic, and geologic resources integrated with mapped information on roads, utility corridors, land ownership, and other data contributed by Federal and State land management agencies, as well as documents and other forms of information. In 2008, USGS will collaborate with BLM, FWS, the U.S. Forest Service, Wyoming State agencies, industry, and non-governmental organizations to build the geospatial framework for sharing information, assessing the health of habitats and their resources, and monitoring changes in landscape and habitats as energy development proceeds, all to ensure the long-term viability and sustainability of wildlife and terrestrial and aquatic habitat in energy development areas. The percent of targeted science products that are used by partners for land or resource management decisionmaking in support of the resource protection mission area will increase as a result of this initiative.

After determining partner needs for Healthy Lands science information, USGS will establish and implement a monitoring strategy and protocols that provide information needed to: implement alternative management solutions; integrate biologic, geologic, geographic, and hydrologic information and data into tools that evaluate outcomes of alternative resource management strategies; and develop scientific information, knowledge, and tools to ensure future decisions regarding land and resource use, management practices, and energy development are based on understanding the relationships of biological resources to physical changes. These activities will assist partners as they develop habitat restoration strategies that benefit species of concern.

Ocean Action Plan — The U.S. Ocean Action Plan promotes collaboration among Federal, State, tribal, local, private, and international partners. This blueprint is guiding efforts to improve conservation practices through informed scientific and ecosystem-based decisions, while ensuring that the American public can enjoy the benefits of ocean, coastal, and Great Lakes resources. In 2008, the budget includes an increase of \$3.0 million for the Ocean Action Plan, including \$1.0 million that will also support the Survey's hazards initiative.

Geography — The 2008 request of \$75.0 million in Geography supports a strong role for USGS in land remote sensing and geographic research. The request level represents a net decrease of \$1.7 million below the 2007 level. The USGS continues to improve the understanding of the rates, causes, and consequences of natural and human induced processes that shape and change the landscape over time and to provide comprehensive information needed to understand the environmental, resource, and economic consequences of landscape change.

In 2007 and 2008, USGS will continue operations and maintenance for Landsats 5 and 7, and will work with NASA and the Landsat Science Team to continue development of the Landsat Data Continuity Mission. This will improve USGS' ability to monitor and analyze changes on the Earth's surface and will maintain the constant record used by scientists and decisionmakers. The 2007 President's budget included an increase of \$16.0 million for LDCM.

Decreases to the Geography program budget include \$2.0 million in the Priority Ecosystem Science program.

Geology — The 2008 budget proposes \$222.1 million for geology activities, which is \$4.7 million above 2007. This funding level includes a proposed increase of \$1.5 million in the Coastal and Marine Geology program to begin implementation of the Oceans Research Priorities Plan and Implementation Strategy, integral to the U.S. Ocean Action Plan, by conducting observations, research, sea floor mapping, and forecast models. Work on ORPPIS will lead to the development of decision support tools to help policy makers anticipate and prepare for coastal ecosystem and community responses to extreme weather events, natural disasters, and human influences. These activities, which will be developed collaboratively with other Federal agencies, also support the USGS hazards goals.

The 2008 budget continues to refocus the Mineral Resources program on activities that are inherently governmental. In 2008, the budget includes \$29.9 million for the MRP, a decrease of \$2.6 million below 2007. In 2008, USGS will continue selected minerals surveys and studies relevant to ongoing Departmental land management.

Water Resources — The Water Resources program is funded at \$212.5 million in the 2008 budget request, which is \$8.4 million above 2007. One of the chief recommendations of the U.S. Ocean Action Plan is the creation of an interagency National Water Quality Monitoring Network that will address and integrate watershed, coastal waters, and ocean monitoring based on common criteria. The budget includes an increase of \$1.5 million in the Hydrologic Networks and Analysis program, building upon pilot study results that will help begin the implementation of the network.

The budget request includes an increase of \$1.7 million for the National Streamflow Information Program, including \$250,000 that would enable installation of three new streamgages in southern California and deployment of storm surge monitors in support of the bureau's ongoing hazards program.

The increase of \$1.4 million in NSIP will be used to fully fund ongoing operating costs for the national streamgaging network, reactivate recently discontinued streamgages; supplement operations and maintenance funding for threatened streamgages; stabilize the network; and help reduce the loss of streamgages in the future.

The 2008 budget also includes a decrease of \$2.2 million in the Cooperative Water program for studies that are coming to an end.

Biological Research — The 2008 budget requests \$181.1 million in biological research, which is \$8.5 million above 2007, and includes an additional \$5.0 million for the Healthy Lands Initiative, discussed above.

Science Support, Enterprise Information, and Facilities — The 2008 budget requests a total of \$284.3 million for Science Support, Enterprise Information, and Facilities activities, which is \$10.3 million above 2007. This funding level includes an increase of \$4.7 million in Facilities for repairs and rehabilitation of facilities at the Patuxent Research Refuge. Funding budgeted by USGS and FWS for Patuxent will be used to replace utilities at the refuge that are outdated, unreliable, and costly to operate. The funding will allow the facility to connect to public utilities. The budget request also includes a decrease in Enterprise Information of \$1.5 million achieved through economies of IT centralization, consolidation of software and hardware purchases, and workforce planning.

Fixed Costs — The 2008 budget request includes an increase of \$24.0 million to fully fund fixed cost increases.

SUMMARY OF BUREAU APPROPRIATIONS

(all dollar amounts in thousands)

Comparison of 2008 Request with 2007 Continuing Resolution:

| | 2007 CR | | 2008 Request | | Change from 2007 | |
|---|--------------|----------------|--------------|----------------|------------------|---------------|
| | FTE | Amount | FTE | Amount | FTE | Amount |
| Appropriations | | | | | | |
| Surveys, Investigations, and Research..... | 5,301 | 962,676 | 5,222 | 974,952 | -79 | +12,276 |
| Permanents and Other | | | | | | |
| Operations and Maintenance of Quarters..... | 0 | 61 | 0 | 51 | 0 | -10 |
| Contributed Funds..... | 0 | 1,408 | 0 | 1,045 | 0 | -363 |
| Spectrum Relocation Activities..... | 0 | 6,159 | 0 | 0 | 0 | -6,159 |
| Working Capital Fund..... | 158 | 0 | 345 | 0 | +187 | 0 |
| Subtotal, Permanents and Others..... | 158 | 7,628 | 345 | 1,096 | +187 | -6,532 |
| Transfers and Reimbursables..... | 2,758 | 0 | 2,550 | 0 | -208 | 0 |
| TOTAL, U. S. GEOLOGICAL SURVEY..... | 8,217 | 970,304 | 8,117 | 976,048 | -100 | +5,744 |

HIGHLIGHTS OF BUDGET CHANGES

By Appropriation Activity/Subactivity

APPROPRIATION: Surveys, Investigations and Research

| | 2006 Actual | 2007 CR | 2008 Request | Change from 2007 |
|--|-------------|-----------|--------------|---------------------|
| Geographic Research, Investigations, and Remote Sensing | | | | |
| Cooperative Topographic Mapping ... | 68,855 | 0 | 0 | 0 |
| Land Remote Sensing | 45,713 | 61,754 | 61,431 | -323 |
| Geographic Analysis/Monitoring | 14,705 | 14,860 | 13,524 | -1,336 |
| Subtotal, Geographic Research | 129,273 | 76,614 | 74,955 | -1,659 |
| Impact of the CR (<i>non-add</i>) | | [-11,766] | | |
| Geologic Hazards, Resource, and Processes | | | | |
| Geologic Hazards Assessments | 81,000 | 82,396 | 84,008 | +1,612 |
| Geologic Landscape/Coastal Assess.... | 77,752 | 78,106 | 81,391 | +3,285 |
| Geologic Resource Assessments | 76,534 | 56,916 | 56,686 | -230 |
| Subtotal, Geologic Hazards | 235,286 | 217,418 | 222,085 | +4,667 |
| Impact of the CR (<i>non-add</i>) | | [+18,067] | | |
| Water Resources Investigations | | | | |
| Hydrologic Monitoring, Assess, & Rsch | 142,527 | 141,876 | 150,073 | +8,197 |
| Cooperative Water Program | 62,833 | 62,171 | 62,381 | +210 |
| Water Resources Rsch Act Program | 6,404 | 0 | 0 | 0 |
| Subtotal, Water Resources | 211,764 | 204,047 | 212,454 | +8,407 |
| Impact of the CR (<i>non-add</i>) | | [+7,839] | | |
| Biological Research | | | | |
| Biological Research/Monitoring | 140,086 | 135,692 | 143,406 | +7,714 |
| Biological Info Mgmt/Delivery | 23,794 | 21,967 | 22,278 | +311 |
| Cooperative Research Units | 14,664 | 14,938 | 15,430 | +492 |
| Subtotal, Biological Research | 178,544 | 172,597 | 181,114 | +8,517 |
| Impact of the CR (<i>non-add</i>) | | [+4,984] | | |
| Enterprise Information | | | | |
| Enterprise Info Security and Tech | 24,866 | 25,972 | 24,902 | -1,070 |
| Enterprise Information Resources | 16,900 | 16,636 | 17,041 | +405 |
| National Geospatial Program | 4,628 | 68,622 | 70,177 | +1,555 |
| Subtotal, Enterprise Information | 46,394 | 111,230 | 112,120 | +890 |
| Impact of the CR (<i>non-add</i>) | | [-535] | | |
| Science Support | 69,302 | 67,382 | 70,671 | +3,289 |
| Impact of the CR (<i>non-add</i>) | | [+1,920] | | |
| Facilities | 94,782 | 95,472 | 101,553 | +6,081 |
| Impact of the CR (<i>non-add</i>) | | [-2,593] | | |
| Net Transfers | -4,000 | 0 | 0 | 0 |
| TOTAL APPROPRIATION (<i>w/o CR or supps</i>) | 961,345 | 944,760 | 974,952 | 30,192 |
| Impact of the Continuing Resolution... | | +17,916 | | -17,916 |
| TOTAL APPROPRIATION (<i>with CR</i>) | 961,345 | 962,676 | 974,952 | +30,192 |
| Hurricane Supplemental | +15,500 | 0 | 0 | 0 |
| TOTAL APPROPRIATION (<i>w/ CR and supps</i>) | 976,845 | 962,676 | 974,952 | +12,276 |

Highlights of Budget Changes

| | <u>Amount</u> |
|--|---------------|
| Fixed Costs | [+24,034] |
| Impact of the Continuing Resolution | -17,916 |
| Geographic Research, Investigations, and Remote Sensing | |
| Land Remote Sensing | -323 |
| The budget proposes a decrease (-\$850) in USGS support provided to other Federal agencies in the acquisition of remote sensing data. Fixed costs are fully funded at \$527. | |
| Geographic Analysis and Monitoring | -1,336 |
| The budget proposes a reduction (-\$2,000) in the USGS Priority Ecosystem Science program with deferral of lower priority research. Fixed costs are fully funded at \$664. | |
| Geologic Hazards, Resources, and Processes | |
| Geologic Landscape and Coastal Processes | +3,285 |
| The proposed increase (+\$1,500) in the Coastal and Marine Geology program would support USGS development of the Oceans Research Priorities Plan and Implementation Strategy integral to the U.S. Ocean Action Plan. Fixed costs are fully funded at \$1,785. | |
| Geologic Resource Assessments | -230 |
| A decrease is proposed (-\$2,614) in the Mineral Resources program. Fixed costs are fully funded at \$2,384. Funding is retained for selected surveys and studies relevant to ongoing Interior land management. | |
| Water Resources Investigations | |
| Hydrologic Monitoring, Assessments, and Research | +8,197 |
| Increases in the National Streamflow Information program would enable installation of three new streamgages in southern California and deployment of storm surge monitors (+\$250), and fund continued operations for the streamgaging network (+\$1,400). The proposed increase (+\$1,500) in Hydrologic Networks and Analysis would fund establishment of a pilot effort for an interagency National Water Quality Monitoring Network, which supports the goals of the Ocean Action Plan. Fixed costs are fully funded at \$5,047. | |
| Cooperative Water Program | +210 |
| The proposed decrease (-\$2,200) is for studies that are coming to an end. Fixed costs are fully funded at \$2,410. | |
| Biological Research | |
| Biological Research and Monitoring | +7,714 |
| The proposed increase (+\$5,000) supports the Healthy Lands Initiative. Decreases are proposed for lower priority studies for mammalian population ecology and habitat (-\$300) and the contaminants program (-\$650). Fixed costs are fully funded at \$3,664. | |
| Enterprise Information | |
| Enterprise Information Security and Technology | -1,070 |
| The proposed decrease (-\$1,500) would be achieved through economies of IT centralization, consolidated software and hardware purchases, and workforce planning. Fixed costs are fully funded at \$430. | |
| Science Support | +3,289 |
| The proposed increase (+\$1,972) is for implementation of a Department-wide Financial and Business Management System. Fixed costs are fully funded at \$1,317. | |
| Facilities | +6,081 |
| The budget proposes an increase (\$4,650) in the Deferred Maintenance and Capital Improvement subactivity for a collaborative effort between USGS and FWS to fund critical utility infrastructure replacement for their collocated facilities on the Patuxent Wildlife Research Refuge. Fixed costs are fully funded at \$1,431. | |



FISH AND WILDLIFE SERVICE

Mission — The mission of the Fish and Wildlife Service is working with others to conserve, protect, and enhance fish, wildlife, plants, and their habitats for the continuing benefit of the American people.

Program Overview — The Service's major responsibilities are to protect and conserve migratory birds, threatened and endangered species, certain marine mammals, and inter-jurisdictional fish. To accomplish its mission, FWS seeks opportunities to partner with farmers and ranchers, State and local governments, Federal agencies, Tribes, citizen volunteers, corporations, and conservation groups.

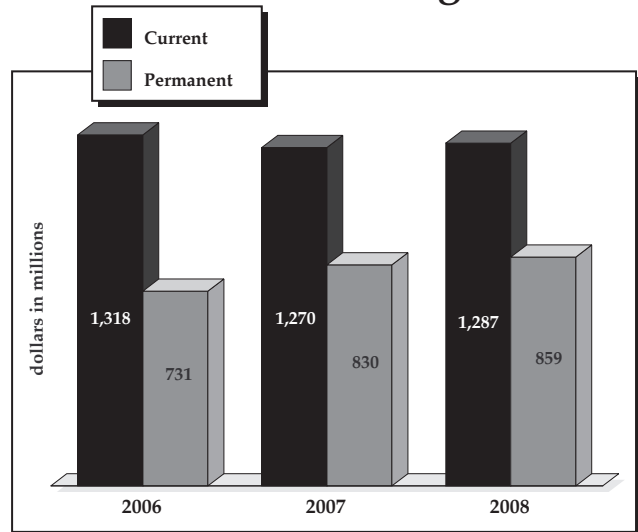
The national wildlife refuge system is among the world's most significant land and water systems managed for the benefit of fish and wildlife. The 96 million-acre network provides stepping stones of habitat for many species of migratory birds and other wildlife, sanctuary for hundreds of threatened and endangered species, and secure spawning areas for healthy wild salmon fisheries. The system includes 547 refuges and 37 wetland management districts. These refuges provide recreational opportunities for photography, hiking, fishing, hunting, and education programs for 38 million visitors annually.

The FWS Fisheries program helps safeguard inter-jurisdictional fisheries worth billions of dollars; rescues troubled aquatic species on the brink of extinction; and provides recreational opportunities for the public. Seventy national fish hatcheries produce about 140 million fish annually, including striped bass, steelhead, lake trout, and salmon. In addition, FWS operates one historic national fish hatchery, seven fish technology centers, and nine fish health centers.

In administering the Endangered Species Act, FWS strives to ensure a strong scientific basis for its decisions; facilitate large-scale planning accommodating land use and protection of wildlife habitat; and promote innovative public-private partnerships, including financial and technical assistance to private landowners.

The FWS also plays a major role in the conservation of international wildlife resources as the lead agency for

FWS Funding



implementing U.S. treaty commitments for migratory birds, endangered species, wildlife trade, arctic species, wetlands, some marine mammal species, and biological resources of the western hemisphere.

Management Excellence — The FWS continues to implement the President's management agenda for improving management and performance of the Federal government, practicing the Secretary's vision for citizen-centered management excellence. The FWS has worked diligently to develop program specific, outcome based performance measures that step down from the goals in the Department's 2007-2012 strategic plan. This effort fosters a cohesive approach to mission performance for improved program and service delivery, new technological capabilities, enhanced inter-bureau cooperation, and improved standards of accountability.

The budget includes several increase requests that are supported by positive Program Assessment Rating Tool findings. The Habitat Conservation PART found that the program helps private landowners address and reverse declines in Federal trust species by identifying,

protecting, and restoring habitat. Its wetland restoration achievements help contribute to the FWS long-term goal of increasing the percentage of migratory birds that are at healthy and sustainable levels. Additionally, the program uses strong financial management practices, and holds Federal managers and program partners accountable for cost, schedule, and performance results. The 2008 budget includes a \$6.0 million programmatic increase for the Partners for Fish and Wildlife program. The Partners program is an important component of the Habitat Conservation program.

The Fisheries PART found that the Fisheries program is effective, largely meets its programmatic performance goals, and has a clear mission to help recover and restore native aquatic species populations and their habitat and support recreational fishing. The PART also found that the Fisheries program uses strong financial management practices. The budget request includes significant increases for the fish passage program, more than doubling the program from \$5.0 million in 2007 to \$11.0 million in 2008 with the addition of an Open Rivers Initiative. It also includes a \$2.3 million increase for implementing the National Fish Habitat Action Plan, for a total of \$5.2 million in 2008. Both programs will provide significant habitat conservation and restoration benefits.

Budget Overview — The 2008 request for current appropriations totals \$1.3 billion, \$16.3 million above the 2007 continuing resolution and \$4.8 million below the 2007 President's budget. The request includes a \$21.0 million program increase to restore the priorities of the 2007 President's budget that are not included at the 2007 continuing resolution level, including funding fixed costs, eliminating unrequested congressional earmarks, and implementing other program enhancements and reduction proposals included in the 2007 President's budget. The budget also includes \$859.4 million available under permanent appropriations, most of which will be provided directly to States for fish and wildlife restoration and conservation.

More than 80 percent of the FWS current request supports the Department's mission goal for resource protection, with remaining resources devoted to achieving resource use, recreation, and serving communities mission goals.

The 2008 FWS budget request re-emphasizes the importance in achieving the land and water conservation goals set forth in the Land and Water Conservation Fund Act. It requests \$289.5 million for a spectrum of conservation programs funded through the LWCF, an increase of \$4.6 million compared to the 2007 continuing resolution level.

Healthy Lands Initiative — The Department's 2008 Healthy Lands initiative seeks to address challenges as-

sociated with growing energy activities in the West and the potential conflicts that result at the wildlife-energy interface. The initiative includes \$2.0 million for FWS activities in Wyoming's Green River Basin, an area of critical wildlife habitat and rapid energy development. The FWS will work cooperatively with BLM, USGS, and other stakeholders to provide increased assistance to private landowners to improve habitat and protect species on private lands in the Green River Basin. The FWS will also provide enhanced planning and consultation support to BLM to ensure energy development impacts to wildlife and habitat are effectively mitigated and listing of species is avoided. The \$2.0 million increase includes \$750,000 for the Partners for Fish and Wildlife program, \$250,000 to implement the National Fish Habitat Action Plan, \$500,000 for the endangered species candidate conservation program, and \$500,000 for the endangered species consultation program.

Cooperative Conservation Partnerships — The budget includes \$291.7 million for cooperative conservation programs funded in the FWS budget, an increase of \$14.5 million compared to 2007. These partnership programs emphasize local input and cooperative decisionmaking to achieve land management and resource goals.

The Resource Management account includes \$11.0 million for the fish passage program, a \$6.0 million increase compared to 2007. This increase will allow FWS to participate in the Open Rivers Initiative, a multi-agency initiative to remove small, obsolete dams that are a barrier to fish movement. There is an additional \$2.3 million increase for implementation of the National Fish Habitat Action Plan, for a total of \$5.2 million in 2008. This includes \$250,000 for activities in the Green River Basin. The Partners for Fish and Wildlife program is funded at \$48.4 million, which includes a programmatic increase of \$6.0 million, including \$750,000 for activities in the Green River Basin. Migratory Bird Joint Ventures are reduced by \$955,000, and refuge system challenge cost share projects are reduced by \$1.9 million, and funding of \$495,000 for Yellowstone grizzly bear conservation and \$800,000 for gray wolf recovery is transferred from the Partners program to the endangered species recovery program.

No funding is proposed for the Landowner Incentive or the Private Stewardship Grant programs in 2008. While cooperative conservation remains a cornerstone of the Department's resource protection mission, an evaluation of the performance of various grant and technical assistance programs indicated that other programs provide similar conservation benefits in a more cost-effective fashion. Based on the constrained budget outlook, the Administration determined that at-risk species would benefit more by shifting resources from these two duplicative programs to other programs that can demonstrate greater results such

as the refuge system, Partners for Fish and Wildlife, and North American Wetlands Conservation Act programs.

State and tribal wildlife grants are funded at \$69.5 million, an increase of \$19.5 million compared to 2007. These grants provide financial assistance for development of wildlife conservation plans and on-the-ground conservation projects to stabilize, restore, enhance, and protect species and their habitats that are of conservation concern. The budget proposes \$5.0 million for a competitively awarded component of the program for projects that emphasize cooperative conservation and best demonstrate results linked to outcome performance goals.

The request for the Cooperative Endangered Species Conservation Fund is \$80.0 million, \$506,000 below the 2007 level. This program provides grants to States for activities that conserve threatened and endangered species. States can, in turn, pass the funding on to municipalities, Tribes, and private landowners to enlist their support in species conservation efforts. The CESCFC program provides funding for habitat conservation planning and land acquisition programs that assist States, local governments, and landowners in protecting habitat within or near areas covered by habitat conservation plans. It also provides funding to implement candidate conservation agreements; recovery actions; other State initiatives to conserve candidate, proposed, and listed species; and administration. Within the total for CESCFC, the budget includes \$5.1 million for funding a portion of the Snake River Basin Settlement Act.

The budget proposes \$42.6 million for the North American Wetlands Conservation Fund, \$6.0 million above 2007. This funding will support wetlands and migratory bird conservation activities by providing matching grants to private landowners, States, non-governmental conservation organizations, Tribes, trusts, corporations, and other Federal agencies for acquisition, restoration, and enhancement of wetland habitat.

Neotropical Migratory Bird Conservation grants are funded at \$4.0 million, which is level with 2007.

Operations — The 2008 request for the principal FWS operating account, Resource Management, is \$1.0 billion, \$36.9 million above the 2007 continuing resolution and \$38.9 million above the 2007 President's budget. The budget includes \$146.5 million for administering the Endangered Species Act, a net programmatic increase of \$1.2 million. This funding level includes a \$1.0 million increase for candidate conservation and consultation activities in Wyoming's Green River Basin.

Operation and maintenance of the national wildlife refuge system is funded at \$394.8 million, a net programmatic

increase of \$2.8 million. This includes a \$4.7 million programmatic increase for wildlife and habitat management, partially offset by a decrease of \$1.9 million for the challenge cost-share program.

The 2008 budget provides \$40.6 million for migratory bird management, a programmatic decrease of \$1.6 million compared to 2007. This provides a total of \$11.1 million for joint ventures, a programmatic decrease of \$955,000 and a fixed cost increase of \$186,000. A total of \$27.3 million is provided for migratory bird conservation and monitoring, a programmatic decrease of \$685,000 compared to 2007.

The budget provides \$57.6 million for the law enforcement program. The 2008 request establishes a plan to achieve cost savings in its wildlife inspection services by increasing import and export inspection fees. These fees have not been adjusted since 1996. The FWS has been working with other agencies such as the U.S. Department of Agriculture's Animal and Plant Health Inspection Service to develop a better methodology for setting inspection fees that will more accurately cover the costs of providing this service. The FWS expects to achieve savings equivalent to the proposed budget reduction of \$1.4 million.

The budget includes a total of \$124.8 million for the Fisheries program, a net program increase of \$7.3 million compared to 2007. Within this level of funding are program increases of \$6.0 million for the Open Rivers Initiative in the fish passage program, and \$2.3 million for the National Fish Habitat Action Plan. Reductions include \$473,000 for fish health whirling disease surveys and \$500,000 for Alaska fisheries subsistence.

General operations funding totals \$161.4 million, a net programmatic decrease of \$1.3 million. This includes reductions of \$493,000 for the Science Excellence Initiative, \$300,000 for Wildlife Without Borders grants, \$1.7 million for the performance training program proposed in the 2007 budget, \$1.0 million for regional office operations, and \$888,000 for central office operations.

The 2007 budget includes a program increase of \$2.1 million for implementation of the Financial and Business Management System, funded through the Department's Working Capital Fund.

Construction — The request for construction is \$23.1 million, a reduction of \$16.7 million compared to the 2007 continuing resolution, and \$3.3 million above the 2007 President's budget. Proposed projects include \$5.0 million for repair and rehabilitation of facilities at the Patuxent Wildlife Research Refuge, and \$2.3 million to replace the fuel farm at the Midway Atoll National Wildlife Refuge.

Land Acquisition — The 2008 request for the Land Acquisition appropriation totals \$18.0 million, of which \$5.5 million is for line-item land acquisition for acquiring interests in lands, including easements that provide important fish and wildlife habitat. Proposed projects include \$4.5 million for acquisition at the Upper Klamath Lake NWR in Oregon, and \$1.0 million for the Key Deer NWR in Florida to preserve and protect habitat for endangered species such as the key deer.

Multinational Species Conservation Fund and Neotropical Migratory Bird Conservation Fund — The request includes a total of \$4.3 million for the Multinational Species Conservation Fund, \$1.8 million below the 2007 continuing resolution and \$4.0 million below the 2007 President's budget. The reduction compared to the

President's budget reflects the change in presentation for the Neotropical Migratory Bird Conservation Fund in this budget. Funding for Neotropical Migratory Bird Conservation Fund grants totals \$4.0 million and is included in a separate account. This is level funded compared to 2007.

Other Program Changes — The budget includes a decrease of \$3.4 million from the 2007 continuing resolution for the National Wildlife Refuge Fund, for a 2008 request of \$10.8 million. This funding is level with the 2007 President's budget.

Fixed Costs — The 2008 budget request includes an increase of \$28.3 million to fully fund fixed cost increases.

SUMMARY OF BUREAU APPROPRIATIONS

(all dollar amounts in thousands)

Comparison of 2008 Request with 2007 Continuing Resolution:

| | 2007 CR | | 2008 Request | | Change from 2007 | |
|--|--------------|------------------|--------------|------------------|------------------|----------------|
| | FTE | Amount | FTE | Amount | FTE | Amount |
| Appropriations | | | | | | |
| Resource Management | 7,064 | 997,574 | 7,096 | 1,034,520 | +32 | +36,946 |
| Construction | 105 | 39,756 | 105 | 23,071 | 0 | -16,685 |
| Land Acquisition | 76 | 19,751 | 71 | 18,011 | -5 | -1,740 |
| Landowner Incentive Grants | 6 | 15,000 | 3 | 0 | -3 | -15,000 |
| Private Stewardship Grants | 4 | 7,000 | 1 | 0 | -3 | -7,000 |
| Cooperative Endangered Species Fund | 22 | 80,507 | 22 | 80,001 | 0 | -506 |
| National Wildlife Refuge Fund | 0 | 14,202 | 0 | 10,811 | 0 | -3,391 |
| North American Wetlands Conservation Fund | 12 | 36,646 | 12 | 42,646 | 0 | +6,000 |
| Multinational Species Conservation Fund | 3 | 6,057 | 3 | 4,257 | 0 | -1,800 |
| Neotropical Migratory Bird Grants | 1 | 4,000 | 1 | 3,960 | 0 | -40 |
| State and Tribal Wildlife Grants | 16 | 50,000 | 16 | 69,492 | 0 | +19,492 |
| Subtotal, Appropriations (<i>without fire</i>) | 7,309 | 1,270,493 | 7,330 | 1,286,769 | +21 | +16,276 |
| Fire Repayment | 0 | +10,000 | 0 | 0 | 0 | -10,000 |
| Subtotal, Appropriations (<i>with fire</i>) | 7,309 | 1,280,493 | 7,330 | 1,286,769 | +21 | +6,276 |
| Mandatory Appropriations | | | | | | |
| Federal Lands Recreation Enhancement Act | 32 | 4,750 | 32 | 4,750 | 0 | 0 |
| Migratory Bird Conservation Account | 71 | 38,000 | 71 | 38,000 | 0 | 0 |
| National Wildlife Refuge Fund | 21 | 8,500 | 21 | 8,500 | 0 | 0 |
| North American Wetlands Conservation Fund | 0 | 481 | 0 | 500 | 0 | +19 |
| Sport Fish Restoration Account | 70 | 432,192 | 70 | 451,807 | 0 | +19,615 |
| Federal Aid in Wildlife Restoration | 49 | 293,015 | 49 | 300,391 | 0 | +7,376 |
| Miscellaneous Permanent Appropriations | 6 | 3,675 | 6 | 3,775 | 0 | +100 |
| Contributed Funds | 11 | 3,400 | 11 | 3,400 | 0 | 0 |
| Cooperative Endangered Species Fund | 0 | 46,200 | 0 | 48,288 | 0 | +2,088 |
| Subtotal, Mandatory Appropriations | 260 | 830,213 | 260 | 859,411 | 0 | +29,198 |
| Reimbursements and Allocation Transfers | | | | | | |
| Reimbursements | 725 | 0 | 725 | 0 | 0 | 0 |
| Firefighting | 512 | 0 | 513 | 0 | +1 | 0 |
| Hazardous Fuels End. Species Consultations | 25 | 0 | 25 | 0 | 0 | 0 |
| NRDAR | 57 | 0 | 57 | 0 | 0 | 0 |
| Hazardous Materials | 6 | 0 | 6 | 0 | 0 | 0 |
| Federal Roads (FHWA) | 14 | 0 | 14 | 0 | 0 | 0 |
| Forest Pest (Agriculture) | 2 | 0 | 2 | 0 | 0 | 0 |
| Subtotal, Other | 1,341 | 0 | 1,342 | 0 | +1 | 0 |
| TOTAL, FISH AND WILDLIFE SERVICE (<i>w/o fire</i>) .. | 8,910 | 2,100,706 | 8,932 | 2,146,180 | +22 | +45,474 |
| TOTAL, FISH AND WILDLIFE SERVICE (<i>w/ fire</i>) ... | 8,910 | 2,110,706 | 8,932 | 2,146,180 | +22 | +35,474 |

HIGHLIGHTS OF BUDGET CHANGES

By Appropriation Activity/Subactivity

APPROPRIATION: Resource Management

| | 2006 Actual | 2007 CR | 2008 Request | Change from 2007 |
|--|-------------|---------|--------------|---------------------|
| Ecological Services | | | | |
| Endangered Species | | | | |
| Candidate Conservation | 8,619 | 8,063 | 8,635 | +572 |
| Listing | 17,630 | 17,759 | 18,263 | +504 |
| Consultation..... | 47,997 | 49,337 | 51,578 | +2,241 |
| Recovery | 73,562 | 65,879 | 68,067 | +2,188 |
| Transfer from USFS Jarbridge | 590 | 0 | 0 | 0 |
| Subtotal, Endangered Species | 148,398 | 141,038 | 146,543 | +5,505 |
| Habitat Conservation | 98,357 | 90,509 | 97,655 | +7,146 |
| Environmental Contaminants | 10,874 | 11,077 | 11,172 | +95 |
| Subtotal, Ecological Services | 257,629 | 242,624 | 255,370 | +12,746 |
| Impact of the CR (<i>non-add</i>)..... | | [+482] | | |
| National Wildlife Refuge System | | | | |
| Wildlife and Habitat Management | 146,819 | 148,115 | 157,398 | +9,283 |
| Visitor Services | 62,033 | 65,284 | 65,861 | +577 |
| Refuge Law Enforcement..... | 27,124 | 26,310 | 27,138 | +828 |
| Conservation Planning..... | 13,060 | 10,298 | 10,738 | +440 |
| Subtotal, Operations | 249,036 | 250,007 | 261,135 | +11,128 |
| Refuge Maintenance | 133,465 | 131,731 | 133,669 | +1,938 |
| Subtotal, NWR System | 382,501 | 381,738 | 394,804 | +13,066 |
| Impact of the CR (<i>non-add</i>)..... | | [+759] | | |
| Migratory Bird Mgmt and Law Enforcement | | | | |
| Migratory Bird Management..... | 38,236 | 41,339 | 40,582 | -757 |
| Law Enforcement | | | | |
| Operations..... | 54,970 | 56,290 | 56,593 | +303 |
| Maintenance..... | 1,092 | 992 | 992 | 0 |
| Subtotal, Law Enforcement | 56,062 | 57,282 | 57,585 | +303 |
| Subtotal, Wildlife & Law Enforcement | 94,298 | 98,621 | 98,167 | -454 |
| Impact of the CR (<i>non-add</i>)..... | | [+196] | | |
| Fisheries and Aquatic Resources* | | | | |
| National Fish Hatchery System Ops | 45,735 | 44,280 | 45,147 | +867 |
| Maintenance and Equipment | 17,803 | 17,843 | 18,105 | +262 |
| Aquatic Habitat & Species Conserv..... | 43,145 | 44,686 | 53,572 | +8,886 |
| Aquatic Invasive Species..... | 5,435 | 5,360 | 5,407 | +47 |
| Marine Mammals | 4,370 | 2,443 | 2,523 | +80 |
| Subtotal, Fisheries | 116,488 | 114,612 | 124,754 | +10,142 |
| Impact of the CR (<i>non-add</i>)..... | | [+229] | | |
| General Operations | | | | |
| Central Office Operations | 39,530 | 39,297 | 39,595 | +298 |
| Highly Pathogenic Avian Flu Strategy | 7,398 | 7,398 | 7,398 | 0 |
| Science Excellence Initiative | 493 | 493 | 0 | -493 |
| Regional Office Operations..... | 40,690 | 41,592 | 42,137 | +545 |
| Operational Support | 27,496 | 32,398 | 35,611 | +3,213 |
| International Affairs..... | 9,880 | 9,994 | 9,988 | -6 |
| Transfer from USAID Congo Basin | 2,500 | 0 | 0 | 0 |
| Nat'l. Conservation Training Center | 17,966 | 19,171 | 19,040 | -131 |

| | 2006 Actual | 2007 CR | 2008 Request | Change from 2007 CR |
|---|-------------|---------|--------------|------------------------|
| National Fish & Wildlife Foundation... | 7,656 | 7,656 | 7,656 | 0 |
| Subtotal, General Operations | 153,609 | 157,999 | 161,425 | +3,426 |
| Impact of the CR (<i>non-add</i>)..... | | [+314] | | |
| TOTAL APPROPRIATION (<i>without CR</i>).... | 1,004,525 | 995,594 | 1,034,520 | +38,926 |
| Impact of the Continuing Resolution... | | +1,980 | | -1,980 |
| TOTAL APPROPRIATION (<i>with CR</i>)..... | 1,004,525 | 997,574 | 1,034,520 | +36,946 |

* The budget request includes a proposal to revise the Fisheries program budget. Funding is shown in the proposed structure. Additional information on this proposal is provided in the FWS Justification.

Highlights of Budget Changes

| | <u>Amount</u> |
|---|---------------|
| Fixed Costs | [+27,585] |
| Impact of the Continuing Resolution | -\$1,980 |
| Endangered Species | +\$5,505 |
| <p><i>Candidate Conservation:</i> A \$500 increase will expand candidate conservation work in the Green River Basin of Wyoming where there is a critical need to coordinate energy development and species conservation across land ownership. General program activities are reduced by \$178. Fixed costs increases total \$250 and are fully funded.</p> <p><i>Listing:</i> Fixed cost increases total \$504 and are fully funded.</p> <p><i>Consultation:</i> The Service will improve the timeliness of energy consultations in the Green River Basin of Wyoming, where there are 279 at-risk and 16 listed species, with an increase of \$500. Fixed cost increases total \$1,741 and are fully funded.</p> <p><i>Recovery:</i> Yellowstone Grizzly Bear Conservation Strategy funding (+\$1,098) is transferred from the Partners program and NPS budgets while wolf monitoring funding is transferred from the Partners program (+\$1,115). Funding to eradicate salt cedar is discontinued (-\$985) as is funding for the Alaska Sea Life Center (-\$488). Both of these programs are eligible for funding under Service grant programs. Ivory-Billed Woodpecker funding is reduced (-\$396). Fixed cost increases total \$1,844 and are fully funded.</p> | |
| Habitat Conservation | +\$7,146 |
| <p><i>Partners for Fish and Wildlife:</i> The highest priority Cooperative Conservation habitat restoration projects will be implemented with an increase of \$5,270 and specific projects in the Green River Basin will also be implemented with an increase of \$750. Yellowstone Grizzly Bear Conservation Strategy funding and wolf implementation funding is transferred to the recovery program (-\$1,295). Fixed cost increases total \$969 and are fully funded.</p> <p><i>Project Planning:</i> Fixed cost increases total \$1,023 and are fully funded.</p> <p><i>Coastal Program:</i> Fixed cost increases total \$293 and are fully funded.</p> <p><i>National Wetlands Inventory:</i> Fixed cost increases total \$136 and are fully funded.</p> | |
| Environmental Contaminants | +\$95 |
| <p>Program management reductions total \$302 while fixed cost increases are \$397 and are fully funded.</p> | |
| National Wildlife Refuge System | +\$13,066 |
| <p>Priority wildlife and habitat projects will be implemented with an increase of \$4,654. This includes \$4,054 for refuge operating needs projects that will restore wetland and upland habitat, reduce the threat of invasive species, and promote the recovery of listed species; and \$600 for three new positions to support management of the new Northwestern Hawaiian Islands Marine National Monument. A technical adjustment transfers \$75 to refuge visitor services from Regional Office Operations. Challenge cost share funding is reduced by \$1,876. Fixed cost increases total \$10,213 and are fully funded.</p> | |

Amount

Migratory Bird Management and Law Enforcement

-\$454

Migratory Birds: Conservation and monitoring is reduced by \$685 and implementation funding for the North American Waterfowl Management Plan is reduced by \$955. Fixed cost increases total \$883 and are fully funded.

Law Enforcement: The Service plans to recoup the proposed decrease of \$1,400 in appropriated funds by increasing fees charged for inspection services, consistent with other agencies. Fixed cost increases total \$1,703 and are fully funded.

Fisheries and Aquatic Resources

+\$10,142

National Fish Hatchery System Operations: Fish health and whirling disease surveys are reduced by \$473. Fixed cost increases total \$1,340 and are fully funded.

Maintenance and Equipment: Fixed cost increases total \$262 and are fully funded.

Aquatic Habitat and Species Conservation: Additional Fish Passage funding of \$6,000 will be used to support the goal of the Administration's Open Rivers Initiative and to implement in-the-water fish habitat restoration projects with an emphasis on removing or bypassing small, obsolete dams. The National Fish Habitat Action Plan will be increased by \$2,250 to implement high priority projects to promote de-listing and recovery of populations of federally-listed aquatic species to self-sustaining levels, and to restore depleted populations of trust species and prevent the need for listing. Alaska Fisheries Subsistence is reduced by \$500. Fixed cost increases total \$1,136 and are fully funded.

Aquatic Invasive Species: Fixed cost increases total \$47 and are fully funded.

Marine Mammals: Fixed cost increases total \$80 and are fully funded.

General Operations

+\$3,426

Central Office operations is reduced by \$888 and Regional Office operations is reduced by \$1,000. A technical adjustment transfers \$75 from Regional Office Operations to refuge visitor services. Funding totaling \$149 is transferred within General Operations from Servicewide Support to the National Conservation Training Center. A programmatic increase (+\$2,148) is provided to the Departmental Working Capital Fund for FBMS. The performance evaluation training program proposed in the 2007 budget for NCTC is eliminated (-\$1,717). Maintenance funding for NCTC is increased (+\$987). Funding is reduced for Wildlife Without Borders grants (-\$300). The Science Excellence program is eliminated (-\$493). Fixed cost increases total \$4,764 and are fully funded.

APPROPRIATION: Construction

| | 2006 Actual | 2007 CR | 2008 Request | Change from 2007 |
|---|-------------|---------|--------------|------------------|
| Line Item Construction | 34,471 | 8,954 | 11,883 | +2,929 |
| Dam Safety | 710 | 717 | 717 | 0 |
| Bridge Safety | 561 | 570 | 570 | 0 |
| Engineering Services | 9,474 | 9,481 | 9,901 | +420 |
| TOTAL APPROPRIATION (without CR) | 45,216 | 19,722 | 23,071 | +3,349 |
| Impact of Continuing Resolution | | +20,034 | | -20,034 |
| TOTAL APPROPRIATION (with CR) | 45,216 | 39,756 | 23,071 | -16,685 |
| Fire Transfers | -6,000 | 0 | 0 | 0 |
| Fire Repayments | 0 | +6,000 | 0 | -6,000 |
| Hurricane Supplementals | +162,400 | 0 | 0 | 0 |
| TOTAL APPROPRIATION (with supp, fire, & CR) ... | 201,616 | 45,756 | 23,071 | -22,685 |

Highlights of Budget Changes

| | |
|---|---------------|
| | <u>Amount</u> |
| Fixed costs | [+\$419] |
| Impact of the Continuing Resolution | -\$20,034 |
| Construction | +\$3,349 |
| <p>Construction projects will address the highest priority health, safety, and resource protection needs including dams, bridges, and water systems. A detailed list of projects is provided in Appendix D.</p> | |

APPROPRIATION: Land Acquisition

| | 2006 Actual | 2007 CR | 2008 Request | Change from 2007 |
|--|-------------|---------|--------------|---------------------|
| Acquisition Management..... | 8,269 | 7,171 | 6,436 | -735 |
| Cost Allocation Methodology | 1,793 | 1,802 | 1,494 | -308 |
| Acquisition - Federal Refuge Lands | 13,494 | 13,672 | 5,544 | -8,128 |
| Exchanges..... | 1,478 | 1,478 | 1,537 | +59 |
| Inholdings | 1,478 | 1,478 | 1,500 | +22 |
| Emergency and Hardship | 1,478 | 1,478 | 1,500 | +22 |
| TOTAL APPROPRIATION (without CR) | 27,990 | 27,079 | 18,011 | -9,068 |
| Impact of the Continuing Resolution... | | -7,328 | | +7,328 |
| TOTAL APPROPRIATION (with CR)..... | 27,990 | 19,751 | 18,011 | -1,740 |
| Fire Transfers | -4,000 | 0 | 0 | 0 |
| Fire Repayments..... | 0 | +4,000 | 0 | -4,000 |
| TOTAL APPROPRIATION (with fire and CR) | 23,990 | 23,751 | 18,011 | -5,740 |

Highlights of Budget Changes

| | |
|---|---------------|
| | <u>Amount</u> |
| Fixed Costs | [+\$311] |
| Impact of the Continuing Resolution | +\$7,328 |
| Land Acquisition | -\$9,068 |
| <p>A detailed list of requested projects is provided in Appendix F.</p> | |

APPROPRIATION: Landowner Incentive Grants

| | 2006 Actual | 2007 CR | 2008 Request | Change from 2007 |
|--|-------------|---------|--------------|---------------------|
| TOTAL APPROPRIATION (without CR) | 21,667 | 24,400 | 0 | -24,400 |
| Impact of the Continuing Resolution... | | -9,400 | | +9,400 |
| TOTAL APPROPRIATION (with CR)..... | 21,667 | 15,000 | 0 | -15,000 |

Highlights of Budget Changes

| | |
|---|---------------|
| | <u>Amount</u> |
| Impact of the Continuing Resolution | +\$9,400 |
| Landowner Incentive Program Grants | -\$24,400 |
| <p>The 2008 budget request eliminates funding for this program.</p> | |

APPROPRIATION: Private Stewardship Grants

| | 2006 Actual | 2007 CR | 2008 Request | Change from 2007 |
|--|-------------|---------|--------------|------------------|
| TOTAL APPROPRIATION <i>(without CR)</i> | 7,277 | 9,400 | 0 | -9,400 |
| Impact of the Continuing Resolution... | | -2,400 | | +2,400 |
| TOTAL APPROPRIATION <i>(with CR)</i> | 7,277 | 7,000 | 0 | -7,000 |

Highlights of Budget Changes

| | <u>Amount</u> |
|--|---------------|
| Impact of the Continuing Resolution | +\$2,400 |
| Private Stewardship Grants | -\$9,400 |
| The 2008 budget request eliminates funding for this program. | |

APPROPRIATION: Cooperative Endangered Species Conservation Fund

| | 2006 Actual | 2007 CR | 2008 Request | Change from 2007 |
|--|-------------|---------|--------------|------------------|
| Section 6 Grants to States | | | | |
| Traditional Grants to States | 9,852 | 10,001 | 10,001 | 0 |
| HCP Planning Grants | 7,531 | 7,642 | 7,642 | 0 |
| Species Recovery Land Acquisition | 13,977 | 14,186 | 14,186 | 0 |
| HCP Land Acquisition Grants/States.. | 46,160 | 40,587 | 40,587 | 0 |
| Snake River Water Rights Act of 2004.. | 0 | 5,067 | 5,067 | 0 |
| Administration | 2,481 | 2,518 | 2,518 | 0 |
| TOTAL APPROPRIATION <i>(without CR)</i> | 80,001 | 80,001 | 80,001 | 0 |
| Impact of the Continuing Resolution... | | +506 | | -506 |
| TOTAL APPROPRIATION <i>(with CR)</i> | 80,001 | 80,507 | 80,001 | -506 |

Highlights of Budget Changes

| | <u>Amount</u> |
|-------------------------------------|---------------|
| Impact of the Continuing Resolution | -\$506 |

APPROPRIATION: National Wildlife Refuge Fund

| | 2006 Actual | 2007 CR | 2008 Request | Change from 2007 |
|--|-------------|---------|--------------|------------------|
| TOTAL APPROPRIATION <i>(without CR)</i> | 14,202 | 10,811 | 10,811 | 0 |
| Impact of the Continuing Resolution... | | +3,391 | | -3,391 |
| TOTAL APPROPRIATION <i>(with CR)</i> | 14,202 | 14,202 | 10,811 | -3,391 |

Highlights of Budget Changes

| | <u>Amount</u> |
|-------------------------------------|---------------|
| Impact of the Continuing Resolution | -\$3,391 |

APPROPRIATION: North American Wetlands Conservation Fund

| | 2006 Actual | 2007 CR | 2008 Request | Change from 2007 |
|--|-------------|---------|--------------|---------------------|
| TOTAL APPROPRIATION <i>(without CR)</i> | 39,412 | 41,646 | 42,646 | +1,000 |
| Impact of the Continuing Resolution... | | -5,000 | | +5,000 |
| TOTAL APPROPRIATION <i>(with CR)</i> | 39,412 | 36,646 | 42,646 | +6,000 |

Highlights of Budget Changes

| | <u>Amount</u> |
|--|---------------|
| Impact of the Continuing Resolution | +\$5,000 |
| North American Wetlands Conservation Fund | +1,000 |
| The request proposes an increase of \$1,000 for resource protection to implement additional wetlands restoration grants. | |

APPROPRIATION: Multinational Species Conservation Fund

| | 2006 Actual | 2007 CR | 2008 Request | Change from 2007 |
|--|-------------|---------|--------------|---------------------|
| African Elephant Conservation..... | 1,379 | 990 | 990 | 0 |
| Rhinoceros and Tiger Conservation | 1,576 | 990 | 990 | 0 |
| Asian Elephant Conservation..... | 1,379 | 990 | 990 | 0 |
| Great Ape Conservation..... | 1,379 | 990 | 990 | 0 |
| Marine Sea Turtle | 691 | 297 | 297 | 0 |
| TOTAL APPROPRIATION <i>(without CR)</i> | 6,404 | 4,257 | 4,257 | 0 |
| Impact of the Continuing Resolution..... | | +1,800 | | -1,800 |
| TOTAL APPROPRIATION <i>(with CR)</i> | 6,404 | 6,057 | 4,257 | -1,800 |

Highlights of Budget Changes

| | <u>Amount</u> |
|-------------------------------------|---------------|
| Impact of the Continuing Resolution | -\$1,800 |

APPROPRIATION: Neotropical Bird Conservation

| | 2006 Actual | 2007 CR | 2008 Request | Change from 2007 |
|--|-------------|---------|--------------|---------------------|
| TOTAL APPROPRIATION <i>(without CR)</i> | 3,941 | 3,960 | 3,960 | 0 |
| Impact of the Continuing Resolution... | | +40 | | -40 |
| TOTAL APPROPRIATION <i>(with CR)</i> | 3,941 | 4,000 | 3,960 | -40 |

Highlights of Budget Changes

| | <u>Amount</u> |
|-------------------------------------|---------------|
| Impact of the Continuing Resolution | -\$40 |

APPROPRIATION: State and Tribal Wildlife Grants

| | 2006 Actual | 2007 CR | 2008 Request | Change from 2007 |
|--|-------------|---------|--------------|---------------------|
| TOTAL APPROPRIATION (<i>without CR</i>) | 67,492 | 74,666 | 69,492 | -5,174 |
| Impact of the Continuing Resolution... | | -24,666 | | +24,666 |
| TOTAL APPROPRIATION (<i>with CR</i>)..... | 67,492 | 50,000 | 69,492 | +19,492 |

Highlights of Budget Changes

| | <u>Amount</u> |
|---|---------------|
| Impact of the Continuing Resolution | +\$24,666 |
| State and Tribal Wildlife Grants | -\$5,174 |
| These funds support additional high priority grants to States, Territories, and Tribes to address habitats and species of greatest conservation need. This request includes a reduction of \$4,516 for State formula grants and a reduction of \$658 for Tribal grants. | |



NATIONAL PARK SERVICE

Mission — In 1872, the Congress designated Yellowstone National Park as the Nation's first "public park or pleasuring ground for the benefit and enjoyment of the people." The subsequent establishment of the National Park Service on August 25, 1916, reflected a national consensus that natural and cultural resources must be set aside for public enjoyment and preserved for future generations. As stated in the original authorizing legislation, the Park Service mission is to "preserve unimpaired the natural and cultural resources and values of the national park system for the enjoyment, education, and inspiration of this and future generations."

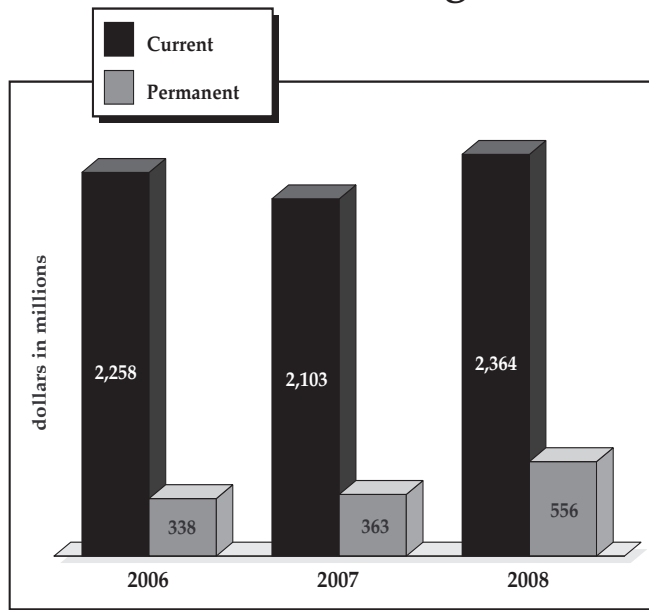
Program Overview — Since 1872, the stewardship responsibilities of NPS have become more complex. The national park system has experienced significant growth over the past 30 years, with the addition of more than 100 new parks since 1973. Currently, the national park system includes 390 units encompassing 84 million acres in 49 States, the District of Columbia, American Samoa, Guam, Puerto Rico, the Northern Mariana Islands, and the U.S. Virgin Islands.

In its entirety, the national park system represents and interprets the story of human history and natural sciences and preserves both the natural and cultural sites that are testaments to the Nation's history. The parks offer an array of rewarding opportunities for much needed respite, reflection, and outdoor recreation to the American public. In 2006, over 270 million people visited the Nation's national parks.

Employees are central to carrying out the Park Service mission. Almost eighty percent are employed in parks, with the remainder in headquarters, regional offices, and Service-wide programs. The NPS estimates that staffing will total 21,589 full time equivalents in 2008.

Park employees serve a diverse clientele of visitors and function in multiple roles, including stewards of the public trust, interpreters of natural and cultural sites, and guarantors of visitor safety. In the area of cultural resource preservation, park employees serve as historians, curators, archeologists, and conservators. In the natural resource pro-

NPS Funding



grams, park employees serve as biologists, hydrologists, geologists, and general resource management specialists.

Management Excellence — The Park Service continues to pursue a management strategy that integrates the President's management agenda and steps down from the goals found in the Department's strategic plan. This fosters a cohesive approach to mission performance with improved program and service delivery, new technological capabilities, enhanced inter-bureau cooperation, and improved standards of accountability.

In recent years, NPS has developed multiple tools to aid all levels of NPS in integrating budget and performance and to improve the effectiveness and efficiency of operations. These tools include the budget cost projection module, the core operations analysis, the business planning initiative, and the NPS scorecard. Since 2006, the NPS has used the core operations analysis tool to determine potential efficiencies and to implement those that are determined to be most feasible. The NPS is also enhancing visitor services by rigorously examining base budgets Service-wide. Regional offices and park units have been focusing

on initiatives that will streamline processes, lower costs, and increase productivity.

The United States Park Police PART found that the USPP program is adequate, largely meets its programmatic performance goals, and has a clear mission to help to safeguard lives and protect monuments and other icons in the urban national parks of New York, San Francisco, and Washington, D.C.

Budget Overview — The NPS 2008 budget request for current appropriations is \$2.4 billion, which is \$261.2 million above the 2007 continuing resolution and \$208.0 million above the 2007 President's budget. The request includes \$53.2 million to restore the priorities of the 2007 President's budget that are not covered at the 2007 continuing resolution level, such as fixed costs increases and program enhancements. The budget also eliminates unrequested 2006 congressional earmarks.

National Parks Centennial Initiative — In August 2006, as NPS celebrated its 90th anniversary, President Bush directed the Secretary to begin a ten-year effort to strengthen visitor services and other programs in parks and to prepare to address the needs of the public in time for the NPS centennial in 2016. The 2008 request includes a proposal for the first year of a decade-long plan to prepare parks for another century of conservation, preservation, and enjoyment.

The National Parks Centennial Challenge has the potential to provide up to \$3 billion in new funds over ten years. It includes a commitment of \$100.0 million annually in discretionary funds for activities to achieve new levels of excellence in the parks, a challenge for the public to contribute at least \$100.0 million annually for signature programs and projects with a match of up to \$100.0 million in mandatory Federal funding. This challenge will leverage private, philanthropic contributions to enhance visitor opportunities in parks in keeping with the spirit of philanthropy that has made America's parks models for the world.

The initiative strengthens the preservation of our Nation's heritage, connects parks to people through innovative approaches and new technology, and fosters broad educational efforts, particularly focused on the youth of America. The initiative will result in increased visitor satisfaction, increased visitor understanding and appreciation of the parks, a safer environment for visitors, and improved condition of NPS assets.

Park Operations — Funding for park operations, including both the Operation of the National Park System and the United States Park Police appropriations is \$2.1

billion in current appropriations, which is the highest in the history of NPS. These appropriations provide funds for visitor services, resource protection, and other critical park programs. The request is a net increase of \$290.3 million above the 2007 continuing resolution, \$230.0 million above the 2007 President's budget, and a \$258.3 million increase for operations from the 2006 level.

The 2008 budget and the National Parks Centennial Initiative emphasize three themes. This includes increases of \$100.0 million for five discretionary programs that are part of the Centennial Initiative; \$3.8 million to reconnect people with parks through enhanced technology and the seamless network of the trails system; and \$126.2 million to build capacity for critical park operations to sustain these efforts over the next century. This includes \$54.0 million for pay, benefits, and other fixed costs.

The Centennial Initiative — The initiative includes \$40.6 million for 3,000 new rangers, \$20.0 million in flexible park base funding, \$35.0 million for cyclic maintenance, \$3.4 million for the Volunteers-in-Parks program, and \$1.0 million for the Junior / WebRanger program.

The funding increases proposed will establish a park system for the 21st Century with a wide range of visitor services, including interpretive and educational programs, staffing for visitor centers, appropriate levels of security and safety at parks, and facilities and resources in acceptable or good condition. The Centennial Initiative includes an increase of \$40.6 million to support park operations with 3,000 additional interpretation, maintenance, and law enforcement seasonal employees. As part of the Centennial Initiative, the budget request includes an increase of \$20.0 million in flexible park base funding to accomplish specific goals for enhancing core visitor services and resource stewardship at approximately 20 parks. The Centennial Initiative also includes a \$35.0 million increase for cyclic maintenance so that parks can adhere to their preventive maintenance schedules.

Volunteers currently provide over five million hours of service at national parks throughout the United States. These volunteers work with park scientists to protect endangered species, assist in the repair of facilities, remove invasive plants, assist archeologists conducting surveys, and assist rangers with visitor activities at campgrounds and visitor centers. There remains, however, an untapped reserve in the communities surrounding parks that can contribute to enriching the parks' experience for visitors. As part of the Centennial Initiative, the 2008 budget request proposes a \$3.4 million increase to the Volunteers-in-Parks program to capture the untapped reserve of volunteers.

The Centennial Initiative will enhance educational opportunities through an increase of \$1.0 million to the Junior/WebRanger program. The Junior Ranger program will increase the number of children that are educated about natural and cultural resource stewardship, foster a sense of conservation within the parks and their surroundings, and encourage youth to observe and explore their environment. The WebRanger program will expand opportunities for children to learn more about the national parks even if they cannot visit them, to learn about parks before they visit, and to care for the national parks and their world. Through an interactive internet-based tour of a park, children can become certified as WebRangers.

Reconnecting People with Parks — The budget will increase funding to realize the potential of parks as unique sources of education and learning about the natural world, and the Nation's cultural heritage and history. The budget includes \$1.0 million to improve the content of all technology-based interpretation and informational media; \$1.0 million to connect trails to parks; and \$1.8 million to enhance the Youth Conservation Corps and other youth partnership programs.

Building Capacity for Park Operations — The 2008 President's budget includes \$126.2 million to build capacity for park operations to sustain these efforts over the next century. This includes \$40.6 million in park base operating funds and fixed costs of \$54.0 million for the park system and U.S. Park Police. The primary source of funding to support park recreational activities comes from the park operating base. With these funds, parks offer services such as interpretive ranger programs, visitor facility operations, daily maintenance activities, and other programs designed to enhance visitor services and protect resources. The budget proposes to strengthen core capabilities with \$40.6 million in targeted park base funding increases to be allocated to parks using evaluative tools such as the park scorecard and core operations analysis.

The 2008 budget request also proposes \$850,000 to expand trails utilizing public/private partnerships. The national trails system provides 43,500 miles of trails through 47 States. With the increased funding in 2008, the trail system will be more tightly connected to existing Federal areas at interpretive facilities, offering unmatched opportunities for recreation and preservation. The NPS will also augment family friendly facilities, activities, and adventures by creating child centered trails and activities. The 2008 budget includes a program increase of \$4.9 million to continue the development and future implementation of the Financial and Business Management System, through the Department's Working Capital Fund. The request also includes \$4.0 for enterprise service networking to improve communications.

Asset Management — The 2008 budget request builds upon the investments made in previous years to effectively maintain NPS facilities. An increase of \$15.0 million is requested for repair and rehabilitation projects. In combination with funding requested for cyclical maintenance, \$461.7 million will be available for facility maintenance programs in 2008. An additional \$201.6 million in construction funding provides a total of \$663.3 million for construction and facility maintenance projects in 2008.

During the past five years, NPS has made tremendous progress in developing asset management tools. For the first time in its history, NPS has a full asset inventory. NPS is also establishing a Service-wide baseline for facility conditions; prioritizing projects by utilizing the facility condition index and the asset priority index; and instituting performance measures to monitor progress made in addressing the deferred maintenance backlog. This investment has allowed NPS to target funds to the highest priority deferred maintenance needs and to set goals using a Facility Condition Index. During 2008, NPS intends to improve the FCI for industry standard non-road assets from 0.177 to 0.174. For future years, NPS is working to determine "acceptable" FCI targets by focusing on critical systems to ensure that the most important assets are properly maintained as efficiently and effectively as possible.

The 2008 budget also proposes to use at least half of recreation fee revenue, an estimated \$90 million, for facility maintenance projects. It also assumes an investment of \$225.0 million from the Highway Trust Fund for park roads and builds on progress made to improve road conditions.

Cooperative Conservation — The NPS traditional Challenge Cost Share program is funded at \$2.4 million in 2008, the same as 2007. These competitively selected projects provide opportunities for NPS managers to work with local communities and private landowners to achieve a variety of natural resource restoration objectives.

Natural Resource Programs — The 2008 budget request continues a 2007 proposal for a \$1.0 million increase to complete the establishment of inventory and monitoring networks for all 272 natural resource parks. These networks provide park managers with critical information about the ecosystems they manage, so that they have a scientific base of knowledge when measuring the health of flora and fauna and the quality of air and water in and around park lands. This is complimented by the \$20.0 million increase requested in flexible park base funding, which will support resource protection activities. The budget also includes \$7.0 million to assess the potential park benefits from restoring the Hetch Hetchy Valley in Yosemite National Park.

Land Acquisition and State Assistance — The Federal land acquisition program provides funding to acquire land, or interests in lands, for inclusion in the national park system in order to preserve nationally important natural and historic resources. The 2008 budget proposes funding the Federal land acquisition program at \$22.5 million, \$5.8 million below the 2007 continuing resolution, but essentially level with the 2007 budget. Included within the proposal is \$5.0 million to acquire land for a site that honors the passengers and crew of United Flight 93, who gave their lives thwarting a planned attack on Washington, D.C. on September 11, 2001. The request also includes \$4.0 million to provide grants to States and local communities to preserve and protect Civil War battlefield sites.

No funds are requested for LWCF State Assistance grants, as proposed in the 2007 budget. The 2008 request proposes to transfer \$1.6 million, less a \$375,000 decrease, for the administration of the existing LWCF State Assistance program to the National Recreation and Preservation appropriation account, which covers the administrative costs for other grant programs as well.

Construction — The Construction and Major Maintenance account is funded at \$201.6 million, \$28.3 million below the 2007 continuing resolution and \$27.7 million below the 2007 President's budget. In combination with increased funding that is budgeted for cyclical maintenance and repair and rehabilitation, a total of \$663.3 million will be available in 2008 for facility maintenance and construction projects. Utilizing these funds, together with recreation fees and park roads funding, the budget request focuses on protecting and maintaining existing NPS assets. Line-item construction projects are funded at \$105.1 million, or \$16.8 million below the 2007 budget. This includes \$14.5 million for the Everglades Modified Water Deliveries project. Construction planning is funded at \$17.4 million and special programs are funded at \$25.8 million, or \$10.3 million below the 2007 budget. This is primarily due to a reduction in funding for narrowband radio replacement. Funding is reduced pending completion of a revised narrowband replacement strategy.

U.S. Park Police — U.S. Park Police operations are funded at \$88.1 million in the 2008 budget. This is \$7.9 million above the 2007 continuing resolution, and \$3.3 million above the 2007 budget. Included in the request is \$4.6 million to restore the priorities of the 2007 President's budget that are not covered at the 2007 continuing resolution level, such as fixed cost increases and staffing enhancements. At the proposed funding level, the USPP will maintain its force strength and remain aligned with its core mission responsibilities and the long-term staffing plan developed in 2006. Starting in 2008, the USPP will also receive an allocation of Service-wide equipment

replacement funds, which is increased by \$1.0 million to accommodate this new requirement.

National Recreation and Preservation — This appropriation funds programs connected with local community efforts to preserve natural and cultural resources. For 2008, these programs are proposed at \$48.9 million, \$1.7 million above the 2007 continuing resolution and \$15.6 million above the 2007 President's budget. This increase includes \$10.0 million for the Heritage Partnership program, \$2.6 million over the 2007 request. The 2008 budget proposes to fund this program in the National Recreation and Preservation account. The 2007 budget proposes to shift funds for heritage areas to the Historic Preservation account. Other programmatic increases include \$650,000 for Rivers, Trails, and Conservation Assistance, and \$1.5 million for American Battlefield grants. These grants promote the preservation of significant historic battlefields associated with war on American soil, with 50 grants to be awarded in 2008 through annual competition authorized by the American Battlefield Protection Act of 1996, as amended. No funds are requested for Statutory and Contractual Aid, as proposed in the 2007 budget.

National Inventory of Historic Properties — The 2008 request includes funding to initiate a national inventory of historic properties, which was the top recommendation from historic preservation experts at the 2006 Preserve America Summit. Such an inventory would be maintained and managed by State, tribal, and local governments, but coordinated nationally to integrate information in an accessible format. This would provide long-term savings and better outcomes for cities, transportation departments, and others that need information on historic properties for planning and environmental reviews. Program funds total \$5.0 million in 2008, with \$1.0 million requested in the National Recreation and Preservation appropriation to develop data format requirements and protocols, in coordination with State Historic Preservation officers. The remaining \$4.0 million will provide competitive matching grants to States, Tribes, local governments, and Federal land management agencies for inventory development under the Historic Preservation Fund appropriation.

Historic Preservation — The NPS plays a vital role in preserving the Nation's cultural history through a variety of stewardship programs that address preservation needs nationwide. The 2008 budget includes \$10.0 million for Preserve America, the same as the 2007 budget, and \$10.0 million for Save America's Treasures, at or above the amount of non-earmarked grants enacted in 2006.

In addition to the \$4.0 million in this account for grants to support a national inventory of historic properties, the budget requests \$39.7 million, the same as 2007, for the

Historic Preservation Fund matching grants to States, Territories, and Tribes to preserve historically and culturally significant sites.

Recreational Fee Program — In January 2007 the new interagency recreation pass, the “America the Beautiful—National Parks and Federal Recreational Lands Pass,” was introduced. The new pass covers entrance or standard amenity fees associated with recreation op-

portunities on public lands managed by the National Park Service, the Fish and Wildlife Service, the Bureau of Land Management, the Bureau of Reclamation, and the U.S. Forest Service. The NPS estimates that it will collect \$181.9 million in recreation fees in 2008.

Fixed Costs — The 2008 Park Service budget request includes an increase of \$57.5 million to fully fund fixed cost increases.

SUMMARY OF BUREAU APPROPRIATIONS

(all dollar amounts in thousands)

Comparison of 2008 Request with 2007 Continuing Resolution:

| | 2007 CR | | 2008 Request | | Change from 2007 | |
|--|---------------|------------------|---------------|------------------|------------------|-----------------|
| | FTE | Amount | FTE | Amount | FTE | Amount |
| Appropriations | | | | | | |
| Operation of the National Park System..... | 14,394 | 1,686,650 | 16,471 | 1,969,010 | +2,077 | +282,360 |
| United States Park Police..... | 727 | 80,213 | 759 | 88,122 | +32 | +7,909 |
| National Recreation and Preservation..... | 255 | 47,161 | 279 | 48,885 | +24 | +1,724 |
| Historic Preservation Fund..... | 6 | 58,658 | 6 | 63,658 | 0 | +5,000 |
| Construction and Major Maintenance..... | 618 | 229,934 | 598 | 201,580 | -20 | -28,354 |
| Land Acquisition and State Assistance..... | 88 | 29,995 | 57 | 22,529 | -31 | -7,466 |
| LWCF Contract Authority (rescission)..... | 0 | -30,000 | 0 | -30,000 | 0 | 0 |
| Subtotal, Appropriations (<i>without fire</i>)..... | 16,088 | 2,102,611 | 18,170 | 2,363,784 | +2,082 | +261,173 |
| Fire Repayment..... | 0 | 59,000 | 0 | 0 | 0 | -59,000 |
| Subtotal, Appropriations (<i>with fire</i>)..... | 16,088 | 2,161,611 | 18,170 | 2,363,784 | +2,082 | +202,173 |
| Mandatory Appropriations | | | | | | |
| President's Centennial Match..... | 0 | 0 | 0 | 100,000 | 0 | +100,000 |
| President's Centennial Challenge (donations)*..... | 0 | 0 | 0 | 100,000 | 0 | +100,000 |
| Federal Land Recreation Enhancement Act..... | 1,332 | 176,825 | 1,332 | 181,867 | 0 | +5,042 |
| Other Permanent Appropriations..... | 288 | 114,087 | 288 | 117,134 | 0 | +3,047 |
| Spectrum Relocation Activities..... | 0 | 14,703 | 0 | 0 | 0 | -14,703 |
| Miscellaneous Trust Funds..... | 151 | 27,006 | 151 | 27,006 | 0 | 0 |
| LWCF Contract Authority..... | 0 | 30,000 | 0 | 30,000 | 0 | 0 |
| Subtotal, Mandatory Appropriations..... | 1,771 | 362,621 | 1,771 | 556,007 | 0 | +193,386 |
| Transfers, Reimbursables, and Allocations | | | | | | |
| Transfers..... | 921 | 0 | 922 | 0 | +1 | 0 |
| Reimbursables..... | 726 | 0 | 726 | 0 | 0 | 0 |
| Subtotal, Other..... | 1,647 | 0 | 1,648 | 0 | +1 | 0 |
| TOTAL, NATIONAL PARK SERVICE (<i>w/o fire</i>)..... | 19,506 | 2,465,232 | 21,589 | 2,919,791 | +2,083 | +454,559 |
| TOTAL, NATIONAL PARK SERVICE (<i>w/ fire</i>)..... | 19,506 | 2,524,232 | 21,589 | 2,919,791 | +2,083 | +395,559 |

* Donations outside the Centennial Challenge are shown under the Miscellaneous Trust Funds line.

HIGHLIGHTS OF BUDGET CHANGES

By Appropriation Activity/Subactivity

APPROPRIATION: Operation of the National Park System

| | 2006 Actual | 2007 CR | 2008 Request | Change from 2007 |
|---|-------------|-----------|--------------|------------------|
| Park Management | | | | |
| Resource Stewardship | 352,919 | 362,447 | 397,434 | +34,987 |
| Visitor Services | 346,852 | 344,814 | 405,531 | +60,717 |
| Facility Operations and Maintenance .. | 592,577 | 601,800 | 698,571 | +96,771 |
| Park Support | 297,607 | 298,190 | 320,776 | +22,586 |
| Subtotal, Park Management | 1,589,955 | 1,607,251 | 1,822,312 | +215,061 |
| Impact of the CR (<i>non-add</i>)..... | | [-49,237] | | |
| External Administrative Costs | 128,636 | 135,066 | 146,698 | +11,632 |
| Impact of the CR (<i>non-add</i>)..... | | [-6,430] | | |
| TOTAL APPROPRIATION (<i>without CR</i>).. | 1,718,591 | 1,742,317 | 1,969,010 | +226,693 |
| Impact of the Continuing Resolution... | | -55,667 | | +55,667 |
| TOTAL APPROPRIATION (<i>with CR</i>)..... | 1,718,591 | 1,686,650 | 1,969,010 | +282,360 |

Highlights of Budget Changes

| | Amount |
|---|-----------|
| Fixed Costs | [+50,697] |
| Impact of the Continuing Resolution | +55,667 |
| Park Management | |
| Resources Stewardship | +34,987 |
| Increases are requested to support park base operations (+\$6,808), improve the health of park resources (+\$20,000), and support the Vanishing Treasures initiative (+\$300). Fixed costs total \$7,879 and the full amount is budgeted. | |
| Visitor Services | +60,717 |
| Increases are requested to support park base operations (+\$17,583), support park operations with 1,000 interpretation and education seasonal rangers (+\$13,000), support park operations with 1,000 seasonal and subject-to-furlough protection rangers (+\$15,600), meet visitor demand for park brochures (+\$1,000), and expand the Junior / Web Ranger program at parks (+\$1,000). A decrease is requested for the Lewis and Clark Corps of Discovery II (-\$226). Fixed costs total \$12,760 and the full amount is budgeted. | |
| Facility Operations and Maintenance | +96,771 |
| Increases are requested to support park base operations (+\$13,287), support park operations with 1,000 seasonal maintenance employees (+\$12,000), increase cyclic maintenance of park facilities (+\$25,000), increase cultural cyclic maintenance (+\$10,000), support the repair and rehabilitation program (+\$15,000), and conduct Hetch Hetchy restoration studies (+\$7,000). Fixed costs total \$14,484 and the full amount is budgeted. | |
| Park Support | +22,586 |
| Increases are requested to support park base operations (+\$2,883), support the Volunteers-in-Parks program at parks (+\$3,400), expand the relationship with youth partnership programs (+\$1,825), support the new John Smith National Watertrail (+\$150), connect trails to parks (+\$850), connect people to parks through improved IT based interpretation and informational media (+\$1,000), establish a Centennial Initiative implementation office (+\$300), and support the Enterprise Services Network (+\$4,000). Included in this request is the transfer of GSA space funding to External Administrative Costs (-\$865) and the transfer of the partnership office to the Construction and Major Maintenance appropriation (-\$310). A decrease is requested to reduce support for Jamestown 2007 (-\$250). Fixed costs total \$8,428 and the full amount is budgeted. | |

| | |
|--|--------------------------|
| | <u>Amount</u> +11,632 |
|--|--------------------------|

External Administrative Costs
 An increase is requested to support FBMS (+\$4,796). Included in this request is the transfer of GSA space funding from Park Support (+\$865). Fixed costs total \$5,971 and the full amount is budgeted, including \$3,944 for the Working Capital Fund.

APPROPRIATION: United States Park Police

| | 2006 Actual | 2007 CR | 2008 Request | Change from 2007 |
|--|-------------|---------|--------------|------------------|
| TOTAL APPROPRIATION <i>(without CR)</i> .. | 80,213 | 84,775 | 88,122 | +3,347 |
| Impact of the Continuing Resolution... | | -4,562 | | +4,562 |
| TOTAL APPROPRIATION <i>(with CR)</i> | 80,213 | 80,213 | 88,122 | +7,909 |

Highlights of Budget Changes

| | |
|-------------------------------------|---------------------------|
| | <u>Amount</u> [+3,347] |
| Fixed Costs | |
| Impact of the Continuing Resolution | +4,562 |

APPROPRIATION: National Recreation and Preservation

| | 2006 Actual | 2007 CR | 2008 Request | Change from 2007 |
|--|-------------|---------|--------------|------------------|
| Recreation Programs..... | 546 | 557 | 574 | +17 |
| Natural Programs..... | 9,700 | 9,437 | 10,467 | +1,030 |
| Cultural Programs | 19,733 | 19,694 | 22,742 | +3,048 |
| Environmental Compliance and Review | 393 | 403 | 421 | +18 |
| Grants Administration | 1,885 | 1,613 | 3,059 | +1,446 |
| International Park Affairs | 1,594 | 1,557 | 1,618 | +61 |
| Heritage Partnership Programs | | | | |
| Commissions and Grants..... | 13,202 | 0 | 9,898 | +9,898 |
| Administrative Support | 99 | 0 | 106 | +106 |
| Subtotal, Heritage Partnership..... | 13,301 | 0 | 10,004 | +10,004 |
| Statutory or Contractual Aid | | | | |
| Alaska National Parks..... | 0 | 0 | 0 | 0 |
| Benjamin Franklin Tercentenary Comm.. | 0 | 0 | 0 | 0 |
| Black Jack Battlefield Trust | 0 | 0 | 0 | 0 |
| Brown Foundation | 246 | 0 | 0 | 0 |
| Chesapeake Bay Gateways and | | | | |
| Water Trails | 1,478 | 0 | 0 | 0 |
| CrossRoads of the West Historic District | 493 | 0 | 0 | 0 |
| Delta Interpretive Center | 985 | 0 | 0 | 0 |
| Flight 93 Memorial..... | 0 | 0 | 0 | 0 |
| Ft. Mandan, Ft. Lincoln and | | | | |
| Northern Plains Foundation..... | 616 | 0 | 0 | 0 |
| George Washington Memorial Bridge | 0 | 0 | 0 | 0 |
| Harper’s Ferry NHP (Niagra Movement) | 296 | 0 | 0 | 0 |
| Ice Age National Scientific Reserve..... | 773 | 0 | 0 | 0 |
| Jamestown 2007 Commission..... | 394 | 0 | 0 | 0 |
| Johnstown Area Heritage | | | | |
| Association Museum | 48 | 0 | 0 | 0 |
| Keweenaw NHP..... | 0 | 0 | 0 | 0 |
| Lamprey Wild and Scenic River | 591 | 0 | 0 | 0 |

| | 2006 Actual | 2007 CR | 2008 Request | Change from 2007 |
|---|-------------|---------|--------------|------------------|
| Lower Eastside Tenement Museum | 0 | 0 | 0 | 0 |
| Mississippi Museum of Natural Science | 0 | 0 | 0 | 0 |
| Mt. Rainier NP | 0 | 0 | 0 | 0 |
| Natchez NHP | 0 | 0 | 0 | 0 |
| Native Hawaiian Culture and Arts Program | 591 | 0 | 0 | 0 |
| Sewell-Belmont House NHS | 0 | 0 | 0 | 0 |
| Siege and Battle of Corinth Commission (Contraband Comp) | 493 | 0 | 0 | 0 |
| Sleeping Rainbow Ranch, Capitol Reef NP | 0 | 0 | 0 | 0 |
| Subtotal, Statutory/Contractual Aid | 7,004 | 0 | 0 | 0 |
| TOTAL APPROPRIATION (<i>without CR</i>).. | 54,156 | 33,261 | 48,885 | +15,624 |
| Impact of the Continuing Resolution... | | +13,900 | | -13,900 |
| TOTAL APPROPRIATION (<i>with CR</i>) | 54,156 | 47,161 | 48,885 | +1,724 |

Highlights of Budget Changes

| | <u>Amount</u> |
|---|---------------|
| Fixed Costs | [+1,271] |
| Impact of the Continuing Resolution | -13,900 |
| Natural Programs | +1,030 |
| An increase is requested for the Rivers, Trails, and Conservation Assistance program (+\$650). Fixed costs total \$380 and the full amount is budgeted. | |
| Cultural Programs | +3,048 |
| An increase is requested to expand the Battlefield Grants Program (+\$1,500) and develop the National Inventory of Historic Properties (+\$1,000). Fixed costs total \$548 and the full amount is budgeted. | |
| Grants Administration | +1,446 |
| This request includes the transfer of State Conservation Grants administration from the Land Acquisition and State Assistance appropriation (+\$1,625). A decrease is requested for State Conservation Grants administration (-\$375). Fixed costs total \$196 and the full amount is budgeted. | |
| Heritage Partnership Program | +10,004 |
| Included in the request is the transfer of this program from the Historic Preservation Fund appropriation (+\$7,400). An increase is requested to support the program (+\$2,553). Fixed cost estimates total \$51 and the full amount is budgeted. | |

APPROPRIATION: Historic Preservation Fund

| | 2006 Actual | 2007 CR | 2008 Request | Change from 2007 |
|--|-------------|---------|--------------|------------------|
| Grants-in-Aid..... | 42,614 | 39,658 | 43,658 | +4,000 |
| American Heritage and Preservation Partnership Program | | | | |
| Heritage Partnership Programs | 0 | 7,400 | 0 | -7,400 |
| Save America's Treasures..... | 24,632 | 14,800 | 10,000 | -4,800 |
| Preserve America | 4,926 | 10,000 | 10,000 | 0 |
| TOTAL APPROPRIATION (w/o supp or CR) | 72,172 | 71,858 | 63,658 | -8,200 |
| Impact of the Continuing Resolution... | | -13,200 | | +13,200 |
| TOTAL APPROPRIATION (w/o supp) | 72,172 | 58,658 | 63,658 | +5,000 |
| Hurricane Supplemental..... | 43,000 | 0 | 0 | 0 |
| TOTAL APPROPRIATION (w/ supp and CR) | 115,172 | 58,658 | 63,658 | +5,000 |

Highlights of Budget Changes

| | <u>Amount</u> |
|---|---------------|
| Impact of the Continuing Resolution | +13,200 |
| Grants-in-Aid | +4,000 |
| An increase is requested to support the new grants-in-aid program for the National Inventory of Historic Properties (+\$4,000). | |
| Heritage Partnership Program | -7,400 |
| Included in the request is the transfer of this program to the National Recreation and Preservation appropriation (-\$7,400). | |
| Grants-in-Aid to Save America's Treasures | -4,800 |
| A decrease is requested for this activity (-\$4,800). | |

APPROPRIATION: Construction and Major Maintenance

| | 2006 Actual | 2007 CR | 2008 Request | Change from 2007 |
|---|-------------|----------|--------------|------------------|
| Line Item Construction and Maint | 214,890 | 121,931 | 105,086 | -16,845 |
| Special Programs | | | | |
| Emergency, Unscheduled..... | 2,956 | 2,956 | 3,290 | +334 |
| Housing | 6,897 | 6,897 | 5,075 | -1,822 |
| Dam Safety | 2,623 | 2,623 | 2,626 | +3 |
| Equipment Replacement..... | 25,617 | 23,617 | 14,815 | -8,802 |
| Construction Planning | 19,632 | 19,649 | 17,355 | -2,294 |
| Construction Program Mgmt and Ops | 27,691 | 38,360 | 39,842 | +1,482 |
| General Management Planning | 13,552 | 13,236 | 13,491 | +255 |
| Fort Baker Transfer..... | 2,000 | 0 | 0 | 0 |
| TOTAL APPROPRIATION (w/o CR) | 315,858 | 229,269 | 201,580 | -27,689 |
| Impact of the Continuing Resolution... | | +665 | | -665 |
| TOTAL APPROPRIATION (w/ CR)..... | 315,858 | 229,934 | 201,580 | -28,354 |
| Hurricane supplemental | 74,400 | 0 | 0 | 0 |
| Fire Transfers | -54,000 | 0 | 0 | 0 |
| Fire Repayments..... | 0 | 54,000 | 0 | -54,000 |
| TOTAL APPROPRIATION (w/ CR, supp, & fire) | 336,258 | 283,934 | 201,580 | -82,354 |
| Transfer from Ft. Baker, Golden Gate NRA..... | [0] | [+2,000] | [0] | [-2,000] |

Highlights of Budget Changes

| | <u>Amount</u> |
|--|---------------|
| Fixed Costs | [+1,886] |
| Impact of the Continuing Resolution | -665 |
| Line-item Construction | -16,845 |
| A decrease is requested to focus line-item construction on deferred maintenance (-\$16,845). | |
| Special Programs | -10,287 |
| An increase is requested to include the United States Park Police in the equipment replacement program (+\$1,000). Decreases are requested for the housing replacement program (-\$1,900) and support for narrowband radio conversion (-\$9,824). Fixed costs total \$437 and the full amount is budgeted. | |
| Construction Planning | -2,294 |
| A decrease is requested for this program (-\$2,316). Fixed costs total \$22 and the full amount is budgeted. | |
| Construction Program Management and Operations | +1,482 |
| Included in the request is the transfer of the partnership office from the ONPS appropriation (+\$310). Fixed costs total \$1,172 and the full amount is budgeted. | |

APPROPRIATION: Land Acquisition and State Assistance

| | 2006 Actual | 2007 CR | 2008 Request | Change from 2007 |
|--|-------------|---------|--------------|---------------------|
| Assistance to States | | | | |
| State Conservation Grants | 27,995 | 0 | 0 | 0 |
| Administrative Expenses | 1,564 | 1,625 | 0 | -1,625 |
| National Park Service | | | | |
| Acquisitions | 19,864 | 9,000 | 9,000 | 0 |
| Emergencies and Hardships..... | 2,463 | 2,349 | 2,348 | -1 |
| Inholdings | 2,463 | 2,348 | 2,349 | +1 |
| Acquisition Management..... | 9,605 | 9,021 | 8,832 | -189 |
| Net Transfers..... | -17,000 | 0 | 0 | 0 |
| TOTAL APPROPRIATION (w/o CR)..... | 46,954 | 24,343 | 22,529 | -1,814 |
| Impact of the Continuing Resolution... | | +5,652 | | -5,652 |
| TOTAL APPROPRIATION (w/ CR)..... | 46,954 | 29,995 | 22,529 | -7,466 |
| Fire Transfers | -5,000 | 0 | 0 | 0 |
| Fire Repayments..... | 0 | +5,000 | 0 | -5,000 |
| TOTAL APPROPRIATION (w/ CR & fire)... | 41,954 | 34,995 | 22,529 | -12,466 |

Highlights of Budget Changes

| | <u>Amount</u> |
|--|---------------|
| Fixed Costs | [+311] |
| Impact of the Continuing Resolution | -5,652 |
| Federal Land Acquisition | -189 |
| A decrease is requested for land acquisition administration (-\$500). Fixed costs total \$311 and the full amount is budgeted. | |
| State Grants Administration | -1,625 |
| This request includes the transfer of State Conservation Grants Administration to the National Recreation and Preservation appropriation (-\$1,625). | |

APPROPRIATION: Land and Water Conservation Fund Contract Authority

| | 2006 Actual | 2007 CR | 2008 Request | Change from 2007 |
|---------------------------|-------------|---------|--------------|---------------------|
| TOTAL APPROPRIATION | -30,000 | -30,000 | -30,000 | 0 |



INDIAN AFFAIRS

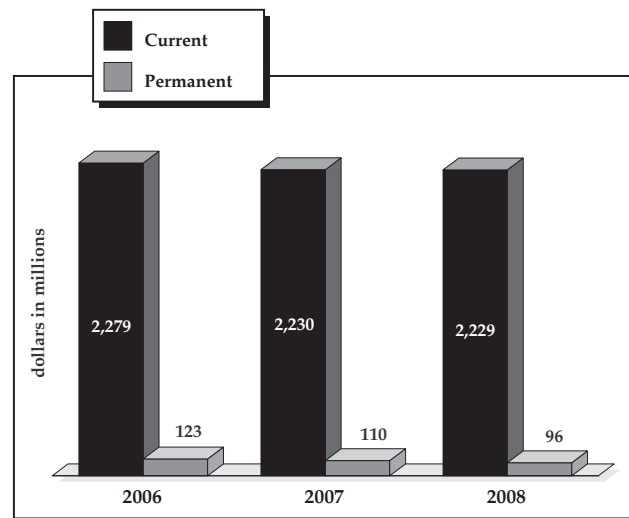
Background — In the last two centuries, the Congress has passed more Federal laws affecting Native Americans than any other group of people in the United States. The Snyder Act, the Indian Self-Determination and Education Assistance Act, the Native American Education Improvement Act of 2000, and the Indian Reorganization Act are just a few of the laws that have defined the Federal authority and obligation to provide various programs and services to Indian Country. While the Federal trust obligation lies at the heart of this special relationship, the scope of the United States' responsibilities to Native Americans extends beyond basic trust obligations to include a wide range of services delivered in concert with the enhancement of Indian self-determination.

The Congress has placed the major responsibility for Indian matters in the Department of the Interior. The Bureau of Indian Affairs manages Indian trust, social services, and self-determination programs. The Bureau of Indian Education administers a 184 unit school system in Indian Country. The BIE is the former Office of Indian Education Programs which was renamed in 2006 to reflect the parallel purpose and organizational structure BIE has in relation to other programs in Indian Affairs. The Directors of both the BIA and BIE report directly to the Assistant Secretary of Indian Affairs. The bureaus share executive direction and administrative services.

Mission — The mission of BIA is to fulfill its trust responsibilities and promote self-determination on behalf of federally recognized Indian Tribes. The mission of BIE is to provide quality education opportunities from early childhood through life.

Program Overview — The BIA and BIE provide services directly or through contracts, grants, or compacts to a service population of 1.6 million American Indians and Alaska Natives who are members of 561 federally recognized Indian Tribes in the 48 contiguous United States and Alaska. The role of BIA and BIE has changed significantly in the last three decades in response to a greater emphasis on Indian self-determination. Programs are funded and operated in a highly decentralized manner, with about 90 percent of all appropriations expended at the local

Indian Affairs Funding

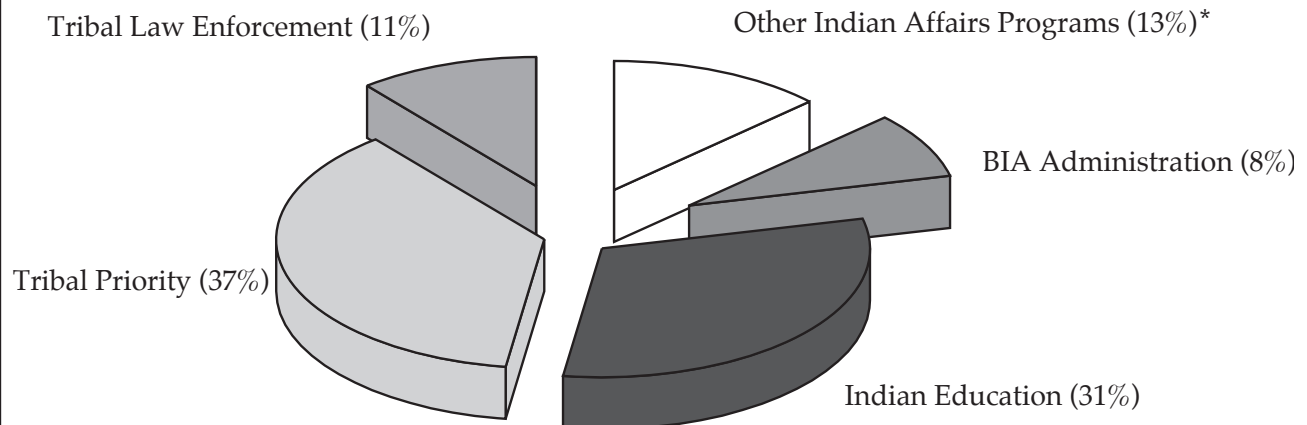


level, and at least 50 percent of appropriations provided directly to Tribes and tribal organizations through grants, contracts, and compacts for Tribes to operate government programs and schools.

Collectively, the Department's Indian programs cover virtually the entire range of State and local government services. Programs administered by either Tribes or BIA include social services such as welfare assistance, natural resources management on 56 million acres of trust land, economic development programs, law enforcement, administration of tribal courts, implementation of Indian settlements, replacement and repair of schools, repair and maintenance of roads and bridges, operation and maintenance of irrigation infrastructures, and repair of structural deficiencies on high hazard dams. Programs administered by either Tribes or BIE include an education system for almost 46,000 elementary and secondary students and 28 tribal colleges, universities, and post-secondary schools.

Management Excellence — Indian Affairs programs uphold the government-to-government relationship with

Operation of Indian Programs \$2.0 billion



In 2008, more than nine of every ten dollars appropriated to BIA will be provided to education, human services, trust services, and other on-the-ground programs.

** Includes the following: resources management, trust services, information technology, and other program-related costs.*

Tribes, and provide many diverse services to American Indians and Alaska Natives. The BIA and BIE continue to follow the President's management agenda for improving management and performance of the Federal government. In formulating the 2008 budget, Indian Affairs examined the entire budget focusing on core mission areas. This approach, informed through Indian consultation, has produced a budget that preserves programs serving the largest Indian populations on a nationwide basis and includes changes in distribution of funding in some program areas to support higher priority needs.

The budget considered findings from Program Assessment Rating Tool reviews. A PART review of the Housing Improvement Program conducted in 2006 found that there have been problems with management oversight, and that there is eligibility overlap between the HIP and the Housing and Urban Development Native American Housing Assistance and Self-Determination Act program. As a result of this finding, the 2008 budget eliminates the HIP program. The requested increase for School Operations is supported by the positive findings of this program's PART review.

Interior has revised its five-year strategic plan for 2007-2012 to guide its resource allocations and program decisions and improve accountability. Indian programs and services support the Department's outcome goals to fulfill Indian trust responsibilities and advance quality communities for Tribes. In 2008, Indian Affairs and Tribes will continue to strengthen baseline data and refine

tracking and reporting mechanisms to ensure that timely and accurate performance information is available and integrated into budget decisions. Indian Affairs, in consultation with the Tribes, will also continue to examine the budget to ensure that dollars are being directed to the highest priority needs in Indian Country.

Budget Overview — The 2008 budget request for Indian Affairs is \$2.2 billion in current appropriations, which is \$1.0 million below the 2007 continuing resolution, and \$7.0 million above the 2007 President's request. The request includes a \$8.0 million decrease to restore the priorities of the 2007 President's budget that are not included at the 2007 continuing resolution level, including fixed costs, eliminating unrequested congressional earmarks, and implementing other program enhancements and reduction proposals included in the 2007 President's budget. The Operation of Indian Programs account is funded at \$2.0 billion, \$17.5 million above the continuing resolution and \$24.3 million above the 2007 President's budget.

The 2008 budget emphasizes increases to provide for a safe, secure, and economically sound future for Indian children through two major initiatives to reduce crime on reservations, and to step up efforts to improve Indian education.

Safe Indian Communities Initiative — The crimes resulting from escalating methamphetamine trafficking and use in Indian Country undermine the safety and health of Indian communities and compound law enforcement issues in Indian Country where violent crime is already

a serious problem. The 2008 budget includes \$233.8 million for total law enforcement, including an additional \$16.0 million targeted to improve the safety and security of Indian communities.

The BIA proposes \$11.0 million to place more law enforcement agents in targeted communities in Indian Country and invest in better equipment and training for the current force to more effectively combat crime. Funding will target communities based on a needs analysis that looks at the violent crime rate, service population, and current staffing levels. The funding will result in a 28 percent increase in the overall level of the staffing that will be certified for drug enforcement to combat drugs and violent crime in Indian Country. The funding will also be used to develop specialized drug enforcement officer training to give officers tools to break up drug trafficking, disrupt the activities and organization of crime groups, and seize illegal substances. By increasing the percentage of certified drug officers, BIA will meet its long-term goals of increased drug seizures and reduced violent crime.

The initiative includes \$5.0 million in additional funding to staff, operate, and maintain tribal detention facilities and aid BIA in continuing to implement the recommendations of the 2004 report by the Department's Inspector General, which found safety, security, and maintenance deficiencies at detention centers in Indian Country. Funding for staffing at newly built detention centers will be the first use of the funds identified for detention centers and will complete the funding required for operations at all new detention facilities built with Department of Justice grants. The Department of Justice, under a joint Justice-Interior initiative, has provided funding to build or expand 21 detention facilities.

The remaining detention center funding will be distributed to existing detention centers based on the results of the application of the National Institute of Corrections staffing model. The BIA Correction Division staff has worked with the NIC to apply staffing models that best suit the needs of Indian Country detention facilities, taking care to differentiate the size of the facility. The additional funding will enable BIA to increase the percent of existing detention centers staffed to minimal NIC safety standards, thereby helping to reduce the types of serious incidents identified in the IG report. The 2008 budget continues to aggressively confront construction and repair issues at detention centers by requesting \$8.1 million for four major Facilities Improvement and Repair projects and several smaller projects to continue to bring Indian detention centers up to national standards.

Improving Indian Education Initiative — Education is critical to ensuring a viable and prosperous future for

tribal communities and American Indians. In January 2002, the President signed into law the No Child Left Behind Act of 2001, which includes the Native American Education Improvement Act of 2001. The NCLB requires all schools in the United States to reach goals for student achievement in math, reading, and language arts as established by each State by 2014. Schools must also establish goals for student attendance, high school graduation rates, and teacher qualifications. In school year 2005-2006, 30 percent of BIE schools met the measure for Adequate Yearly Progress goals established by the State in which the school was located. Student performance at BIE schools, while improving, remains lower than national averages.

The total 2008 request for BIE elementary and secondary school operations is \$562.0 million which will support 184 schools and dormitories located on 63 reservations in 23 States serving almost 46,000 students. The initiative invests an additional \$15.0 million in the BIE school system, with emphasis on achieving AYP goals at 80 percent of BIE schools by 2013 and 100 percent by 2014.

For 2008, the Department proposes to dedicate \$5.3 million to enhance education programs at lower performing schools. This funding would be separate from the formula funding that all BIE schools receive and would be targeted to schools that have not achieved AYP because of student performance on standardized tests for math, reading, and language arts. The funding would provide supplemental aid, such as hiring additional education specialists to help with curriculum, tutoring, or other needs identified in a school-based analysis of student performance.

The BIE is accountable for developing adequate strategies, monitoring, and helping BIE funded schools reach achievement targets. The BIE, in consultation with Tribes and tribal school boards, developed a program improvement and accountability plan to improve the effectiveness of the education services provided in the bureau funded school system. The BIE budget includes an increase of \$3.6 million to support a skilled national team for the BIE school system under a new organizational structure. The request funds newly established leadership positions placed in strategically located education line offices to strengthen accountability and supports education, financial, and administrative managers. The restructured organization provides the oversight capacity necessary to promote progress in student achievement in all schools.

The BIE budget includes an increase of \$4.3 million for student transportation costs. The rural school service populations served by BIE schools are often widely dispersed. During the current school year, BIE funded school buses will travel nearly 16 million miles, often over

gravel or dirt roads. The proposal will increase per mile funding to \$2.87, up from \$2.59 in school year 2006-2007. In addition to providing resources for fuel, the increase also funds maintenance that improves the safety and reliability of the BIE funded bus fleet.

An increase of \$1.9 million will enable BIE to cover the costs of implementing and maintaining a school system-wide Native American Student Information System that will better track and manage information on students and facilitate reporting required by the No Child Left Behind Act.

In 2008, the budget eliminates \$7.7 million in Johnson O'Malley grants funded in Self-Governance compacts and Consolidated Tribal Government Program contracts because they are duplicative of grants available from the Department of Education. The 2007 budget proposed elimination of funding for Tribal Priority Allocations and JOM grants.

The BIE \$98.5 million request for post-secondary programs includes funding for operating grants to 26 tribal colleges and universities, Haskell Indian Nations University, and Southwestern Indian Polytechnic Institute. Other post-secondary programs will fund tribal and BIE scholarships. In 2008, funding for tribal scholarships is reduced by \$5.0 million to allow BIE to focus on its core responsibility of running the BIE school system.

Indian School Construction — Providing Indian children with safe and nurturing places to learn is one of Interior's highest priorities. The 2008 budget requests \$139.8 million for school construction and repair. The budget fully funds two new replacement schools, two replacement facility projects, five major facilities improvement and repair projects, and provides annual maintenance funding at the 2007 request level.

The President made a commitment to replace, rebuild, and repair facilities in the BIE funded school system to eliminate health and safety deficiencies. From 2002 to 2007, over \$1.5 billion will have been appropriated for the Indian education construction program. Of the 32 replacement schools funded between 2002 and 2007, eight of these have been completed, another 20 are scheduled to be completed in 2007 and 2008, and four are in the planning and design phase. Of the 39 major facility improvement and repair projects funded between 2002 and 2007, five have been completed, ten are in the construction phase, and 24 are in the planning and design phase.

In the 2008 budget request, the \$14.8 million proposed for Replacement School construction will fully fund the replacement of the Circle of Life Survival School in Minnesota and the Keams Canyon Elementary School in Arizona.

The \$22.6 million requested for Replacement Facilities construction will complete funding to replace structures at Standing Rock Community School in North Dakota and fully fund replacement of dormitories at Riverside Indian School in Oklahoma. The education construction account also includes \$30.2 million for Major Facilities Improvement and Repair projects, \$19.9 million for Minor FI&R projects and \$50.7 million for annual maintenance. Employee housing is funded at \$1.6 million.

Resolving Land and Water Claims — The 2008 budget request for BIA Indian Land and Water Claim Settlements is \$34.1 million in current appropriations. The 2008 BIA budget includes a \$16.2 million payment toward the Snake River Water Rights Settlement which requires the Department to provide the Nez Perce Tribe and the State of Idaho a total of \$170.9 million to fund water supply, habitat restoration, and for other purposes. The BIA portion of the proposed payment allocation plan is \$95.8 million proposed to be funded over seven years; 2008 is the second year of proposed funding for the settlement. The request also includes \$7.5 million for the second of two payments for the Rocky Boy's Water Systems Operation, Maintenance, and Replacement Trust Fund.

The request includes \$9.4 million for two new settlements, including \$7.0 million for the Puget Sound Regional Shellfish Settlement included in the Magnuson-Stevens Fishery Conservation and Management Reauthorization Act. The settlement, also referred to as the Washington Shellfish Settlement, resolves disputes regarding several Tribes' treaty rights to take shellfish from tidelands on the Puget Sound. The Department's portion of the \$34.5 million settlement is \$23.5 million proposed to be funded over four years. The 2008 budget request funds two payments, the 2007 \$2.0 million payment and the 2008 \$5.0 million payment. The request also includes \$2.4 million for the Pueblo of Isleta Settlement. The settlement resolves the claims of the Pueblo of Isleta against the United States. It provides funding to restore, improve, and develop on-reservation land and natural resources of the Pueblo. The required Department portion of the \$40.0 million settlement is \$7.4 million proposed to be funded over three years.

Reductions for the Cherokee, Choctaw, and Chickasaw Settlement and the Quinault Indian Nation land and water settlement, which were both completed in 2007, total \$10.7 million.

Improving Trust Management — Management of trust assets for Tribes and individual Indians is a key component of the BIA mission. The Department has made significant improvements in the programs that are cornerstones to providing services to beneficiaries and establishing a viable trust organization. The 2008 budget provides \$293.7

million to meet the requirements outlined in the Fiduciary Trust model and continue trust reform initiatives.

Housing Improvement Program Elimination—The budget eliminates \$23.4 million for the Housing Improvement program. The proposed elimination is commensurate with priorities established during tribal consultation on the 2008 budget which placed an emphasis on programs and projects that benefit Tribes on a nationwide basis. This program services a limited number of Tribes and there is eligibility overlap between HIP and the Housing and Urban Development Native American Housing Assistance and Self-Determination Act program.

Other Major Changes—The budget includes a \$1.5 million reduction due to completion of funding for removal

of the Chiloquin dam. The budget includes programmatic reductions of \$3.8 million for Rights Protection and Implementation, \$2.0 million for contract support, and a net reduction of \$4.6 million to Unified Trust programs to support other high priority programs. The budget also includes reductions of \$1.3 million in tribal government and law enforcement oversight programs.

Fixed Costs—The request includes full funding for fixed costs at \$41.3 million. The 2008 budget includes a program increase of \$2.2 million for implementation of the Financial and Business Management System, through the Department's Working Capital Fund.

SUMMARY OF BUREAU APPROPRIATIONS

(all dollar amounts in thousands)

Comparison of 2008 Request with 2007 Continuing Resolution:

| | 2007 CR | | 2008 Request | | Change from 2007 | |
|--|--------------|------------------|--------------|------------------|------------------|----------------|
| | FTE | Amount | FTE | Amount | FTE | Amount |
| Appropriations | | | | | | |
| Operation of Indian Programs | 6,154 | 1,973,403 | 6,267 | 1,990,918 | +113 | +17,515 |
| Reimbursable Programs | 847 | 0 | 847 | 0 | 0 | 0 |
| Allocations from Other Agencies..... | 669 | 0 | 651 | 0 | -18 | 0 |
| Construction | 437 | 215,799 | 437 | 197,627 | 0 | -18,172 |
| Reimbursable Programs..... | 37 | 0 | 37 | 0 | 0 | 0 |
| Allocations from Other Agencies..... | 510 | 0 | 510 | 0 | 0 | 0 |
| Indian Land and Water Claim Settlements | | | | | | |
| and Miscellaneous Payments to Indians | 0 | 34,439 | 0 | 34,069 | 0 | -370 |
| Indian Guaranteed Loan Program Account..... | 3 | 6,255 | 3 | 6,276 | 0 | +21 |
| Subtotal, Appropriations (<i>without fire</i>) | 8,657 | 2,229,896 | 8,752 | 2,228,890 | +95 | -1,006 |
| Subtotal, Appropriations (<i>with fire</i>) | 8,657 | 2,251,896 | 8,752 | 2,228,890 | +95 | -23,006 |
| Permanents and Trusts | | | | | | |
| Operation and Maintenance of Quarters..... | 59 | 6,000 | 59 | 6,000 | 0 | 0 |
| Miscellaneous Permanent Appropriations..... | 365 | 87,891 | 365 | 87,776 | 0 | -115 |
| White Earth Settlement Fund | 0 | 3,000 | 0 | 3,000 | 0 | 0 |
| Indian Guaranteed Loan Program Account..... | 0 | 14,000 | 0 | 0 | 0 | -14,000 |
| Revolving Fund for Loans, Liquidating Account.. | 0 | -1,000 | 0 | -1,000 | 0 | 0 |
| Subtotal, Permanents and Trusts | 424 | 109,891 | 424 | 95,776 | 0 | -14,115 |
| TOTAL, INDIAN AFFAIRS (<i>w/o fire</i>) | 9,081 | 2,339,787 | 9,176 | 2,324,666 | +95 | -15,121 |
| TOTAL, INDIAN AFFAIRS (<i>w/ fire</i>)..... | 9,081 | 2,361,787 | 9,176 | 2,324,666 | +95 | -37,121 |

HIGHLIGHTS OF BUDGET CHANGES

By Appropriation Activity/Subactivity

APPROPRIATION: Operation of Indian Programs

| | 2006 Actual | 2007 CR | 2008 Request | Change from 2007 |
|---|-------------|----------|--------------|---------------------|
| Tribal Government | | | | |
| Aid To Tribal Government..... | 36,699 | 36,256 | 33,671 | -2,585 |
| Consolidated Tribal Gov't Program | 61,352 | 63,413 | 68,229 | +4,816 |
| Self Governance Compacts..... | 138,079 | 142,761 | 139,036 | -3,725 |
| Contract Support..... | 132,628 | 151,628 | 149,628 | -2,000 |
| Indian Self-Determination Fund..... | 971 | 0 | 0 | 0 |
| New Tribes | 1,402 | 316 | 316 | 0 |
| Tribal Gov't Program Oversight..... | 3,558 | 7,364 | 6,818 | -546 |
| Subtotal, Tribal Government | 374,689 | 401,738 | 397,698 | -4,040 |
| Human Services | | | | |
| Social Services..... | 30,989 | 31,802 | 32,414 | +612 |
| Welfare Assistance | 85,190 | 74,179 | 74,164 | -15 |
| Indian Child Welfare Act | 10,909 | 10,167 | 9,974 | -193 |
| Housing Improvement Program | 18,830 | 18,849 | 0 | -18,849 |
| Human Services Tribal Design..... | 625 | 452 | 449 | -3 |
| Human Services Program Oversight ... | 3,873 | 3,936 | 3,702 | -234 |
| Subtotal, Human Services..... | 150,416 | 139,385 | 120,703 | -18,682 |
| Trust - Natural Resources Management | | | | |
| Natural Resources, General..... | 4,925 | 4,158 | 4,335 | +177 |
| Irrigation Ops. and Maintenance..... | 13,042 | 12,480 | 11,062 | -1,418 |
| Rights Protection Implementation..... | 21,262 | 18,148 | 16,615 | -1,533 |
| Tribal Mgmt. /Development Program.. | 10,146 | 4,315 | 4,373 | +58 |
| Unresolved Hunting & Fishing Rights | 0 | 0 | 0 | 0 |
| Endangered Species..... | 1,192 | 230 | 247 | +17 |
| Integrated Resource Information Prog. | 1,250 | 1,250 | 1,250 | 0 |
| Agriculture and Range | 24,272 | 23,554 | 24,395 | +841 |
| Forestry | 42,137 | 43,094 | 43,405 | +311 |
| Water Resources | 11,502 | 9,713 | 9,913 | +200 |
| Fish, Wildlife and Parks | 6,525 | 6,506 | 6,591 | +85 |
| Minerals and Mining | 8,179 | 11,464 | 11,678 | +214 |
| Resource Mgmt. Program Oversight ... | 8,322 | 7,598 | 7,820 | +222 |
| Subtotal, Trust-NR Management | 152,754 | 142,510 | 141,684 | -826 |
| Impact of the CR (<i>non-add</i>)..... | | [-1,000] | | |
| Trust - Real Estate Services | | | | |
| Trust Services, General | 11,069 | 10,492 | 10,642 | +150 |
| Navajo-Hopi Settlement Program | 1,139 | 1,162 | 1,196 | +34 |
| Probate | 15,708 | 19,075 | 19,883 | +808 |
| Land Title and Records Offices | 13,436 | 13,835 | 14,654 | +819 |
| Real Estate Services | 40,578 | 47,647 | 47,964 | +317 |
| Land Records Improvement..... | 7,891 | 16,801 | 16,065 | -736 |
| Environmental Quality..... | 11,988 | 12,000 | 11,230 | -770 |
| Alaskan Native Programs..... | 1,391 | 1,001 | 1,022 | +21 |
| Rights Protection | 14,274 | 14,345 | 12,468 | -1,877 |
| Real Estate Services Oversight | 24,368 | 16,291 | 15,598 | -693 |
| Subtotal, Trust-Real Estate Services.. | 141,842 | 152,649 | 150,722 | -1,927 |
| Impact of the CR (<i>non-add</i>)..... | | [-1,056] | | |

| | 2006 Actual | 2007 CR | 2008 Request | Change from 2007 |
|--|-------------|-----------|--------------|------------------|
| Education | | | | |
| Elementary and Secondary Programs - | | | | |
| Forward Funded | 457,750 | 457,352 | 476,500 | +19,148 |
| Elementary and Secondary Programs.. | 75,887 | 60,800 | 61,803 | +1,003 |
| Post Secondary Programs | 104,010 | 103,161 | 98,520 | -4,641 |
| Education Management | 8,783 | 17,842 | 23,717 | +5,875 |
| Subtotal, Education Programs..... | 646,430 | 639,155 | 660,540 | +21,385 |
| Impact of the CR (<i>non-add</i>) | | [+13,060] | | |
| Public Safety and Justice | | | | |
| Law Enforcement | 193,377 | 201,620 | 221,753 | +20,133 |
| Tribal Courts | 17,621 | 12,109 | 12,065 | -44 |
| Fire Protection | 1,144 | 0 | 0 | 0 |
| Subtotal, Public Safety and Justice ... | 212,142 | 213,729 | 233,818 | +20,089 |
| Impact of the CR (<i>non-add</i>) | | [-4,193] | | |
| Community and Economic Development | | | | |
| Job Placement and Training | 8,396 | 8,467 | 8,051 | -416 |
| Economic Development | 4,407 | 4,401 | 4,203 | -198 |
| Road Maintenance | 27,386 | 25,336 | 25,981 | +645 |
| Community Development | 10,148 | 0 | 0 | 0 |
| Community Development Oversight .. | 1,445 | 971 | 826 | -145 |
| Subtotal, Comm. & Economic Dev. .. | 51,782 | 39,175 | 39,061 | -114 |
| Executive Direction & Admin. Services... | 232,135 | 238,253 | 246,692 | +8,439 |
| TOTAL APPROPRIATION (<i>without CR</i>) | 1,962,190 | 1,966,594 | 1,990,918 | +24,324 |
| Impact of the Continuing Resolution... | | +6,809 | | -6,809 |
| TOTAL APPROPRIATION (<i>with CR</i>) | 1,962,190 | 1,973,403 | 1,990,918 | +17,515 |

Highlights of Budget Changes

| | Amount |
|---|-----------|
| Fixed Cost Increases | [+40,339] |
| Impact of the Continuing Resolution | -6,809 |
| Tribal Government | -4,040 |
| Decreases are proposed for the Consolidated Tribal Government Program that supports Johnson O'Malley Assistance Grants (-\$1,011), Self-Governance Compacts that support that Housing Improvement and Johnson O'Malley Assistance Grants programs (-\$10,955), contract support (-\$2,000), Tribal Government Central Oversight (-\$500), and Tribal Government Regional Oversight (-\$500). Internal transfers total +\$3,290. Fixed costs total \$7,636 and are fully funded. | |
| Human Services | -18,682 |
| Decreases are proposed for the elimination of the Housing Improvement Program (-\$18,849) and Human Services Regional Oversight (-\$300). Internal transfers total -\$986. Fixed costs total \$1,453 and are fully funded. | |
| Trust—Natural Resources Management | -826 |
| Decreases are proposed for irrigation operations and maintenance (-\$1,492); rights protection implementation (-\$1,800); and non-TPA forestry projects (-\$1,000). Internal transfers total -\$230. Fixed costs total \$3,696 and are fully funded. | |
| Trust—Real Estate Services | -1,927 |
| To support trust reform, the proposal includes an increase of \$300 to address probate cases. Decreases are proposed for cadastral surveys (-\$2,000), non-TPA environmental quality projects (-\$1,000), water rights negotiations and litigation (-\$1,000), the cancellation of the Departmen- | |

Amount

tal Land and Resource Management System (-\$750), and litigation support (-\$1,000). Internal transfers total -\$707. Fixed costs total \$4,230 and are fully funded.

Education +21,385

The Improving Indian Education initiative consists of increases of \$5,300 for education program enhancements, \$4,250 for student transportation, \$3,600 for education program management, and \$1,850 for the Native American Student Information System. A decrease is proposed for post-secondary scholarships (-\$5,000). Internal transfers total -\$591. Fixed costs total \$11,976 and are fully funded.

Public Safety and Justice +20,089

The Safe Indian Communities initiative consists of increases of \$11,000 for law enforcement staffing, training, and equipment, and \$5,000 for detention center staffing. A decrease is proposed for law enforcement program management (-\$250). Internal transfers total -\$647. Fixed costs total \$4,986 and are fully funded.

Community and Economic Development -114

Internal transfers total -\$956. Fixed costs total \$842 and are fully funded.

Executive Direction and Administrative Services +8,439

A decrease is proposed for information resources technology (-\$155). Internal transfers total \$827. Fixed costs total \$5,520 and are fully funded.

APPROPRIATION: Construction

| | 2006 Actual | 2007 CR | 2008 Request | Change from 2007 |
|--|--------------------|----------------|---------------------|-----------------------------|
| Education | 206,787 | 157,441 | 139,844 | -17,597 |
| Public Safety and Justice | 11,603 | 11,611 | 11,621 | +10 |
| Resources Management | 45,099 | 37,810 | 37,916 | +106 |
| General Administration | 2,105 | 2,111 | 2,114 | +3 |
| Construction Management | 5,988 | 6,076 | 6,132 | +56 |
| TOTAL APPROPRIATION | 271,582 | 215,049 | 197,627 | -17,422 |
| Net Transfers | -17,657 | 0 | 0 | 0 |
| TOTAL APPROPRIATION (without CR) | 253,925 | 215,049 | 197,627 | -17,422 |
| Impact of the Continuing Resolution... | | 750 | | -750 |
| TOTAL APPROPRIATION (with CR) | 253,925 | 215,799 | 197,627 | -18,172 |

Highlights of Budget Changes

Amount

Fixed Cost Increases [+978]

Impact of the Continuing Resolution -750

Education Construction -17,597

The education construction account includes an increase of \$7,987 for facilities improvement and repairs and a reduction of \$21,725 for replacement school construction. The 2008 funding level will fully fund the replacement of Circle of Life Survival School in Minnesota and the Keams Canyon Elementary School in Arizona. The budget proposes a decrease for replacement facilities construction (-\$4,295). The request for replacement facilities construction will complete funding to replace structures at Standing Rock Community in North Dakota and fully fund replacement of dormitories at Riverside Indian School in Oklahoma. Employee housing repair is reduced by \$367. Fixed costs total \$803 and are fully funded.

APPROPRIATION: Indian Land and Water Claim Settlements and Miscellaneous Payments to Indians

| | <u>2006 Actual</u> | <u>2007 CR</u> | <u>2008 Request</u> | <u>Change from 2007</u> |
|---|--------------------|----------------|---------------------|-------------------------|
| Land Settlements | | | | |
| White Earth Land Settlement (<i>Admin</i>) . | 634 | 625 | 625 | 0 |
| Hoopa-Yurok Settlement Fund | 254 | 250 | 250 | 0 |
| Quinalt Settlement..... | 9,827 | 316 | 0 | -316 |
| Water Settlements | | | | |
| Pyramid Lake Water Rights Settle | 144 | 142 | 142 | 0 |
| Colorado Ute..... | 8,111 | 0 | 0 | 0 |
| Zuni Water Settlement..... | 5,444 | 0 | 0 | 0 |
| Nez Perce/Snake River | 0 | 14,774 | 16,152 | +1,378 |
| Miscellaneous Payments | | | | |
| Cherokee, Choctaw, and Chickasaw Settlement | 9,829 | 10,339 | 0 | -10,339 |
| Rocky Boys O&M Trust Fund | 0 | 7,500 | 7,500 | 0 |
| Puget Sound Regional Shellfish Settlement..... | 0 | 0 | 7,000 | +7,000 |
| Pueblo of Isleta Settlement | 0 | 0 | 2,400 | +2,400 |
| TOTAL APPROPRIATION (<i>without CR</i>) | 34,243 | 33,946 | 34,069 | +123 |
| Impact of the Continuing Resolution... | | +493 | | -493 |
| TOTAL APPROPRIATION (<i>with CR</i>)..... | 34,243 | 34,439 | 34,069 | -370 |

Highlights of Budget Changes

| | <u>Amount</u> |
|--|---------------|
| Impact of Continuing Resolution | -493 |
| Indian Settlements and Miscellaneous Payments. | +123 |
| A decrease of \$316 is proposed for the completion of the Quinalt Indian Nation Boundary settlement. A decrease of \$10,339 is proposed to reflect completion of the Cherokee, Choctaw, and Chickasaw settlement. An increase of \$1,378 is proposed for the Nez Perce Snake River settlement. Increases are proposed for two new settlements, \$7,000 for the Puget Sound Regional Shellfish settlement, and \$2,400 for the Pueblo of Isleta settlement. | |

APPROPRIATION: Indian Guaranteed Loan Program Account

| | <u>2006 Actual</u> | <u>2007 CR</u> | <u>2008 Request</u> | <u>Change from 2007</u> |
|--|--------------------|----------------|---------------------|-------------------------|
| TOTAL APPROPRIATION (<i>without CR</i>) | 6,255 | 6,262 | 6,276 | +14 |
| Impact of the Continuing Resolution... | | -7 | | +7 |
| TOTAL APPROPRIATION (<i>with CR</i>)..... | 6,255 | 6,255 | 6,276 | +21 |

Highlights of Budget Changes

| | <u>Amount</u> |
|---|---------------|
| Fixed Cost Increases | [+14] |
| Impact of the Continuing Resolution | +7 |
| Indian Guaranteed Loan Program | +14 |
| The Indian Guaranteed Loan Program enables banks to provide loans to Indian entrepreneurs, thereby further enhancing reservation economies and employment opportunities. Fixed costs total \$14 and are fully funded. | |



DEPARTMENTAL OFFICES

Overview — The Department of the Interior protects and manages the Nation’s cultural heritage and natural resources; provides scientific and other information about those resources; and honors trust responsibilities and commitments to American Indians, Alaska Natives, and affiliated island communities. This mission is encompassed in the four themes delineated in the Department’s 2007-2012 strategic plan: resource protection, resource use, recreation, and serving communities.

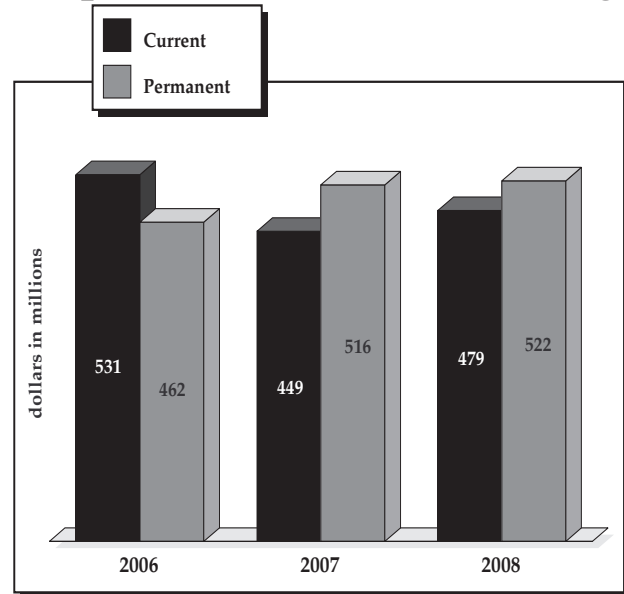
Within this mission, the Department of the Interior is accountable for wide-ranging programs such as fulfilling Indian trust responsibilities; migratory wildlife conservation; historic preservation; endangered species protection; abandoned mine lands restoration; and earth and natural resource science.

Management Excellence — Interior continues to make significant progress on the President’s management agenda and its management excellence goals. Through management improvements, Interior is achieving greater efficiency and accountability, employing modern technology, eliminating duplication, and enhancing service to citizens. One key area of improvement is deployment of a new, integrated business management system, which will modernize the Department’s legacy systems and processes, the Financial and Business Management System.

Budget and performance integration lies at the heart of ensuring both the strategic allocation and efficient use of revenues. The Interior Department is utilizing Program Assessment Rating Tool reviews and Office of Inspector General, General Accountability Office, National Association of Public Administration program evaluations, and activity-based cost management to assist in the identification of measures that can strengthen programs and improve the linkage of budget and performance information.

Activity-based cost management is being employed by the Department so that unit costs and performance by dollars spent and actions undertaken can be measured and compared. To further strengthen accountability and financial management, the Financial and Business Management System will replace a variety of outdated,

Departmental Offices Funding



stand-alone systems that are costly to operate, difficult to secure, and unable to provide timely financial and performance information.

Departmental Offices principally provide leadership, management, and coordination activities. For example, the Office of the Secretary provides executive direction for the Department. It guides and coordinates Interior’s administrative activities such as finance, information resources, procurement and acquisition, human resources, and budgeting. The Office of the Secretary also manages the administrative appeals functions contained in the Office of Hearings and Appeals, the Indian Arts and Crafts Board functions, centralized realty appraisal services, and the Take Pride in America program.

There are several other significant programs within Departmental Offices. The Office of Insular Affairs provides assistance to insular areas, such as the Virgin Islands and Guam. The Office of the Special Trustee for American Indians manages and discharges the Secretary of the Interior’s responsibilities for \$3.3 billion in trust assets for American Indians. Although separately funded,

organizationally, Departmental Offices also includes the Office of the Solicitor, which provides legal services to the Secretary, and the Office of Inspector General, which reviews Departmental activities and conducts audits and investigations.

The Office of the Secretary also manages three Department-wide programs, the Payments in Lieu of Taxes program, which provides payments to local governments in jurisdictions where Federal lands are located; the Central Hazardous Materials Fund, which provides a coordinated, consistent approach to remediate Interior Department sites impacted by hazardous substances; and the Natural Resource Damage Assessment and Restoration program, which coordinates all of the Department's restoration efforts for affected resources injured as a result of oil spills or hazardous substance releases into the environment on Interior or other lands where endangered species or migratory birds are impacted. The Office of the Secretary also manages the Department's Working Capital Fund and the Interior Franchise Fund.

Office of the Secretary

Mission — The Office of the Secretary's mission is to provide the executive level leadership, policy, guidance, and coordination needed to manage the diverse, complex, and nationally significant programs that are the Department of the Interior's responsibilities.

Program Overview — The Interior Department is comprised of nine bureaus and numerous offices, each with a unique mission. The Department of the Interior's 2008 budget request includes \$10.7 billion in current appropriations and anticipates the collection of \$15.6 billion in receipts. To deliver Interior's broad mission, employees are geographically dispersed across the entire United States operating from approximately 2,400 locations including physical and social scientists, historians, architects, engineers, attorneys, trust officers, rangers, law enforcement officers, teachers, and construction and maintenance workers. In 2008, Interior will issue thousands of leases for oil and gas or geothermal exploration and development; deliver water to 31 million people; maintain and operate parks, wildlife refuges, and recreation areas that will host over 490 million visits; and educate approximately 46,000 Indian children. The Interior Department manages about 41,800 buildings and manages over half a billion acres of surface land.

Although a sizable task, the Office of the Secretary leads this dynamic organization with approximately nine-tenths of one percent of Interior's total budget. The majority of management activities associated with the Office of the Secretary are funded from the Salaries and Expenses appropriation. Most of the offices in the

Office of the Secretary are located in Washington, D.C. Field offices across the country provide support for environmental protection, Indian probate, hearings and appeals, indirect cost negotiations, appraisal services, and aircraft services.

The Office of the Secretary manages programs that provide support to programs throughout the Department, including Payments in Lieu of Taxes, the Central Hazardous Materials Fund, the Natural Resource Damage Assessment and Restoration Fund, the Department's Working Capital Fund, and the Interior Franchise Fund. These programs are discussed in the Department-wide Programs chapter following this chapter.

The National Business Center is also managed by the Office of the Secretary. Funded through direct appropriations, the Working Capital Fund, and the Franchise Fund, the National Business Center provides major business and administrative services to Interior bureaus and offices and other Federal agencies. The major business lines that NBC manages include financial management, payroll and personnel, aircraft services, procurement and electronic commerce, career development and on-line training, information technology, and property management, and appraisal services.

Budget Overview — The Salaries and Expenses budget requests \$101.4 million, including \$7.8 million for consolidated appraisal services in NBC. This is \$6.9 million above the 2007 continuing resolution and \$17.4 million below the 2007 President's budget. In addition to the program changes described below, there is a \$24.3 million increase related to the impact of the 2007 continuing resolution.

Program changes in this budget include three items. The first change reflects a shift of \$22.2 million from the Salaries and Expenses account to the Working Capital Fund. Funding for FBMS deployment is budgeted in the WCF beginning in 2008, consistent with the approach for other enterprise system investments. Other program changes include an increase of \$219,000 in Working Capital Fund charges to the Office of the Secretary to fund FBMS; a reduction of three FTE and \$573,000 due to the transfer of the Contract Board of Appeals function to the General Services Administration, consistent with the 2006 Department of Defense Authorization Act, which required the consolidation of all government contract appeals boards into one government-wide entity; the transfer of \$144,000 and one FTE from the Fish and Wildlife Service for financial management. The FWS submission includes an offsetting decrease in funding and FTE reflecting this transfer.

Fixed Costs — Fixed costs for Salaries and Expenses total \$5.1 million and are fully funded.

Mission—The Office of Insular Affairs assists the islands in developing more efficient and effective governments by providing financial and technical assistance, and helps manage Federal-island relations by promoting appropriate Federal policies.

Program Overview—The OIA carries out the Secretary's responsibilities for U.S. affiliated insular areas. These include the Territories of Guam, American Samoa, the U.S. Virgin Islands, and the Commonwealth of the Northern Mariana Islands, as well as the three freely associated States: the Federated States of Micronesia, the Republic of the Marshall Islands, and the Republic of Palau. The OIA achieves its mission by improving the financial management practices of insular governments, increasing economic development opportunities, and increasing Federal responsiveness to the unique needs of island communities.

Budget Overview—The proposed 2008 OIA budget request is \$403.8 million, of which \$79.8 million is in current appropriations. This is \$425,000 below the 2007 continuing resolution, and \$560,000 above the 2007 President's budget. In addition to the program changes described below, there is a \$985,000 decrease related to the impact of the 2007 continuing resolution.

The budget includes an increase of \$200,000 for work associated with ensuring compliance with the National Environmental Policy Act for infrastructure projects initiated in the insular areas. This will allow OIA to focus efforts on consultation and training related to NEPA. As a result the insular governments will be able to complete environmental assessments, which will assist in the long-term sustainable development of the insular areas.

Permanent funding for insular areas is a reflection of long-term commitments that are guaranteed in law. Permanent appropriations for OIA in 2008 total \$324.1 million. This funding includes \$205.1 million in Compact of Free Association payments to the Republic of the Marshall Islands, the Federated States of Micronesia, and the Republic of Palau. Also included is \$119.0 million in payments to Territories, which reimburses the Virgin Islands for Federal excise taxes collected on rum sales, and Guam for the income taxes collected from Federal employees and military personnel residing in Guam.

Fixed Costs—Fixed costs for the Office of Insular Affairs total \$352,000 and are fully funded.

Mission—The Office of the Solicitor's mission is to provide high quality legal and counseling services to the Secretary and Interior's offices and bureaus, administer the Ethics program, help resolve legal issues among bureaus and offices as they fulfill their duties, and manage Interior Freedom of Information Act appeals.

Program Overview—The Solicitor's Office attorneys provide legal advice and counsel to all areas of the Department in order to ensure that Interior's programs and initiatives are carried out in a manner consistent with applicable law and regulations. They prepare formal legal opinions; review draft legislation, regulations, contracts, and other documents; and provide informal legal advice in a wide variety of circumstances. In addition, the attorneys represent Interior in administrative litigation, and assist the Department of Justice with judicial litigation involving the Department.

Along with the legal and counseling responsibilities of the Interior Department, the Solicitor's Office also administers the Ethics program and the FOIA appeals program. The Ethics staff is responsible for overseeing the Interior's statutorily mandated ethics program by implementing the laws, executive orders, regulations, and Departmental policies concerning conflicts of interest and employee responsibilities and conduct. The FOIA appeals staff manages the extensive FOIA appeals processing function by reviewing appeals to determine the issues and developing the Department's response or decision.

Budget Overview—The Solicitor's 2008 budget request is \$58.9 million, which is \$4.3 million above the 2007 continuing resolution and \$2.2 million above the 2007 President's budget. In addition to the changes described below, the request includes a \$2.1 million increase to restore the priorities of the 2007 President's budget that are not included at the 2007 continuing resolution level, including funding fixed costs, and implementing other program enhancements and reduction proposals included in the 2007 President's budget.

Program Changes—The Office of the Solicitor's 2008 budget request includes an increase of \$145,000 for information technology improvements, and \$98,000 for Working Capital Fund program changes for the Financial and Business Management System.

Fixed Costs—Fixed costs for the Office of the Solicitor are fully funded at \$2.0 million.

Office of Inspector General

Mission— The mission of the Office of Inspector General is to promote excellence, accountability, and integrity in the programs, operations, and management of the Department of the Interior.

Program Overview— The OIG assists the Secretary and the Congress by targeting resources toward oversight of the Department's most serious management and program challenges, and toward high risk areas vulnerable to fraud, waste, abuse, and mismanagement. The OIG is responsible for independently and objectively identifying risks and vulnerabilities that directly impact or could impact Interior's ability to accomplish its mission. The OIG is required to keep the Secretary and the Congress fully and currently informed about problems and deficiencies relating to the administration of Departmental programs and operations. Effective implementation of this mandate addresses the public's demand for greater accountability and integrity in the administration of government programs and operations and the demand for programs that work better, cost less, and get the results about which Americans care most. The OIG headquarters is located in Washington, D.C., with field offices and staff in locations across the continental United States, the U.S. Virgin Islands, and Hawaii.

Budget Overview— The 2008 budget request for the OIG is \$42.3 million, which is \$3.8 million above the 2007 continuing resolution and \$1.6 million above the 2007 President's budget. In addition to the changes described below, the request includes a \$2.2 million increase to restore the priorities of the 2007 President's budget that are not included at the 2007 continuing resolution level, including funding fixed costs and implementing other program enhancements and reduction proposals included in the 2007 President's budget.

Fixed Costs— Fixed costs for the Office of Inspector General are fully funded at \$1.6 million.

Office of the Special Trustee for American Indians

Mission— The Office of the Special Trustee for American Indians provides fiduciary guidance, management, and leadership for both tribal trust accounts and Individual Indian Money accounts. The OST oversees and coordinates the Department's efforts to establish consistent policies, procedures, systems, and practices throughout Interior for the Indian fiduciary trust. The OST has operational responsibility for financial trust fund management, including investment, receipt, disbursement of Indian trust funds, and for real estate appraisals on Indian trust lands. The Bureau of Land Management, the Minerals Management Service, the Bureau of Indian Affairs, as

well as the Secretary's Office of Hearings and Appeals, and the Office of Historical Trust Accounting carry out additional trust functions of the Department.

Program Overview— The OST manages over \$3.3 billion of funds held in over 1,450 trust accounts for more than 250 Indian Tribes, and over 300,000 open Individual Indian Money accounts. The balances that have accumulated in the trust funds have resulted generally from judgment awards, settlement of claims, land-use agreements, royalties on natural resource use, other proceeds derived directly from trust resources, and financial investment income.

The Interior Department has developed a comprehensive and systematic plan to reform the management of its trust responsibilities, the Fiduciary Trust Model. The status of the implementation of the FTM has been described in the reports provided to the U.S. District Court in *Cobell v. Kempthorne*. The FTM includes a reorganization of Interior's fiduciary trust offices to improve delivery of services, effectiveness, and accountability of trust operations; and the re-engineering of Interior's fiduciary trust business processes and systems to ensure that the Department meets its fiduciary trust goals and objectives.

The primary concept of the FTM, working in partnership with the beneficiaries, is to improve the business processes for the delivery of services to tribal and individual Indian beneficiaries by standardizing, streamlining, and automating these processes and services. Progress to date on the FTM includes hiring Indian land surveyors and initiating the certified Federal surveyor program; establishing the Division of Indian Probate Hearings within OHA; hiring staff to serve as the primary point of contact for beneficiaries; opening the toll-free Trust Beneficiary Call Center; implementing a nationwide lockbox system for the collection of trust payments; developing interagency handbooks and desk operating procedures for the standardized and streamlined business processes; enhancing appraisal functions and developing an appraisal tracking system; identifying and implementing trust related skills models for hiring and training fiduciary trust professionals; updating Federal regulations in support of the FTM; and redesigning the minerals valuation process. In addition, new technology that includes enhanced title and realty modules of Trust Asset Accounting Management have been implemented at nearly 50 percent of BIA offices, which accounts for approximately 80 percent of all recurring dollars that flow through the trust and more than 70 percent of the trust accounts.

On January 6, 2003, the Department submitted the *Historical Accounting Plan for Individual Indian Money Accounts* to the U. S. District Court. The plan addresses the process

to conduct a historical accounting for about 260,000 IIM accounts as directed by the court. The cost to complete the plan was estimated to be \$335 million.

On November 15, 2005, the Court of Appeals for the D.C. Circuit vacated a February 23, 2005 structural injunction imposed by the District Court in the *Cobell* litigation that called for a transaction-by-transaction accounting for all transactions back to 1887 at an expected cost of \$10 to \$12 billion. The Court of Appeals ruling specifically allows the use of statistical sampling as part of the IIM historical accounting. Interior is considering revising its January 6, 2003 accounting plan, based on the information now available from the work of the past three years, and the appellate court decision vacating the District court's structural injunction. The process will consider lessons learned from work already completed, removal of the structural injunction, statistical sampling parameters, and accounting costs.

Budget Overview — The 2008 OST budget requests \$196.2 million in current appropriations, \$186.2 million for Federal Trust programs and \$10.0 million for Indian Land Consolidation, which is \$15.4 million above the 2007 continuing resolution, and \$48.4 million below the 2007 President's budget. In addition to the changes described below, the request includes a \$63.7 million increase to restore the priorities of the 2007 President's budget that are not included at the 2007 continuing resolution level, including funding fixed costs, and implementing other program enhancements and reduction proposals included in the 2007 President's budget.

The 2008 OST budget includes a net reduction of \$3.6 million for Trust Reform programs. The reduction is the result of efficiencies realized from trust reform initiatives, completion of certain tasks done under contract and spreading the costs of some tasks over a longer period of time. There is also a reduction in appraisals of \$1.2 million for mineral valuations associated with Indian Land Consolidation that will be charged to ILCA on a reimbursable basis. The budget also includes a reduction of \$345,000 for positions that will now be funded by BIA. The OST budget includes a \$143,000 increase for an FBMS program change.

Historical Accounting — Within the OST request is \$60.0 million for the Office of Historical Trust Accounting, an increase of \$3.6 million over 2007. This amount will provide approximately \$40.0 million for IIM accounting, and \$20.0 million for tribal accounting. This amount may be revised depending on the outcome of any further court rulings in *Cobell v. Kempthorne* or congressional action.

Within the \$40.0 million proposed for individual accounts, a total of \$3.5 million would be used to complete

the reconciliation of the remaining 5,000 judgment and per capita accounts and mail historical statements of account. To address land-based transactions, Interior will use \$28.5 million to reconcile 1,000 land-based IIM transactions; continue imaging and coding 500 boxes of jacket folders and digitize 100,000 paper ledgers, resulting in the imaging and coding of three million pages of trust documents; and continue data completeness validation for a total of eight BIA regions. An additional \$4.0 million will be used to resolve the proper ownership of residual balances in special deposit accounts and distribute \$2.5 million in account balances to Tribes, individual Indians, and non-trust entities. In addition, \$4.0 million will be used for on-going litigation support costs associated with both individual and tribal cases for work provided by the Solicitor and the Department of Justice.

The \$20.0 million for tribal cases will support analysis and resolution of tribal claims and potential settlement negotiations with Tribes. It will also fund four tribal claims analyses. The December 31, 2006, expiration of a legislative stay of the statute of limitations resulted in Tribes filing about 70 more lawsuits, one of which is a class action suit on behalf of about 250 Tribes.

Indian Land Consolidation — One of the greatest challenges facing the Federal government regarding fiduciary trust management is the fractionation of 3.2 million individual Indian interests in the land that the Federal government holds in trust. The Indian Land Consolidation program, which acquires small ownership shares in allotted lands from willing sellers, is a key component in trust reform and management.

With each successive generation, the individual interests in the land have become further divided and subdivided among heirs, each of whom get a smaller and smaller interest in the land. The cost of Federal resources necessary to undertake accounting and management responsibilities grows accordingly and the feasibility of using these lands for purposes that will generate income for individual Indians and Tribes declines. The ownership of many disparate, uneconomic, and small interests benefits no one in Indian Country and creates an administrative burden that drains resources away from other Indian programs.

Through September 30, 2006, the program has acquired a cumulative total of 261,569 interests. Over 85 percent of the interests purchased were interests of less than two percent ownership in the respective tracts of land. The nationwide program utilizes contractual arrangements with Tribes or private entities to purchase individual interests on behalf of the Department.

Once interests are purchased, title can be transferred to the Tribe. Purchase of fractional interests reduces record

keeping and large numbers of small dollar financial transactions, and decreases the number of accounts subject to probate. As a result of Indian land consolidation purchases, Tribes now have 100 percent ownership of 227 tracts previously owned by individual Indians.

The 2008 budget proposes funding of \$10.0 million for Indian land consolidation, which is \$20.7 million below the 2007 continuing resolution, and \$49.4 million below the 2007 President's budget. New provisions in the Ameri-

can Indian Probate Reform Act of 2004, which became effective in June 2006, should substantially reduce the rate of fractionation and have a corresponding impact on the future direction of the program. In addition, the program is studying acquisition strategies, such as targeting selected highly fractionated tracts, to see what approach is the most effective.

Fixed Costs — Fixed costs for OST total \$2.4 million and are fully funded.

SUMMARY OF BUREAU APPROPRIATIONS

(all dollar amounts in thousands)

Comparison of 2008 Request with 2007 Continuing Resolution:

| | 2007 CR | | 2008 Request | | Change from 2007 | |
|--|--------------|----------------|--------------|------------------|------------------|----------------|
| | FTE | Amount | FTE | Amount | FTE | Amount |
| Appropriations | | | | | | |
| Office of the Secretary..... | 366 | 94,503 | 372 | 101,445 | +6 | +6,942 |
| Assistance to Territories | 39 | 74,846 | 39 | 74,921 | 0 | +75 |
| Compact of Free Association..... | 0 | 5,362 | 0 | 4,862 | 0 | -500 |
| Office of the Solicitor | 402 | 54,624 | 402 | 58,949 | 0 | +4,325 |
| Office of Inspector General..... | 261 | 38,541 | 261 | 42,322 | 0 | +3,781 |
| Office of Special Trustee for American Indians | 619 | 150,036 | 634 | 186,158 | +15 | +36,122 |
| Indian Land Consolidation..... | 0 | 30,747 | 0 | 10,000 | 0 | -20,747 |
| Subtotal, Appropriations..... | 1,687 | 448,659 | 1,708 | 478,657 | +21 | +29,998 |
| Permanents and Other | | | | | | |
| Take Pride in America | 0 | 75 | 0 | 75 | 0 | 0 |
| Indian Arts and Crafts Board | 0 | 40 | 0 | 40 | 0 | 0 |
| Payments to U.S. Territories, Fiscal Assistance..... | 0 | 119,000 | 0 | 119,000 | 0 | 0 |
| Compact of Free Association..... | 0 | 202,649 | 0 | 205,060 | 0 | +2,411 |
| Payment for Trust Accounting Deficiencies | 0 | 6,000 | 0 | 0 | 0 | -6,000 |
| Tribal Special Funds..... | 0 | 141,041 | 0 | 148,347 | 0 | +7,306 |
| Tribal Trust Fund..... | 0 | 46,974 | 0 | 49,407 | 0 | +2,433 |
| Allocation Accounts - Office of the Secretary | 110 | 0 | 110 | 0 | 0 | 0 |
| Reimbursements - Office of the Secretary | 244 | 0 | 244 | 0 | 0 | 0 |
| Reimbursements - Office of the Solicitor | 48 | 0 | 48 | 0 | 0 | 0 |
| Subtotal, Permanents and Other..... | 402 | 515,779 | 402 | 521,929 | 0 | +6,150 |
| TOTAL, DEPARTMENTAL OFFICES..... | 2,089 | 964,438 | 2,110 | 1,000,586 | +21 | +36,148 |
| National Indian Gaming Commission..... | 115 | 16,000 | 119 | 17,600 | +4 | +1,600 |

HIGHLIGHTS OF BUDGET CHANGES

By Appropriation Activity/Subactivity

APPROPRIATION: Office of the Secretary - Salaries and Expenses

| | 2006 Actual | 2007 CR | 2008 Request | Change from 2007 |
|--|-------------|----------|--------------|---------------------|
| Executive Direction..... | 13,884 | 14,110 | 14,617 | +507 |
| Impact of the CR (<i>non-add</i>) | | [-2,890] | | |
| Policy, Management and Budget | 28,916 | 30,302 | 31,492 | +1,190 |
| Impact of the CR (<i>non-add</i>) | | [-6,206] | | |
| Hearings and Appeals | 7,950 | 7,895 | 7,612 | -283 |
| Impact of the CR (<i>non-add</i>) | | [-1,617] | | |
| Consolidated Appraisal Services | 7,332 | 7,416 | 7,792 | +376 |
| Impact of the CR (<i>non-add</i>) | | [-1,519] | | |
| Indian Arts and Crafts Board | 1,144 | 1,160 | 1,190 | +30 |
| Impact of the CR (<i>non-add</i>) | | [-238] | | |
| Central Administrative Services | 33,367 | 35,095 | 38,095 | +3,000 |
| Impact of the CR (<i>non-add</i>) | | [-7,189] | | |
| USBM Workers Compensation | 643 | 627 | 647 | +20 |
| Impact of the CR (<i>non-add</i>) | | [-128] | | |
| FBMS | 22,224 | 22,240 | 0 | -22,240 |
| Impact of the CR (<i>non-add</i>) | | [-4,555] | | |
| Kendall County Grant | 4,926 | 0 | 0 | 0 |
| Martin Luther King Memorial | 9,852 | 0 | 0 | 0 |
| TOTAL APPROPRIATION (<i>without CR</i>) | 130,238 | 118,845 | 101,445 | -17,400 |
| Impact of the Continuing Resolution... | | -24,342 | | +24,342 |
| TOTAL APPROPRIATION (<i>with CR</i>) | 130,238 | 94,503 | 101,445 | +6,942 |

Highlights of Budget Changes

| | <u>Amount</u> |
|---|---------------|
| Fixed Costs | [+5,050] |
| Impact of the Continuing Resolution | +24,342 |
| Policy, Management, and Budget | +1,190 |
| The budget includes a transfer of +\$144 from FWS to assist in the accomplishment of the President's management agenda. Fixed costs are fully funded at \$1,046. | |
| Hearings and Appeals | -283 |
| The budget includes a reduction of \$573 due to the transfer of the Contract Board of Appeals function, consistent with the 2006 Department of Defense Authorization Bill. Fixed costs are fully funded at \$290. | |
| Central Administrative Services | +3,000 |
| The budget includes an increase of \$219 in support of the Department-wide transition to the FBMS system. Fixed costs are fully funded at \$2,781. | |
| Financial and Business Management System | -22,240 |
| This budget proposes to move the funding for FBMS to the Working Capital Fund. | |

APPROPRIATION: Assistance to Territories

| | 2006 Actual | 2007 CR | 2008 Request | Change from 2007 |
|--|-------------|---------|--------------|------------------|
| American Samoa | | | | |
| Operations Grants..... | 22,770 | 22,880 | 22,880 | 0 |
| Impact of the CR (<i>non-add</i>) | | [+238] | | |
| Northern Marianas | | | | |
| Covenant Grants (Mandatory)..... | 27,720 | 27,720 | 27,720 | 0 |
| Territorial Assistance | | | | |
| Office of Insular Affairs..... | 7,273 | 7,624 | 8,184 | +560 |
| Technical Assistance | 10,524 | 8,226 | 8,226 | 0 |
| Maintenance Assistance Fund..... | 2,266 | 2,277 | 2,277 | 0 |
| Brown Tree Snake..... | 2,660 | 2,673 | 2,673 | 0 |
| Insular Management Controls | 1,469 | 1,476 | 1,476 | 0 |
| Coral Reef Initiative | 493 | 495 | 495 | 0 |
| Water and Wastewater Projects..... | 985 | 990 | 990 | 0 |
| Subtotal, Territorial Assistance..... | 25,670 | 23,761 | 24,321 | +560 |
| Impact of the CR (<i>non-add</i>) | | [+247] | | |
| TOTAL APPROPRIATION (<i>without CR</i>) | 76,160 | 74,361 | 74,921 | +560 |
| Impact of the Continuing Resolution... | | +485 | | -485 |
| TOTAL APPROPRIATION (<i>with CR</i>)..... | 76,160 | 74,846 | 74,921 | +75 |

Highlights of Budget Changes

| | Amount |
|---|--------|
| Fixed Costs | [+352] |
| Impact of the Continuing Resolution | -485 |
| Office of Insular Affairs | +560 |
| <p>The budget request increases the Office of Insular Affairs by \$200 for required National Environmental Policy Act compliance within the OIA grant programs. The budget also includes an increase of \$8 in support of Department-wide transition to the FBMS system. Fixed costs are fully funded at \$352.</p> | |

APPROPRIATION: Compact of Free Association

| | 2006 Actual | 2007 CR | 2008 Request | Change from 2007 |
|--|-------------|---------|--------------|------------------|
| Compact of Free Association..... | 2,820 | 2,862 | 2,862 | 0 |
| Impact of the CR (<i>non-add</i>) | | [+500] | | |
| Mandatory Payments | 2,000 | 2,000 | 2,000 | 0 |
| Enewetak Support..... | 493 | 0 | 0 | 0 |
| TOTAL APPROPRIATION (<i>without CR</i>) | 5,313 | 4,862 | 4,862 | 0 |
| Impact of the Continuing Resolution... | | +500 | | -500 |
| TOTAL APPROPRIATION (<i>with CR</i>)..... | 5,313 | 5,362 | 4,862 | -500 |

Highlights of Budget Changes

| | Amount |
|-------------------------------------|--------|
| Impact of the Continuing Resolution | -500 |

APPROPRIATION: Office of the Solicitor

| | 2006 Actual | 2007 CR | 2008 Request | Change from 2007 |
|--|-------------|----------|--------------|---------------------|
| Legal Services | 41,847 | 43,532 | 45,054 | +1,522 |
| Impact of the CR (<i>non-add</i>) | | [-1,635] | | |
| General Administration | 11,726 | 12,126 | 12,766 | +640 |
| Impact of the CR (<i>non-add</i>) | | [-455] | | |
| Ethics | 1,051 | 1,097 | 1,129 | +32 |
| Impact of the CR (<i>non-add</i>) | | [-41] | | |
| TOTAL APPROPRIATION (<i>without CR</i>) | 54,624 | 56,755 | 58,949 | +2,194 |
| Impact of the Continuing Resolution... | | -2,131 | | +2,131 |
| TOTAL APPROPRIATION (<i>with CR</i>) | 54,624 | 54,624 | 58,949 | +4,325 |

Highlights of Budget Changes

| | <u>Amount</u> |
|---|---------------|
| Fixed Costs | [+1,951] |
| Impact of the Continuing Resolution | +2,131 |
| General Administration | +640 |
| The budget request includes an increase of \$145 for information technology improvements, and \$98 in support of Department-wide transition to FBMS. Fixed costs are fully funded at \$397. | |

APPROPRIATION: Office of Inspector General

| | 2006 Actual | 2007 CR | 2008 Request | Change from 2007 |
|--|-------------|---------|--------------|---------------------|
| Audit | 16,725 | 17,748 | 18,348 | +600 |
| Impact of the CR (<i>non-add</i>) | | [-941] | | |
| Investigations..... | 14,130 | 14,728 | 15,381 | +653 |
| Impact of the CR (<i>non-add</i>) | | [-781] | | |
| Admin. Services and Info. Management | 7,686 | 8,223 | 8,593 | +370 |
| Impact of the CR (<i>non-add</i>) | | [-436] | | |
| TOTAL APPROPRIATION (<i>without CR</i>) | 38,541 | 40,699 | 42,322 | +1,623 |
| Impact of the Continuing Resolution... | | -2,158 | | +2,158 |
| TOTAL APPROPRIATION (<i>with CR</i>) | 38,541 | 38,541 | 42,322 | +3,781 |

Highlights of Budget Changes

| | <u>Amount</u> |
|-------------------------------------|---------------|
| Fixed Costs | [+1,623] |
| Impact of the Continuing Resolution | +2,158 |

APPROPRIATION: Office of Special Trustee for American Indians

| | 2006 Actual | 2007 CR | 2008 Request | Change from 2007 |
|--|-------------|-----------|--------------|------------------|
| Federal Trust Programs | | | | |
| Executive Direction..... | 2,199 | 2,150 | 2,190 | +40 |
| Impact of the CR (<i>non-add</i>) | | [-407] | | |
| Program Ops, Support, & Improve | 186,575 | 182,886 | 183,968 | +1,082 |
| Impact of the CR (<i>non-add</i>) | | [-34,593] | | |
| Net Transfers..... | +3,000 | 0 | 0 | 0 |
| TOTAL APPROPRIATION (<i>without CR</i>) | 191,774 | 185,036 | 186,158 | +1,122 |
| Impact of the Continuing Resolution... | | -35,000 | | +35,000 |
| TOTAL APPROPRIATION (<i>with CR</i>)..... | 191,774 | 150,036 | 186,158 | +36,122 |

Highlights of Budget Changes

| | Amount |
|---|----------|
| Fixed Costs | [+2,445] |
| Impact of the Continuing Resolution | +35,000 |
| Program Operations and Support | +1,082 |
| <p>Program increases include increased funding for historical accounting activities (+\$3,647) and an increase for budget, finance, and administration (+\$143). Decreases in funding as a result of program reviews and completion of trust related reforms include a reduction in the OST reengineering program (-\$500); a decrease in probate clean up (-\$1,100); a decrease in special projects (-\$500), and a decrease as a result of completion of certain data quality and integrity projects (-\$1,500). Other program changes include a reduction in appraisal services for activities that will be funded through a reimbursable agreement with ILCO (-\$1,168) and a base transfer from trust records to BIA (-\$345). Fixed costs are fully funded at \$2,405.</p> | |

APPROPRIATION: Indian Land Consolidation Program

| | 2006 Actual | 2007 CR | 2008 Request | Change from 2007 |
|--|-------------|---------|--------------|------------------|
| TOTAL APPROPRIATION (<i>without CR</i>) | 34,006 | 59,449 | 10,000 | -49,449 |
| Impact of the Continuing Resolution... | | -28,702 | | +28,702 |
| TOTAL APPROPRIATION (<i>with CR</i>)..... | 34,006 | 30,747 | 10,000 | -20,747 |

Highlights of Budget Changes

| | Amount |
|---|---------|
| Impact of the Continuing Resolution | +28,702 |
| Indian Land Consolidation | -49,449 |
| <p>Funding is decreased for land consolidation efforts to acquire highly fractionated individual Indian land interests (-\$49,449).</p> | |



DEPARTMENT-WIDE PROGRAMS

Overview — Department-wide programs support bureaus and offices through the execution of activities that are broad in scope and impact. These programs complement the many diverse activities of the Department of the Interior and help to achieve key strategic goals.

The Payment in Lieu of Taxes program supports the activities and functions of the Department's land management bureaus by funding payments to local governments in jurisdictions where Federal lands are located. The payments assist these local jurisdictions to offset costs that they incur in association with maintaining infrastructure that supports Federal lands within their boundaries. Through the Central Hazardous Materials Fund, Interior remediates hazardous substances on Interior lands, working collaboratively with bureaus and offices to approach these activities in a consistent and coordinated fashion. The Natural Resource Damage Assessment and Restoration program coordinates the Department's restoration efforts for resources that are injured as a result of oil spills or hazardous substance releases where endangered species or migratory birds are impacted.

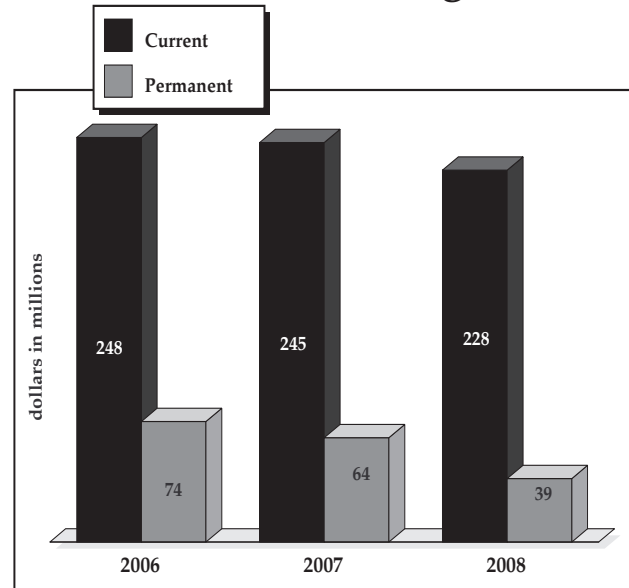
The Department's Working Capital Fund is a revolving fund that finances centralized administrative and business services in lieu of operating duplicative systems and processes in each bureau and office. The Working Capital Fund also provides the mechanism for services that are provided to other Federal agencies in business areas such as payroll. The Department's Franchise Fund finances acquisition services that are provided to Interior customers and other Federal agencies.

Payments in Lieu of Taxes

Mission — The Payments in Lieu of Taxes program makes payments to counties to help offset the costs of services and infrastructure incurred by local jurisdictions where certain Federal lands are located.

Program Overview — The PILT payments are made to local governments in counties, townships, and other jurisdictions where certain Federal lands are located within their boundaries. The program is based on the

DWP Funding



concept that local governments incur costs associated with maintaining infrastructure on Federal lands within their boundaries but are unable to collect taxes on these lands. These payments are made for lands administered by Interior agencies including BLM, NPS, and FWS, as well as for land administered by other agencies such as the U.S. Forest Service and the U.S. Army Corps of Engineers. Unlike other Federal payments that require local governments to use the funds for only specified activities, PILT payments may be used for any governmental purpose. Since the inception of the PILT program in 1976, over \$3.8 billion in payments have been made. Local governments receive other benefits from Federal lands within their borders, including direct payments from economic uses of the public lands. In 2006, counties reported a total of \$275.4 million in revenue payments. The computation of PILT payments adjusts for prior year revenue payments.

Budget Overview — The 2008 budget proposes \$190.0 million for PILT, which is \$42.5 million below the 2007 continuing resolution and \$8.0 million below the 2007 President's budget. In addition to the changes described below, the request includes a \$34.5 million decrease to

restore the priorities of the 2007 President's budget that are not included at the 2007 continuing resolution level, including program enhancements and reduction proposals included in the 2007 President's budget.

The 2008 budget request funds PILT at \$190.0 million including \$189.6 million for payments and \$400,000 for program administration.

Fixed Costs — There are no fixed costs requested for this program.

Central Hazardous Materials Fund

Mission — The mission of the Central Hazardous Materials Fund is to protect the public health and ensure the safety of the users of the Department's lands and facilities; conduct hazardous materials cleanup activities and the subsequent maintenance and monitoring of the remedial actions in a manner consistent with the National Contingency Plan and with bureau land use and management plan objectives; and pursue aggressive cost recovery and cost-sharing actions with the parties responsible for contaminating Federal lands.

Program Overview — The CHF enhances the protection of Interior's interests, lands, resources, and facilities through its multi-bureau clean-up efforts, as well as by working closely with other agencies (e.g., the Environmental Protection Agency, State, and tribal governments) that manage the response to, remediation and reuse of contaminated sites located on Interior managed lands. The Program also integrates the Department's interests in both remediation and environmental restoration of contaminated sites by incorporating the Department's natural resource management concerns into Superfund remediation actions. The CHF coordinates its remedial activities with the Natural Resource Damage Assessment program.

Budget Overview — The 2008 budget proposes \$10.0 million for the Central Hazardous Materials Fund, which is \$2.7 million above the 2007 continuing resolution and \$31,000 above the President's budget. In addition to the changes described below, the request includes a \$2.6 million increase to restore the priorities of the 2007 President's budget that are not included at the 2007 continuing resolution level, including fixed costs, and implementing other program enhancements and reduction proposals included in the 2007 President's budget.

The budget funds the continued development of the Department's environmental management information system, which will facilitate the tracking and monitoring of hazardous materials sites and compliance with cleanup requirements. This system is an important component of the Interior Department's cleanup program. The annual

financial audit process is based on the system's capability to improve the Department's ability to maintain an inventory of sites, which are owned and operated by multiple bureaus throughout Interior.

Fixed Costs — Fixed costs for this program total \$31,000, all of which are funded.

Natural Resource Damage Assessment and Restoration Program

Mission — The mission of the Natural Resource Damage Assessment and Restoration program is to restore natural resources injured as a result of oil spills or hazardous substance releases into the environment. In partnership with other affected State, tribal, and Federal co-trustee agencies, damage assessments provide the basis for determining the restoration needs that address the public's loss and use of these resources.

Program Overview — The Natural Resource Damage Assessment and Restoration program assesses the damages and injuries to natural resources entrusted to the Department of the Interior that are caused by oil spills or hazardous releases.

Appropriations and recoveries for damage assessments are used to fund activities that identify and quantify injury and provide the basis for compensation from responsible parties, usually through negotiated settlements. Restoration activities are then carried out or funded by the responsible parties as compensation for the injury to natural resources, and may include the replacement and protection of affected resources, acquisition of equivalent resources and services, and long-term environmental monitoring. These actions are taken on behalf of the public and in partnership with other natural resource trustees, including States, Tribes, and other Federal agencies. Responsible parties are also given an opportunity to participate in the assessment and restoration process by way of cooperative agreements.

Every damage assessment and restoration case managed by the program is conducted in collaboration with co-trustees, and all restoration plans must undergo public review and be approved by affected State and tribal governments. The Restoration program serves as a model of cooperative conservation in conducting its assessment and restoration activities through partnerships with tribal, State, and other Federal co-trustees, as well as with non-governmental conservation organizations and industry. These partners concur with Interior's emphasis on pursuing restoration as the ultimate goal of the program. The Restoration program is an integrated Departmental program, drawing upon the interdisciplinary strengths of the various bureaus and offices. A centralized program

management function minimizes redundant administrative and managerial functions in the bureaus.

In 2005, the Secretary chartered a NRDAR Advisory Committee to provide advice and recommendations on issues related to the Department of the Interior's authorities, responsibilities, and implementation of the natural resource damage statutes and regulations. The Advisory Committee continued to meet in 2006 and 2007, and will present recommendations in key policy areas in the spring of 2007. After Departmental review and evaluation of the recommendations in 2007, implementation, possibly including revision and development of guidance or regulation, will take place in 2008.

Budget Overview — The 2008 request for the Restoration program is \$45.2 million, including \$39.0 million in permanent appropriations. For current appropriations, the \$6.2 million request is \$760,000 above the 2007 continuing resolution, and \$115,000 above the 2007 President's budget. In addition to the changes described below, the request includes a \$645,000 increase to restore the priorities of the 2007 President's budget that are not included at the 2007 continuing resolution level, including funding fixed costs, and implementing other program enhancements and reduction proposals included in the 2007 President's budget. The \$6.2 million request includes \$4.0 million for damage assessment projects, \$1.7 million for program management, and \$586,000 for restoration support. The requested level of \$39.0 million for permanent appropriations represents the anticipated amount of settlement receipts to be recovered in settled damage assessment cases in 2008. These receipts are used exclusively by trustees for restoration of damaged lands and resources, or for reimbursement of past assessment costs.

Fixed Costs — Fixed costs for this program total \$115,000, all of which are funded.

Working Capital Fund

Mission — The Department's Working Capital Fund provides centralized services and systems to Interior bureaus and offices and to other customers.

Program Overview — The WCF funds centralized administrative and business services that support Interior and bureau operations. In lieu of maintaining duplicative systems and staffs in each bureau and office, the Department uses the WCF, a revolving fund, to finance centralized functions that provide payroll, finance and accounting, information technology, and other support services. The Working Capital Fund bills bureaus and offices for the costs of these services based on an annual budget that is formulated with the input of the Working Capital Fund Consortium, an oversight entity that is comprised of representatives of each Interior bureau and office.

Funds are collected from bureaus and offices via the centralized and direct billing. Centralized billing is used whenever the product or service being provided is not severable or it is inefficient to bill for the exact amount of product or service being procured. Customers are billed each year using a pre-established basis that is adjusted annually to reflect cost changes. Direct billing is used whenever the product or service provided is severable and is sold through either a time and materials or fixed price reimbursable support agreement or similar contractual arrangement.

Budget Overview — The 2008 budget proposes \$22.2 million for the Department's Working Capital Fund, which is \$22.2 million above both the 2007 continuing resolution and the 2007 President's budget. Beginning in 2008, the Financial and Business Management System will be budgeted in the Working Capital Fund consistent with other enterprise investments. Through 2007, funding for deployment of the system was requested in the Office of the Secretary – Salary and Expenses account. The 2008 budget request for FBMS is \$40.4 million, including \$22.2 million requested in the WCF and an additional \$18.2 million that will be billed and collected through this revolving fund from bureaus and offices throughout Interior. This reflects a program increase of \$16.0 million and redirection of \$2.2 million from completed enterprise investments funded through the WCF.

Fixed Costs — There are no fixed costs requested for the Working Capital Fund.

SUMMARY OF BUREAU APPROPRIATIONS

(all dollar amounts in thousands)

Comparison of 2008 Request with 2007 Continuing Resolution:

| | 2007 CR | | 2008 Request | | Change from 2007 | |
|---|--------------|----------------|--------------|----------------|------------------|----------------|
| | FTE | Amount | FTE | Amount | FTE | Amount |
| Appropriations | | | | | | |
| Payments in Lieu of Taxes | 1 | 232,528 | 1 | 190,000 | 0 | -42,528 |
| Central Hazardous Materials Fund..... | 2 | 7,287 | 2 | 9,954 | 0 | +2,667 |
| Natural Resource Damage Assessment | 7 | 5,464 | 7 | 6,224 | 0 | +760 |
| Working Capital Fund | 0 | 0 | 15 | 22,240 | +15 | +22,240 |
| Subtotal, Appropriations..... | 10 | 245,279 | 25 | 228,418 | +15 | -16,861 |
| Permanents and Other | | | | | | |
| Natural Resource Damage Assessment | 0 | 64,000 | 0 | 39,000 | 0 | -25,000 |
| Working Capital Fund | 1,249 | 0 | 1,249 | 0 | 0 | 0 |
| Interior Franchise Fund..... | 113 | 0 | 113 | 0 | 0 | 0 |
| Subtotal, Permanents and Other..... | 1,365 | 64,000 | 1,365 | 39,000 | 0 | -25,000 |
| TOTAL, DEPARTMENT-WIDE PROGRAMS..... | 1,375 | 309,279 | 1,390 | 267,418 | +15 | -41,861 |

HIGHLIGHTS OF BUDGET CHANGES

By Appropriation Activity/Subactivity

APPROPRIATION: Payments in Lieu of Taxes

| | 2006 Actual | 2007 CR | 2008 Request | Change from 2007 |
|---|-------------|---------|--------------|------------------|
| TOTAL APPROPRIATION (<i>without CR</i>).... | 232,528 | 198,000 | 190,000 | -8,000 |
| Impact of the Continuing Resolution... | | +34,528 | | -34,528 |
| TOTAL APPROPRIATION (<i>with CR</i>)..... | 232,528 | 232,528 | 190,000 | -42,528 |

Highlights of Budget Changes

| | <u>Amount</u> |
|--|---------------|
| Impact of the Continuing Resolution | -34,528 |
| Payments in Lieu of Taxes | -8,000 |
| <p>The budget includes \$190,000 for PILT, which is \$42.5 million below the 2007 continuing resolution and \$8.0 million below the 2007 President's Budget.</p> | |

APPROPRIATION: Central Hazardous Materials Fund

| | 2006 Actual | 2007 CR | 2008 Request | Change from 2007 |
|--|-------------|---------|--------------|---------------------|
| TOTAL APPROPRIATION <i>(without CR)</i> | 9,710 | 9,923 | 9,954 | +31 |
| Impact of the Continuing Resolution... | | -2,636 | | +2,636 |
| TOTAL APPROPRIATION <i>(with CR)</i> | 9,710 | 7,287 | 9,954 | +2,667 |

Highlights of Budget Changes

| | <u>Amount</u> |
|-------------------------------------|---------------|
| Fixed Costs | [+31] |
| Impact of the Continuing Resolution | +2,636 |

APPROPRIATION: Natural Resource Damage Assessment and Restoration Fund

| | 2006 Actual | 2007 CR | 2008 Request | Change from 2007 |
|--|-------------|---------|--------------|---------------------|
| Damage Assessments | 3,873 | 3,918 | 3,953 | +35 |
| Impact of the CR..... | | [-413] | | |
| Restoration Support..... | 574 | 576 | 586 | +10 |
| Impact of the CR..... | | [-61] | | |
| Program Management..... | 1,569 | 1,615 | 1,685 | +70 |
| Impact of the CR..... | | [-171] | | |
| TOTAL APPROPRIATION <i>(without CR)</i> | 6,016 | 6,109 | 6,224 | +115 |
| Impact of the Continuing Resolution... | | -645 | | +645 |
| TOTAL APPROPRIATION <i>(with CR)</i> | 6,016 | 5,464 | 6,224 | +760 |

Highlights of Budget Changes

| | <u>Amount</u> |
|-------------------------------------|---------------|
| Fixed Costs | [+115] |
| Impact of the Continuing Resolution | +645 |

APPROPRIATION: Working Capital Fund

| | 2006 Actual | 2007 CR | 2008 Request | Change from 2007 |
|---------------------------|-------------|---------|--------------|---------------------|
| TOTAL APPROPRIATION | 0 | 0 | 22,240 | +22,240 |

Highlights of Budget Changes

| | <u>Amount</u> |
|----------------------|---------------|
| Working Capital Fund | +22,240 |

The budget includes \$22,240 for the deployment of the Financial and Business Management System.

A grayscale photograph of a forest path. The path is a dirt road that curves through a dense forest of tall, thin trees. Sunlight filters through the canopy, creating dappled shadows on the ground. A solid black rectangular box is centered horizontally across the upper portion of the image, containing the word "APPENDICES" in white, bold, serif capital letters.

APPENDICES

**COMPARISON OF 2006, 2007, AND 2008
BUDGET AUTHORITY***

(in thousands of dollars)

| Appropriation/ Bureau/Account | 2006 Actual | 2007 CR | 2008 Request | Change from 2007 |
|--|----------------|------------|-----------------|---------------------|
| INTERIOR, ENVIRONMENT, AND RELATED AGENCIES | | | | |
| BUREAU OF LAND MANAGEMENT | | | | |
| <i>Current Appropriations</i> | | | | |
| Management of Lands and Resources | 860,791 | 839,689 | 879,438 | +39,749 |
| Rescissions / reductions of new BA | -12,659 | 0 | 0 | 0 |
| Rescissions of prior year BA | -500 | 0 | 0 | 0 |
| Account total..... | 847,632 | 839,689 | 879,438 | +39,749 |
| <i>In 2006 this account includes \$34.696 million for Mining Law Administration and telecommunication site fees which are offset by collections.</i> | | | | |
| Wildland Fire Management..... | 766,564 | 769,253 | 801,849 | +32,596 |
| Supplementals | +100,000 | 0 | 0 | 0 |
| Rescissions / reductions of new BA | -11,278 | 0 | 0 | 0 |
| Net transfers (non fire) | +1,366 | 0 | 0 | 0 |
| Account total (without fire transfers and supplementals) | 856,652 | 769,253 | 801,849 | +32,596 |
| Fire transfers | +96,000 | 0 | 0 | 0 |
| Fire repayment..... | 0 | -96,000 | 0 | +96,000 |
| Account total (with fire transfers and supplementals) | 952,652 | 673,253 | 801,849 | +128,596 |
| Construction | 11,926 | 11,476 | 6,476 | -5,000 |
| Rescissions / reductions of new BA..... | -176 | 0 | 0 | 0 |
| Account total (without fire transfers and supplemental) | 11,750 | 11,476 | 6,476 | -5,000 |
| Fire transfers | -2,000 | 0 | 0 | 0 |
| Fire repayment..... | 0 | +2,000 | 0 | -2,000 |
| Account total (with fire transfers and one time supplemental) | 9,750 | 13,476 | 6,476 | -7,000 |
| Oregon and California Grant Lands | 110,070 | 108,333 | 110,242 | +1,909 |
| Rescissions / reductions of new BA..... | -1,619 | 0 | 0 | 0 |
| Account total..... | 108,451 | 108,333 | 110,242 | +1,909 |
| Land Acquisition..... | 8,750 | 3,067 | 1,619 | -1,448 |
| Rescissions / reductions of new BA..... | -129 | 0 | 0 | 0 |
| Account total (without fire transfers and supplemental) | 8,621 | 3,067 | 1,619 | -1,448 |
| Fire transfers | -3,000 | 0 | 0 | 0 |
| Fire repayment..... | 0 | +3,000 | 0 | -3,000 |
| Account total (with fire transfers and supplemental) | 5,621 | 6,067 | 1,619 | -4,448 |
| Service Charges, Deposits, and Forfeitures..... | 25,963 | 24,905 | 46,905 | +22,000 |
| Service Charges, Deposits, and Forfeitures Offset | -25,963 | -24,905 | -46,905 | -22,000 |
| Range Improvements | 10,000 | 10,000 | 0 | -10,000 |
| Miscellaneous Trust Funds | 15,447 | 12,405 | 12,405 | 0 |
| Subtotal, current appropriations (without fire transfers) | 1,858,553 | 1,754,223 | 1,812,029 | +57,806 |
| Fire transfers | +91,000 | 0 | 0 | 0 |
| Fire repayment..... | 0 | -91,000 | 0 | +91,000 |
| Subtotal, current appropriations (with fire transfers) | 1,949,553 | 1,663,223 | 1,812,029 | +148,806 |

* Notes explaining the scoring assumptions for this table are found beginning on page A-16.

APPENDIX A

COMPARISON OF 2006, 2007, AND 2008 BUDGET AUTHORITY
(in thousands of dollars)

| <u>Appropriation/ Bureau/Account</u> | <u>2006 Actual</u> | <u>2007 CR</u> | <u>2008 Request</u> | <u>Change from 2007</u> |
|---|------------------------|--------------------|-------------------------|-----------------------------|
| BLM (continued) | | | | |
| Budget authority | [1,783,548] | [1,754,223] | [1,812,029] | [+57,806] |
| Supplementals | [+100,000] | [0] | [0] | [0] |
| Rescissions/reductions of new BA | [-25,861] | [0] | [0] | [0] |
| Rescissions of prior year BA | [-500] | [0] | [0] | [0] |
| Net transfers..... | [+1,366] | [0] | [0] | [0] |
| Fire transfers | [+91,000] | [0] | [0] | [0] |
| Fire repayment..... | [0] | [-91,000] | [0] | [+91,000] |
| Permanent Appropriations | | | | |
| Permanent Operating Funds | 868,642 | 199,232 | 144,979 | -54,253 |
| Miscellaneous Permanent Payments..... | 247,905 | 143,056 | 53,069 | -89,987 |
| Miscellaneous Trust Funds | 1,818 | 1,595 | 1,595 | 0 |
| Subtotal, permanent appropriations | 1,118,365 | 343,883 | 199,643 | -144,240 |
| Total, Land Management (without fire transfers and supplemental)..... | 2,976,918 | 2,098,106 | 2,011,672 | -86,434 |
| Fire transfers | +91,000 | 0 | 0 | 0 |
| Fire repayment..... | 0 | -91,000 | 0 | +91,000 |
| Total, Land Management (with fire transfers and supplemental)..... | 3,067,918 | 2,007,106 | 2,011,672 | +4,566 |
| Budget authority | [2,901,913] | [2,098,106] | [2,011,672] | [-86,434] |
| Supplementals | [+100,000] | [0] | [0] | [0] |
| Rescissions/reductions of new BA | [-25,861] | [0] | [0] | [0] |
| Rescissions of prior year BA | [-500] | [0] | [0] | [0] |
| Net transfers..... | [+1,366] | [0] | [0] | [0] |
| Fire transfers | [+91,000] | [0] | [0] | [0] |
| Fire repayment..... | [0] | [-91,000] | [0] | [+91,000] |
| MINERALS MANAGEMENT SERVICE | | | | |
| Current Appropriations | | | | |
| Royalty and Offshore Minerals Management..... | 153,651 | 151,391 | 155,048 | +3,657 |
| Rescissions/reductions of new BA | -2,260 | 0 | 0 | 0 |
| Net transfers..... | -3,343 | 0 | 0 | 0 |
| Account total (without hurricane supplemental) | 148,048 | 151,391 | 155,048 | +3,657 |
| Hurricane supplemental | +31,000 | 0 | 0 | 0 |
| Account total (with hurricane supplemental) | 179,048 | 151,391 | 155,048 | +3,657 |
| Oil Spill Research | 7,006 | 6,903 | 6,403 | -500 |
| Rescissions/reductions of new BA..... | -103 | 0 | 0 | 0 |
| Account total..... | 6,903 | 6,903 | 6,403 | -500 |
| Subtotal, current appropriations (without hurricane supplemental) ... | 154,951 | 158,294 | 161,451 | +3,157 |
| Hurricane supplemental | +31,000 | 0 | 0 | 0 |
| Subtotal, current appropriations (with hurricane supplemental) | 185,951 | 158,294 | 161,451 | +3,157 |
| Budget authority | [160,657] | [158,294] | [161,451] | [+3,157] |
| Supplementals | [+31,000] | [0] | [0] | [0] |
| Rescissions/reductions of new BA | [-2,363] | [0] | [0] | [0] |
| Net transfers..... | [-3,343] | [0] | [0] | [0] |
| Permanent Appropriations | | | | |
| Mineral Leasing and Associated Payments | 2,112,554 | 1,875,413 | 1,994,729 | +119,316 |
| Leases of Lands Acquired for Flood Control, Navigation, and Allied Purposes..... | 4,912 | 2,435 | 2,608 | +173 |

COMPARISON OF 2006, 2007, AND 2008 BUDGET AUTHORITY
(in thousands of dollars)

| <u>Appropriation/ Bureau/Account</u> | <u>2006 Actual</u> | <u>2007 CR</u> | <u>2008 Request</u> | <u>Change from 2007</u> |
|--|------------------------|--------------------|-------------------------|-----------------------------|
| MMS (continued) | | | | |
| National Forests Fund, Payment to States..... | 8,647 | 6,405 | 6,803 | +398 |
| Geothermal Revenue, County Share | 3,912 | 3,438 | 0 | -3,438 |
| Coastal Impact Assistance Program..... | 0 | 250,000 | 250,000 | 0 |
| Subtotal, permanent appropriations | 2,130,025 | 2,137,691 | 2,254,140 | +116,449 |
| Total, Minerals Management (without hurricane supplemental) ... | 2,284,976 | 2,295,985 | 2,415,591 | +119,606 |
| Hurricane supplemental | +31,000 | 0 | 0 | 0 |
| Total, Minerals Management (with hurricane supplemental) | 2,315,976 | 2,295,985 | 2,415,591 | +119,606 |
| Budget authority | [2,290,682] | [2,295,985] | [2,415,591] | [+119,606] |
| Supplementals | [+31,000] | [0] | [0] | [0] |
| Rescissions/reductions of new BA | [-2,363] | [0] | [0] | [0] |
| Net transfers..... | [-3,343] | [0] | [0] | [0] |

OFFICE OF SURFACE MINING RECLAMATION AND ENFORCEMENT

Current Appropriations

| | | | | |
|--|-----------|-----------|-----------|------------|
| Regulation and Technology | 110,606 | 108,910 | 115,460 | +6,550 |
| Rescissions/reductions of new BA..... | -1,626 | 0 | 0 | 0 |
| Account total..... | 108,980 | 108,910 | 115,460 | +6,550 |
| Abandoned Mine Reclamation Fund..... | 188,014 | 182,838 | 52,835 | -130,003 |
| Rescissions/reductions of new BA..... | -2,766 | 0 | 0 | 0 |
| Account total..... | 185,248 | 182,838 | 52,835 | -130,003 |
| Subtotal, current appropriations..... | 294,228 | 291,748 | 168,295 | -123,453 |
| Budget authority | [298,620] | [291,748] | [168,295] | [-123,453] |
| Rescissions/reductions of new BA | [-4,392] | [0] | [0] | [0] |

Permanent Appropriations

| | | | | |
|--|----------------|----------------|----------------|-----------------|
| Payments to United Mine Workers | | | | |
| Association Health Plans (AML) | 59,004 | 97,000 | 113,000 | +16,000 |
| Payments to States in Lieu of Coal Fee Receipts (Treasury) . | 0 | 0 | 194,100 | +194,100 |
| Mandatory Grants to States and Tribes (AML) | 0 | 0 | 94,300 | +94,300 |
| Subtotal, Permanent Appropriations | 59,004 | 97,000 | 401,400 | +304,400 |
| Total, Surface Mining..... | 353,232 | 388,748 | 569,695 | +180,947 |
| Budget authority | [357,624] | [388,748] | [569,695] | [+180,947] |
| Rescissions/reductions of new BA | [-4,392] | [0] | [0] | [0] |

U.S. GEOLOGICAL SURVEY

Current Appropriations

| | | | | |
|---|---------|---------|---------|---------|
| Surveys, Investigations, and Research..... | 976,035 | 962,676 | 974,952 | +12,276 |
| Supplementals | +3,670 | 0 | 0 | 0 |
| Rescissions/reductions of new BA | -14,360 | 0 | 0 | 0 |
| Net transfers..... | -4,000 | 0 | 0 | 0 |
| Account total (without hurricane supplementals) | 961,345 | 962,676 | 974,952 | +12,276 |
| Hurricane supplementals | 15,500 | 0 | 0 | 0 |
| Account total (with hurricane supplementals) | 976,845 | 962,676 | 974,952 | +12,276 |

APPENDIX A

COMPARISON OF 2006, 2007, AND 2008 BUDGET AUTHORITY
(in thousands of dollars)

| <u>Appropriation/ Bureau/Account</u> | <u>2006 Actual</u> | <u>2007 CR</u> | <u>2008 Request</u> | <u>Change from 2007</u> |
|--|------------------------|--------------------|-------------------------|-----------------------------|
| USGS (continued) | | | | |
| Subtotal, current appropriations (without hurricane supplementals) .. | 961,345 | 962,676 | 974,952 | +12,276 |
| Hurricane supplementals | +15,500 | 0 | 0 | 0 |
| Subtotal, current appropriations (with hurricane supplementals) | 976,845 | 962,676 | 974,952 | +12,276 |
| Budget authority | [976,035] | [962,676] | [974,952] | [+12,276] |
| Supplementals | [+19,170] | [0] | [0] | [0] |
| Rescissions / reductions of new BA | [-14,360] | [0] | [0] | [0] |
| Net transfers | [-4,000] | [0] | [0] | [0] |
| Permanent Appropriations | | | | |
| Operations and Maintenance of Quarters | 88 | 61 | 51 | -10 |
| Contributed Funds | 2,399 | 1,408 | 1,045 | -363 |
| Spectrum Relocation Activities | 0 | 6,159 | 0 | -6,159 |
| Subtotal, permanent appropriations | 2,487 | 7,628 | 1,096 | -6,532 |
| Total, Geological Survey (without hurricane supplementals) | 963,832 | 970,304 | 976,048 | +5,744 |
| Hurricane supplementals | +15,500 | 0 | 0 | 0 |
| Total, Geological Survey (with hurricane supplementals) | 979,332 | 970,304 | 976,048 | +5,744 |
| Budget authority | [978,522] | [970,304] | [976,048] | [+5,744] |
| Supplementals | [+19,170] | [0] | [0] | [0] |
| Rescissions / reductions of new BA | [-14,360] | [0] | [0] | [0] |
| Net transfers | [-4,000] | [0] | [0] | [0] |
| FISH AND WILDLIFE SERVICE | | | | |
| Current Appropriations | | | | |
| Resource Management | 1,008,880 | 997,574 | 1,034,520 | +36,946 |
| Supplementals | +7,398 | 0 | 0 | 0 |
| Rescissions / reductions of new BA | -14,843 | 0 | 0 | 0 |
| Net transfers | +3,090 | 0 | 0 | 0 |
| Account total | 1,004,525 | 997,574 | 1,034,520 | +36,946 |
| Construction | 45,891 | 39,756 | 23,071 | -16,685 |
| Rescissions / reductions of new BA | -675 | 0 | 0 | 0 |
| Account total (without fire transfers and hurricane supplementals) | 45,216 | 39,756 | 23,071 | -16,685 |
| Hurricane supplementals | +162,400 | 0 | 0 | 0 |
| Fire transfers | -6,000 | 0 | 0 | 0 |
| Fire repayment | 0 | +6,000 | 0 | -6,000 |
| Account total (with fire transfers and hurricane supplementals) | 201,616 | 45,756 | 23,071 | -22,685 |
| Land Acquisition | 28,408 | 19,751 | 18,011 | -1,740 |
| Rescissions / reductions of new BA | -418 | 0 | 0 | 0 |
| Account total (without fire transfers and supplementals) | 27,990 | 19,751 | 18,011 | -1,740 |
| Fire transfers | -4,000 | 0 | 0 | 0 |
| Fire repayment | 0 | +4,000 | 0 | -4,000 |
| Account total (with fire transfers and supplementals) | 23,990 | 23,751 | 18,011 | -5,740 |
| Landowner Incentive Program | 24,000 | 15,000 | 0 | -15,000 |
| Rescissions / reductions of new BA | -333 | 0 | 0 | 0 |
| Rescissions of prior year BA | -2,000 | 0 | 0 | 0 |
| Account total | 21,667 | 15,000 | 0 | -15,000 |

COMPARISON OF 2006, 2007, AND 2008 BUDGET AUTHORITY
(in thousands of dollars)

| <u>Appropriation/ Bureau/Account</u> | <u>2006 Actual</u> | <u>2007 CR</u> | <u>2008 Request</u> | <u>Change from 2007</u> |
|---|------------------------|--------------------|-------------------------|-----------------------------|
| FWS (continued) | | | | |
| Private Stewardship Grants Program | 7,386 | 7,000 | 0 | -7,000 |
| Rescissions/reductions of new BA..... | -109 | 0 | 0 | 0 |
| Account total..... | 7,277 | 7,000 | 0 | -7,000 |
| Multinational Species Conservation Fund | 6,500 | 6,057 | 4,257 | -1,800 |
| Rescissions/reductions of new BA..... | -96 | 0 | 0 | 0 |
| Account total..... | 6,404 | 6,057 | 4,257 | -1,800 |
| North American Wetlands Conservation Fund..... | 40,000 | 36,646 | 42,646 | +6,000 |
| Rescissions/reductions of new BA..... | -588 | 0 | 0 | 0 |
| Account total..... | 39,412 | 36,646 | 42,646 | +6,000 |
| Coop. Endangered Species Conservation Fund | 82,200 | 80,507 | 80,001 | -506 |
| Rescissions/reductions of new BA | -1,199 | 0 | 0 | 0 |
| Rescissions of prior year BA | -1,000 | 0 | 0 | 0 |
| Account total..... | 80,001 | 80,507 | 80,001 | -506 |
| National Wildlife Refuge Fund | 14,414 | 14,202 | 10,811 | -3,391 |
| Rescissions/reductions of new BA..... | -212 | 0 | 0 | 0 |
| Account total..... | 14,202 | 14,202 | 10,811 | -3,391 |
| Neotropical Migratory Bird Conservation | 4,000 | 4,000 | 3,960 | -40 |
| Rescissions/reductions of new BA..... | -59 | 0 | 0 | 0 |
| Account total..... | 3,941 | 4,000 | 3,960 | -40 |
| State and Tribal Wildlife Grants..... | 68,500 | 50,000 | 69,492 | +19,492 |
| Rescissions/reductions of new BA..... | -1,008 | 0 | 0 | 0 |
| Account total..... | 67,492 | 50,000 | 69,492 | +19,492 |
| Subtotal, current appropriations | | | | |
| <i>(without fire transfers and hurricane supplementals)</i> | 1,318,127 | 1,270,493 | 1,286,769 | +16,276 |
| Hurricane supplementals..... | +162,400 | 0 | 0 | 0 |
| Fire transfers | -10,000 | 0 | 0 | 0 |
| Fire repayment..... | 0 | +10,000 | 0 | -10,000 |
| Subtotal, current appropriations | | | | |
| <i>(with fire transfers and hurricane supplementals)</i> | 1,470,527 | 1,280,493 | 1,286,769 | +6,276 |
| Budget authority | [1,330,179] | [1,270,493] | [1,286,769] | [+16,276] |
| Supplementals | [+169,798] | [0] | [0] | [0] |
| Rescissions/reductions of new BA | [-19,540] | [0] | [0] | [0] |
| Rescissions of prior year BA | [-3,000] | [0] | [0] | [0] |
| Net transfers..... | [+3,090] | [0] | [0] | [0] |
| Fire transfers | [-10,000] | [0] | [0] | [0] |
| Fire repayment..... | [0] | [+10,000] | [0] | [-10,000] |
| Permanent Appropriations | | | | |
| Sport Fish Restoration | 528,318 | 625,808 | 654,943 | +29,135 |
| Net transfers..... | -164,345 | -193,616 | -203,136 | -9,520 |
| Account total..... | 363,973 | 432,192 | 451,807 | +19,615 |
| Migratory Bird Conservation Account | 39,895 | 38,000 | 38,000 | 0 |
| North American Wetlands Conservation Fund..... | 800 | 481 | 500 | +19 |
| National Wildlife Refuge Fund | 11,609 | 8,500 | 8,500 | 0 |
| Miscellaneous Permanent Appropriations..... | 2,948 | 3,675 | 3,775 | +100 |
| Federal Lands Recreation Enhancement Act | 4,279 | 4,750 | 4,750 | 0 |
| Federal Aid in Wildlife Restoration..... | 265,300 | 293,015 | 300,391 | +7,376 |

APPENDIX A

COMPARISON OF 2006, 2007, AND 2008 BUDGET AUTHORITY
(in thousands of dollars)

| <u>Appropriation/ Bureau/Account</u> | <u>2006 Actual</u> | <u>2007 CR</u> | <u>2008 Request</u> | <u>Change from 2007</u> |
|---|------------------------|--------------------|-------------------------|-----------------------------|
| FWS (continued) | | | | |
| Contributed Funds..... | 3,093 | 3,400 | 3,400 | 0 |
| Coop. Endangered Species Conservation Fund | 39,302 | 46,200 | 48,288 | +2,088 |
| Subtotal, permanent appropriations | 731,199 | 830,213 | 859,411 | +29,198 |
| Budget authority | [895,544] | [1,023,829] | [1,062,547] | [+38,718] |
| Net transfers..... | [-164,345] | [-193,616] | [-203,136] | [-9,520] |
| Total, Fish and Wildlife | | | | |
| <i>(without fire transfers and hurricane supplementals)</i> | 2,049,326 | 2,100,706 | 2,146,180 | +45,474 |
| Hurricane supplemental | +162,400 | 0 | 0 | 0 |
| Fire transfers | -10,000 | 0 | 0 | 0 |
| Fire repayment..... | 0 | +10,000 | 0 | -10,000 |
| Total, Fish and Wildlife | | | | |
| <i>(with fire transfers and hurricane supplementals)</i> | 2,201,726 | 2,110,706 | 2,146,180 | +35,474 |
| Budget authority | [2,225,723] | [2,294,322] | [2,349,316] | [+54,994] |
| Supplementals | [+169,798] | [0] | [0] | [0] |
| Rescissions/reductions of new BA | [-19,540] | [0] | [0] | [0] |
| Rescissions of prior year BA | [-3,000] | [0] | [0] | [0] |
| Net transfers..... | [-161,255] | [-193,616] | [-203,136] | [-9,520] |
| Fire transfers | [-10,000] | [0] | [0] | [0] |
| Fire repayment..... | [0] | [+10,000] | [0] | [-10,000] |

NATIONAL PARK SERVICE

Current Appropriations

| | | | | |
|---|-----------|-----------|-----------|----------|
| Operation of the National Park System | 1,744,074 | 1,686,650 | 1,969,010 | +282,360 |
| Supplementals | +525 | 0 | 0 | 0 |
| Rescissions/reductions of new BA | -25,660 | 0 | 0 | 0 |
| Net transfers..... | -348 | 0 | 0 | 0 |
| Account total..... | 1,718,591 | 1,686,650 | 1,969,010 | +282,360 |
| United States Park Police | 81,411 | 80,213 | 88,122 | +7,909 |
| Rescissions/reductions of new BA..... | -1,198 | 0 | 0 | 0 |
| Account total..... | 80,213 | 80,213 | 88,122 | +7,909 |
| National Recreation and Preservation | 54,965 | 47,161 | 48,885 | +1,724 |
| Rescissions/reductions of new BA..... | -809 | 0 | 0 | 0 |
| Account total..... | 54,156 | 47,161 | 48,885 | +1,724 |
| Construction | 301,291 | 229,934 | 201,580 | -28,354 |
| Rescissions/reductions of new BA | -4,433 | 0 | 0 | 0 |
| Net transfers..... | +19,000 | 0 | 0 | 0 |
| Account total <i>(without fire transfers and hurricane supplementals)</i> | 315,858 | 229,934 | 201,580 | -28,354 |
| Hurricane supplementals..... | +74,400 | 0 | 0 | 0 |
| Fire transfers | -54,000 | 0 | 0 | 0 |
| Fire repayment..... | 0 | +54,000 | 0 | -54,000 |
| Account total <i>(with fire transfers and hurricane supplementals)</i> | 336,258 | 283,934 | 201,580 | -82,354 |
| Transfer from Defense enacted for Ft. Baker <i>(non-add)</i> | | [+2,000] | | |
| Rescission of contract authority (LWCF) | -30,000 | -30,000 | -30,000 | 0 |

COMPARISON OF 2006, 2007, AND 2008 BUDGET AUTHORITY
(in thousands of dollars)

| <u>Appropriation/ Bureau/Account</u> | <u>2006 Actual</u> | <u>2007 CR</u> | <u>2008 Request</u> | <u>Change from 2007</u> |
|--|------------------------|--------------------|-------------------------|-----------------------------|
| NPS (continued) | | | | |
| Land Acquisition and State Assistance | 64,909 | 29,995 | 22,529 | -7,466 |
| Rescissions / reductions of new BA | -955 | 0 | 0 | 0 |
| Net transfers..... | -17,000 | 0 | 0 | 0 |
| Account total (without fire transfers and supplementals) | 46,954 | 29,995 | 22,529 | -7,466 |
| Fire transfers | -5,000 | 0 | 0 | 0 |
| Fire repayment..... | 0 | +5,000 | 0 | -5,000 |
| Account total (with fire transfers and supplementals) | 41,954 | 34,995 | 22,529 | -12,466 |
| Historic Preservation Fund..... | 73,250 | 58,658 | 63,658 | +5,000 |
| Rescissions / reductions of new BA..... | -1,078 | 0 | 0 | 0 |
| Account total (without hurricane supplementals) | 72,172 | 58,658 | 63,658 | +5,000 |
| Hurricane supplementals | +43,000 | 0 | 0 | 0 |
| Account total (with hurricane supplementals) | 115,172 | 58,658 | 63,658 | +5,000 |
| Subtotal, current appropriations | | | | |
| (without fire transfers and hurricane supplementals) | 2,257,944 | 2,102,611 | 2,363,784 | +261,173 |
| Hurricane supplementals..... | +117,400 | 0 | 0 | 0 |
| Fire transfers | -59,000 | 0 | 0 | 0 |
| Fire repayment..... | 0 | +59,000 | 0 | -59,000 |
| Subtotal, current appropriations (with fire transfers and hurricane supplementals) | 2,316,344 | 2,161,611 | 2,363,784 | +202,173 |
| Budget authority | [2,319,900] | [2,132,611] | [2,393,784] | [+261,173] |
| Supplementals | [+117,925] | [0] | [0] | [0] |
| Rescissions / reductions of new BA | [-34,133] | [0] | [0] | [0] |
| Net transfers..... | [+1,652] | [0] | [0] | [0] |
| Fire transfers | [-59,000] | [0] | [0] | [0] |
| Fire repayment..... | [0] | [+59,000] | [0] | [-59,000] |
| Rescission of contract authority | [-30,000] | [-30,000] | [-30,000] | [0] |
| Transfer from Defense enacted for Ft. Baker (non-add) | | [+2,000] | | |
| Permanent Appropriations | | | | |
| NPS Centennial Challenge Fund (Match) | 0 | 0 | 100,000 | +100,000 |
| NPS Centennial Challenge Fund (Donations) | 0 | 0 | 100,000 | +100,000 |
| Federal Lands Recreation Enhancement Act | 165,985 | 176,825 | 181,867 | +5,042 |
| Other Permanent Appropriations..... | 114,640 | 114,087 | 117,134 | +3,047 |
| Spectrum Relocation Activities | 0 | 14,703 | 0 | -14,703 |
| Miscellaneous Trust Funds | 26,990 | 27,006 | 27,006 | 0 |
| Land and Water Conservation Fund Contract Authority | 30,000 | 30,000 | 30,000 | 0 |
| Subtotal, permanent appropriations | 337,615 | 362,621 | 556,007 | +193,386 |
| Total, Park Service | | | | |
| (without fire transfers and hurricane supplementals) | 2,595,559 | 2,465,232 | 2,919,791 | +454,559 |
| Hurricane supplementals..... | +117,400 | 0 | 0 | 0 |
| Fire transfers | -59,000 | 0 | 0 | 0 |
| Fire repayment..... | 0 | +59,000 | 0 | -59,000 |
| Total, Park Service (with fire transfers and hurricane supplementals). | 2,653,959 | 2,524,232 | 2,919,791 | +395,559 |
| Budget authority | [2,657,515] | [2,495,232] | [2,949,791] | [+454,559] |
| Supplementals | [+117,925] | [0] | [0] | [0] |
| Rescissions / reductions of new BA | [-34,133] | [0] | [0] | [0] |
| Net transfers..... | [+1,652] | [0] | [0] | [0] |
| Fire transfers | [-59,000] | [0] | [0] | [0] |
| Fire repayment..... | [0] | [+59,000] | [0] | [-59,000] |
| Rescission of contract authority | [-30,000] | [-30,000] | [-30,000] | [0] |
| Transfer from Defense enacted for Ft. Baker (non-add) | | [+2,000] | | |

APPENDIX A

COMPARISON OF 2006, 2007, AND 2008 BUDGET AUTHORITY
(in thousands of dollars)

| <u>Appropriation/ Bureau/Account</u> | <u>2006 Actual</u> | <u>2007 CR</u> | <u>2008 Request</u> | <u>Change from 2007</u> |
|---|------------------------|--------------------|-------------------------|-----------------------------|
| INDIAN AFFAIRS | | | | |
| <i>Current Appropriations</i> | | | | |
| Operation of Indian Programs | 1,991,490 | 1,973,403 | 1,990,918 | +17,515 |
| Rescissions / reductions of new BA | -29,300 | 0 | 0 | 0 |
| Account total | 1,962,190 | 1,973,403 | 1,990,918 | +17,515 |
| Construction | 275,637 | 215,799 | 197,627 | -18,172 |
| Rescissions / reductions of new BA | -4,055 | 0 | 0 | 0 |
| Net transfers | +4,343 | 0 | 0 | 0 |
| Account total (without fire transfers and supplementals) | 275,925 | 215,799 | 197,627 | -18,172 |
| Fire transfers | -22,000 | 0 | 0 | 0 |
| Fire repayment | 0 | +22,000 | 0 | -22,000 |
| Account total (with fire transfers and supplementals) | 253,925 | 237,799 | 197,627 | -40,172 |
| Indian Land and Water Claims and Settlements and Miscellaneous Payments to Indians | 34,754 | 34,439 | 34,069 | -370 |
| Rescissions / reductions of new BA | -511 | 0 | 0 | 0 |
| Account total | 34,243 | 34,439 | 34,069 | -370 |
| Indian Guaranteed Loan Program Account | 6,348 | 6,255 | 6,276 | +21 |
| Rescissions / reductions of new BA | -93 | 0 | 0 | 0 |
| Account total | 6,255 | 6,255 | 6,276 | +21 |
| Subtotal, current appropriations | | | | |
| (without fire transfers and supplementals) | 2,278,613 | 2,229,896 | 2,228,890 | -1,006 |
| Fire transfers | -22,000 | 0 | 0 | 0 |
| Fire repayment | 0 | +22,000 | 0 | -22,000 |
| Subtotal, current appropriations | | | | |
| (with fire transfers and supplementals) | 2,256,613 | 2,251,896 | 2,228,890 | -23,006 |
| Budget authority | [2,308,229] | [2,229,896] | [2,228,890] | [-1,006] |
| Rescissions / reductions of new BA | [-33,959] | [0] | [0] | [0] |
| Net transfers | [+4,343] | [0] | [0] | [0] |
| Fire transfers | [-22,000] | [0] | [0] | [0] |
| Fire repayment | [0] | [+22,000] | [0] | [-22,000] |
| <i>Permanent Appropriations</i> | | | | |
| Operation and Maintenance of Quarters | 5,217 | 6,000 | 6,000 | 0 |
| Miscellaneous Permanent Appropriations | 97,257 | 87,891 | 87,776 | -115 |
| White Earth Settlement Fund | 3,000 | 3,000 | 3,000 | 0 |
| Indian Guaranteed Loan Program Account | 20,000 | 14,000 | 0 | -14,000 |
| Revolving Fund for Loans, Liquidating Account | -2,000 | -1,000 | -1,000 | 0 |
| Subtotal, permanent appropriations | 123,474 | 109,891 | 95,776 | -14,115 |
| Total, Indian Affairs | | | | |
| (without fire transfers and supplementals) | 2,402,087 | 2,339,787 | 2,324,666 | -15,121 |
| Fire transfers | -22,000 | 0 | 0 | 0 |
| Fire repayment | 0 | +22,000 | 0 | -22,000 |
| Total, Indian Affairs | | | | |
| (with fire transfers and supplementals) | 2,380,087 | 2,361,787 | 2,324,666 | -37,121 |
| Budget authority | [2,431,703] | [2,339,787] | [2,324,666] | [-15,121] |
| Rescissions / reductions of new BA | [-33,959] | [0] | [0] | [0] |
| Net transfers | [+4,343] | [0] | [0] | [0] |
| Fire transfers | [-22,000] | [0] | [0] | [0] |
| Fire repayment | [0] | [+22,000] | [0] | [-22,000] |

COMPARISON OF 2006, 2007, AND 2008 BUDGET AUTHORITY
(in thousands of dollars)

| <u>Appropriation/ Bureau/Account</u> | <u>2006 Actual</u> | <u>2007 CR</u> | <u>2008 Request</u> | <u>Change from 2007</u> |
|--|------------------------|--------------------|-------------------------|-----------------------------|
| DEPARTMENTAL OFFICES | | | | |
| OFFICE OF THE SECRETARY | | | | |
| <i>Current Appropriations</i> | | | | |
| Office of the Secretary - Salaries and Expenses | 132,183 | 94,503 | 101,445 | +6,942 |
| Rescissions/reductions of new BA | -1,945 | 0 | 0 | 0 |
| Account total | 130,238 | 94,503 | 101,445 | +6,942 |
| <i>Transfer to GSA for the Contract Board of Appeals</i> | | [-573] | | |
| Subtotal, current appropriations | 130,238 | 94,503 | 101,445 | +6,942 |
| Budget authority | [132,183] | [94,503] | [101,445] | [6,942] |
| Rescissions/reductions of new BA | [-1,945] | [0] | [0] | [0] |
| <i>Transfer to GSA for the Contract Board of Appeals</i> | | [-573] | | |
| <i>Permanent Appropriations</i> | | | | |
| Indian Arts and Crafts Board | 0 | 40 | 40 | 0 |
| Take Pride in America | 0 | 75 | 75 | 0 |
| Subtotal, permanent appropriations | 0 | 115 | 115 | 0 |
| Total, Office of the Secretary | 130,238 | 94,618 | 101,560 | +6,942 |
| Budget authority | [132,183] | [94,618] | [101,560] | [6,942] |
| Rescissions/reductions of new BA | [-1,945] | [0] | [0] | [0] |
| INSULAR AFFAIRS | | | | |
| <i>Current Appropriations</i> | | | | |
| Assistance to Territories | 76,883 | 74,846 | 74,921 | +75 |
| Rescissions/reductions of new BA | -723 | 0 | 0 | 0 |
| Account total | 76,160 | 74,846 | 74,921 | +75 |
| Compact of Free Association | 5,362 | 5,362 | 4,862 | -500 |
| Rescissions/reductions of new BA | -49 | 0 | 0 | 0 |
| Account total | 5,313 | 5,362 | 4,862 | -500 |
| Subtotal, current appropriations | 81,473 | 80,208 | 79,783 | -425 |
| Budget authority | [82,245] | [80,208] | [79,783] | [-425] |
| Rescissions/reductions of new BA | [-772] | [0] | [0] | [0] |
| <i>Permanent Appropriations</i> | | | | |
| Compact of Free Association | 199,557 | 202,649 | 205,060 | +2,411 |
| Payments to the U.S. Territories, Fiscal Assistance | 131,368 | 119,000 | 119,000 | 0 |
| Subtotal, permanent appropriations | 330,925 | 321,649 | 324,060 | +2,411 |
| Total, Insular Affairs | 412,398 | 401,857 | 403,843 | +1,986 |
| Budget authority | [413,170] | [401,857] | [403,843] | [+1,986] |
| Rescissions/reductions of new BA | [-772] | [0] | [0] | [0] |

APPENDIX A

COMPARISON OF 2006, 2007, AND 2008 BUDGET AUTHORITY
(in thousands of dollars)

| <u>Appropriation/ Bureau/Account</u> | <u>2006 Actual</u> | <u>2007 CR</u> | <u>2008 Request</u> | <u>Change from 2007</u> |
|--|------------------------|--------------------|-------------------------|-----------------------------|
| OFFICE OF THE SOLICITOR | | | | |
| <i>Current Appropriations</i> | | | | |
| Office of the Solicitor - Salaries and Expenses | 55,440 | 54,624 | 58,949 | +4,325 |
| Rescissions/reductions of new BA | -816 | 0 | 0 | 0 |
| Account total | 54,624 | 54,624 | 58,949 | +4,325 |
| Subtotal, current appropriations | 54,624 | 54,624 | 58,949 | +4,325 |
| Total, Solicitor | 54,624 | 54,624 | 58,949 | +4,325 |
| Budget authority | [55,440] | [54,624] | [58,949] | [+4,325] |
| Rescissions/reductions of new BA | [-816] | [0] | [0] | [0] |
| OFFICE OF INSPECTOR GENERAL | | | | |
| <i>Current Appropriations</i> | | | | |
| Office of Inspector General - Salaries and Expenses | 39,116 | 38,541 | 42,322 | +3,781 |
| Rescissions/reductions of new BA | -575 | 0 | 0 | 0 |
| Account total | 38,541 | 38,541 | 42,322 | +3,781 |
| Subtotal, current appropriations | 38,541 | 38,541 | 42,322 | +3,781 |
| Total, Inspector General | 38,541 | 38,541 | 42,322 | +3,781 |
| Budget authority | [39,116] | [38,541] | [42,322] | [+3,781] |
| Rescissions/reductions of new BA | [-575] | [0] | [0] | [0] |
| OFFICE OF THE SPECIAL TRUSTEE FOR AMERICAN INDIANS | | | | |
| <i>Current Appropriations</i> | | | | |
| Federal Trust Programs | 191,593 | 150,036 | 186,158 | +36,122 |
| Rescissions/reductions of new BA | -2,819 | 0 | 0 | 0 |
| Net transfers | +3,000 | 0 | 0 | 0 |
| Account total | 191,774 | 150,036 | 186,158 | +36,122 |
| Indian Land Consolidation | 34,514 | 30,747 | 10,000 | -20,747 |
| Rescissions/reductions of new BA | -508 | 0 | 0 | 0 |
| Account total | 34,006 | 30,747 | 10,000 | -20,747 |
| Subtotal, current appropriations | 225,780 | 180,783 | 196,158 | +15,375 |
| Budget authority | [226,107] | [180,783] | [196,158] | [+15,375] |
| Rescissions/reductions of new BA | [-3,327] | [0] | [0] | [0] |
| Net transfers | [+3,000] | [0] | [0] | [0] |
| <i>Permanent Appropriations</i> | | | | |
| Payment for Trust Accounting Deficiencies | 0 | 6,000 | 0 | -6,000 |
| Tribal Special Funds | 98,296 | 141,041 | 148,347 | +7,306 |
| Tribal Trust Fund | 33,185 | 46,974 | 49,407 | +2,433 |
| Subtotal, permanent appropriations | 131,481 | 194,015 | 197,754 | +3,739 |
| Total, Office of the Special Trustee for American Indians | 357,261 | 374,798 | 393,912 | +19,114 |
| Budget authority | [357,588] | [374,798] | [393,912] | [+19,114] |
| Rescissions/reductions of new BA | [-3,327] | [0] | [0] | [0] |
| Net transfers | [+3,000] | [0] | [0] | [0] |

COMPARISON OF 2006, 2007, AND 2008 BUDGET AUTHORITY
(in thousands of dollars)

| <u>Appropriation/ Bureau/Account</u> | <u>2006 Actual</u> | <u>2007 CR</u> | <u>2008 Request</u> | <u>Change from 2007</u> |
|--|------------------------|--------------------|-------------------------|-----------------------------|
| DEPARTMENTAL OFFICES SUMMARY | | | | |
| Subtotal, current appropriations..... | 530,656 | 448,659 | 478,657 | +29,998 |
| Budget authority | [535,091] | [448,659] | [478,657] | [+29,998] |
| Rescissions/reductions of new BA | [-7,435] | [0] | [0] | [0] |
| Net transfers..... | [+3,000] | [0] | [0] | [0] |
| <i>Transfer to GSA for the Contract Board of Appeals</i> | | <i>[-573]</i> | | |
| Subtotal, permanent appropriations | 462,406 | 515,779 | 521,929 | +6,150 |
| Budget authority | [462,406] | [515,779] | [521,929] | [+6,150] |
| Total, Departmental Offices | 993,062 | 964,438 | 1,000,586 | +36,148 |
| Budget authority | [997,497] | [964,438] | [1,000,586] | [+36,148] |
| Rescissions/reductions of new BA | [-7,435] | [0] | [0] | [0] |
| Net transfers..... | [+3,000] | [0] | [0] | [0] |
| <i>Transfer to GSA for the Contract Board of Appeals</i> | | <i>[-573]</i> | | |
| NATIONAL INDIAN GAMING COMMISSION | | | | |
| <i>Permanent Appropriations</i> | | | | |
| National Indian Gaming Commission, Gaming Activity Fees | 10,456 | 16,000 | 17,600 | +1,600 |
| Subtotal, permanent appropriations | 10,456 | 16,000 | 17,600 | +1,600 |
| Total, National Indian Gaming Commission | 10,456 | 16,000 | 17,600 | +1,600 |
| Budget authority | [10,456] | [16,000] | [17,600] | [+1,600] |
| DEPARTMENT-WIDE PROGRAMS | | | | |
| <i>Current Appropriations</i> | | | | |
| Payments in Lieu of Taxes | 236,000 | 232,528 | 190,000 | -42,528 |
| Rescissions/reductions of new BA..... | -3,472 | 0 | 0 | 0 |
| Account total..... | 232,528 | 232,528 | 190,000 | -42,528 |
| Central Hazardous Materials Fund..... | 9,855 | 7,287 | 9,954 | +2,667 |
| Rescissions/reductions of new BA..... | -145 | 0 | 0 | 0 |
| Account total..... | 9,710 | 7,287 | 9,954 | +2,667 |
| Natural Resource Damage Assessment Fund..... | 6,106 | 5,464 | 6,224 | +760 |
| Rescissions/reductions of new BA..... | -90 | 0 | 0 | 0 |
| Account total..... | 6,016 | 5,464 | 6,224 | +760 |
| Working Capital Fund..... | 0 | 0 | 22,240 | +22,240 |
| Subtotal, current appropriations..... | 248,254 | 245,279 | 228,418 | -16,861 |
| Budget authority | [251,961] | [245,279] | [228,418] | [-16,861] |
| Rescissions/reductions of new BA | [-3,707] | [0] | [0] | [0] |

APPENDIX A

COMPARISON OF 2006, 2007, AND 2008 BUDGET AUTHORITY
(in thousands of dollars)

| <u>Appropriation/ Bureau/Account</u> | <u>2006 Actual</u> | <u>2007 CR</u> | <u>2008 Request</u> | <u>Change from 2007</u> |
|---|------------------------|--------------------|-------------------------|-----------------------------|
| DEPARTMENT-WIDE PROGRAMS (continued) | | | | |
| <i>Permanent Appropriations</i> | | | | |
| Natural Resource Damage Assessment and Restoration Fund..... | 75,730 | 65,000 | 40,000 | -25,000 |
| Net transfers..... | -1,959 | -1,000 | -1,000 | 0 |
| Account total..... | 73,771 | 64,000 | 39,000 | -25,000 |
| Subtotal, permanent appropriations | 73,771 | 64,000 | 39,000 | -25,000 |
| Budget authority | [75,730] | [65,000] | [40,000] | [-25,000] |
| Net transfers..... | [-1,959] | [-1,000] | [-1,000] | [0] |
| Total, Department-wide Programs..... | 322,025 | 309,279 | 267,418 | -41,861 |
| Budget authority | [327,691] | [310,279] | [268,418] | [-41,861] |
| Rescissions/reductions of new BA | [-3,707] | [0] | [0] | [0] |
| Net transfers..... | [-1,959] | [-1,000] | [-1,000] | [0] |
| INTERIOR, ENVIRONMENT, AND RELATED AGENCIES SUMMARY | | | | |
| TOTAL, INTERIOR, ENVIRONMENT & RELATED AGENCIES | | | | |
| <i>(without fire transfers and hurricane supplementals)</i> | 14,951,473 | 13,948,585 | 14,649,247 | +700,662 |
| Hurricane supplementals | +326,300 | 0 | 0 | 0 |
| TOTAL, INTERIOR, ENVIRONMENT & RELATED AGENCIES | | | | |
| <i>(with fire transfers and hurricane supplementals)</i> | 15,277,773 | 13,948,585 | 14,649,247 | +700,662 |
| Grand total, current authority, regular appropriations..... | [9,964,220] | [9,493,879] | [9,733,245] | [+239,366] |
| Supplementals | [+437,893] | [0] | [0] | [0] |
| Rescissions/reductions of new BA | [-145,750] | [0] | [0] | [0] |
| Rescission of prior year BA..... | [-3,500] | [0] | [0] | [0] |
| Net transfers, other | [+6,108] | [0] | [0] | [0] |
| Rescission of contract authority | [-30,000] | [-30,000] | [-30,000] | [0] |
| Net, current authority <i>(with hurricane and fire supplemental)</i> | [10,228,971] | [9,463,879] | [9,703,245] | [+239,366] |
| Net, current authority <i>(without hurricane and fire supplementals)</i> | [9,902,671] | [9,463,879] | [9,703,245] | [+239,366] |
| Grand total, permanent authority | [5,215,106] | [4,679,322] | [5,150,138] | [+470,816] |
| Net transfers..... | [-166,304] | [-194,616] | [-204,136] | [-9,520] |
| Net, permanent authority | [5,048,802] | [4,484,706] | [4,946,002] | [+461,296] |
| ENERGY AND WATER DEVELOPMENT | | | | |
| BUREAU OF RECLAMATION | | | | |
| <i>Current Appropriations</i> | | | | |
| Water and Related Resources | 883,514 | 843,945 | 816,197 | -27,748 |
| Rescissions/reductions of new BA | -8,835 | 0 | 0 | 0 |
| Rescissions of prior year BA | 0 | -88,000 | 0 | +88,000 |
| Net transfers..... | -1,980 | 0 | 0 | 0 |
| Account total <i>(without fire transfers and drought supplemental)</i> | 872,699 | 755,945 | 816,197 | +60,252 |
| Drought supplemental | +9,000 | 0 | 0 | 0 |
| Account total <i>(with fire transfers and drought supplemental)</i> | 881,699 | 755,945 | 816,197 | +60,252 |
| Policy and Administration..... | 57,917 | 57,248 | 58,811 | +1,563 |
| Rescissions/reductions of new BA..... | -579 | 0 | 0 | 0 |
| Account total..... | 57,338 | 57,248 | 58,811 | +1,563 |

COMPARISON OF 2006, 2007, AND 2008 BUDGET AUTHORITY
(in thousands of dollars)

| <u>Appropriation/ Bureau/Account</u> | <u>2006 Actual</u> | <u>2007 CR</u> | <u>2008 Request</u> | <u>Change from 2007</u> |
|--|------------------------|--------------------|-------------------------|-----------------------------|
| RECLAMATION <i>(continued)</i> | | | | |
| California Bay-Delta Restoration | 37,000 | 34,110 | 31,750 | -2,360 |
| Rescissions / reductions of new BA | -370 | 0 | 0 | 0 |
| Net transfers..... | -500 | 0 | 0 | 0 |
| Account total..... | 36,130 | 34,110 | 31,750 | -2,360 |
| Central Valley Project Restoration Fund..... | 52,219 | 41,478 | 59,122 | +17,644 |
| Rescissions / reductions of new BA | -83 | 0 | 0 | 0 |
| Legislative proposal..... | 0 | 0 | -7,500 | -7,500 |
| Account total..... | 52,136 | 41,478 | 51,622 | +10,144 |
| Subtotal, current appropriations <i>(without fire transfers and drought supplemental)</i> | 1,018,303 | 888,781 | 958,380 | +69,599 |
| Drought supplemental | +9,000 | 0 | 0 | 0 |
| Subtotal, current appropriations <i>(with fire transfers and drought supplemental)</i> | 1,027,303 | 888,781 | 958,380 | +69,599 |
| Budget authority | [1,030,650] | [976,781] | [965,880] | [-10,901] |
| Supplementals | [+9,000] | [0] | [0] | [0] |
| Rescissions / reductions of new BA | [-9,867] | [0] | [0] | [0] |
| Rescissions of balances | [0] | [-88,000] | [0] | [+88,000] |
| Net transfers..... | [-2,480] | [0] | [0] | [0] |
| Legislative proposal..... | [0] | [0] | [-7,500] | [-7,500] |
| Permanent Appropriations | | | | |
| Colorado River Dam Fund, Boulder Canyon Project | 71,448 | 83,309 | 95,669 | +12,360 |
| Miscellaneous Permanent | 43 | 280 | 280 | 0 |
| Loan Program Subsidy Reestimate | 2,058 | 4,725 | 0 | -4,725 |
| Loan Program Liquidating Account | -4,157 | -2,606 | -2,644 | -38 |
| San Gabriel Basin Restoration Fund..... | 629 | 1,000 | 750 | -250 |
| San Joaquin River Restoration Fund | 0 | 0 | 17,300 | +17,300 |
| Reclamation Trust Funds | 41,124 | 3,000 | 3,000 | 0 |
| Spectrum Relocation Activities | 0 | 4,550 | 0 | -4,550 |
| Subtotal, permanent appropriations | 111,145 | 94,258 | 114,355 | +20,097 |
| Total, Reclamation <i>(without fire transfers and drought supplemental)</i> | 1,129,448 | 983,039 | 1,072,735 | +89,696 |
| Drought supplemental | +9,000 | 0 | 0 | 0 |
| Total, Reclamation <i>(with fire transfers and drought supplemental)</i> | 1,138,448 | 983,039 | 1,072,735 | +89,696 |
| Budget authority | [1,141,795] | [1,071,039] | [1,080,235] | [+9,196] |
| Supplementals | [+9,000] | [0] | [0] | [0] |
| Rescissions / reductions of new BA | [-9,867] | [0] | [0] | [0] |
| Rescissions of prior year BA | [0] | [-88,000] | [0] | [+88,000] |
| Net transfers..... | [-2,480] | [0] | [0] | [0] |
| Legislative proposal..... | [0] | [0] | [-7,500] | [-7,500] |
| CENTRAL UTAH PROJECT | | | | |
| Current Appropriations | | | | |
| Central Utah Project Completion Account..... | 34,350 | 34,138 | 43,000 | +8,862 |
| Rescissions / reductions of new BA | -343 | 0 | 0 | 0 |
| Net transfers..... | -937 | -965 | -976 | -11 |
| Account total..... | 33,070 | 33,173 | 42,024 | +8,851 |

APPENDIX A

COMPARISON OF 2006, 2007, AND 2008 BUDGET AUTHORITY
(in thousands of dollars)

| <u>Appropriation/ Bureau/Account</u> | <u>2006 Actual</u> | <u>2007 CR</u> | <u>2008 Request</u> | <u>Change from 2007</u> |
|--|------------------------|--------------------|-------------------------|-----------------------------|
| CUPCA (continued) | | | | |
| Utah Reclamation Mitigation & Conservation Account | 0 | 0 | 0 | 0 |
| Net transfers..... | +937 | +965 | +976 | +11 |
| Account total..... | 937 | 965 | 976 | +11 |
| Subtotal, current appropriations..... | 34,007 | 34,138 | 43,000 | +8,862 |
| Budget authority | [34,350] | [34,138] | [43,000] | [+8,862] |
| Rescissions/reductions of new BA | [-343] | [0] | [0] | [0] |
| Net transfers..... | [0] | [0] | [0] | [0] |
| Permanent Appropriations | | | | |
| Utah Reclamation Mitigation and Conservation Account.... | 6,633 | 0 | 0 | 0 |
| Subtotal, permanent appropriations | 6,633 | 0 | 0 | 0 |
| Total, Central Utah Project | 40,640 | 34,138 | 43,000 | +8,862 |
| Budget Authority | [40,983] | [34,138] | [43,000] | [+8,862] |
| Rescissions/reductions of new BA | [-343] | [0] | [0] | [0] |
| Net transfers..... | [0] | [0] | [0] | [0] |

ENERGY AND WATER DEVELOPMENT SUMMARY

| | | | | |
|--|--------------------|--------------------|--------------------|------------------|
| TOTAL, ENERGY AND WATER DEVELOPMENT | | | | |
| <i>(without fire transfers and drought supplemental)</i> | 1,170,088 | 1,017,177 | 1,115,735 | +98,558 |
| Drought supplemental | +9,000 | 0 | 0 | 0 |
| TOTAL, ENERGY & WATER DEVELOPMENT | | | | |
| <i>(with fire transfers and drought supplemental)</i> | 1,179,088 | 1,017,177 | 1,115,735 | +98,558 |
| Grand total, current authority..... | [1,065,000] | [1,010,919] | [1,008,880] | [-2,039] |
| Supplementals | [+9,000] | [0] | [0] | [0] |
| Rescissions/reductions of new BA | [-10,210] | [0] | [0] | [0] |
| Rescissions of prior year BA | [0] | [-88,000] | [0] | [+88,000] |
| Net transfers..... | [-2,480] | [0] | [0] | [0] |
| Legislative proposal..... | [0] | [0] | [-7,500] | [-7,500] |
| Net, current authority (with drought supplemental) | [1,061,310] | [922,919] | [1,001,380] | [+78,461] |
| Net, current authority (without drought supplemental) | [1,052,310] | [922,919] | [1,001,380] | [+78,461] |
| Grand total, permanent authority | [117,778] | [94,258] | [114,355] | [+20,097] |

COMPARISON OF 2006, 2007, AND 2008 BUDGET AUTHORITY
(in thousands of dollars)

| <u>Appropriation/ Bureau/Account</u> | <u>2006 Actual</u> | <u>2007 CR</u> | <u>2008 Request</u> | <u>Change from 2007</u> |
|--|------------------------|--------------------|-------------------------|-----------------------------|
| DEPARTMENT OF THE INTERIOR SUMMARY | | | | |
| TOTAL, DEPARTMENT OF THE INTERIOR | | | | |
| <i>(without hurricane/drought supplementals)</i> | 16,121,561 | 14,965,762 | 15,764,982 | +799,220 |
| Hurricane/Drought supplementals | +335,300 | 0 | 0 | 0 |
| TOTAL, DEPARTMENT OF THE INTERIOR | | | | |
| <i>(with hurricane/drought supplementals)</i> | 16,456,861 | 14,965,762 | 15,764,982 | +799,220 |
| Grand total, current authority | [11,029,220] | [10,504,798] | [10,742,125] | [+237,327] |
| Supplementals | [+446,893] | [0] | [0] | [0] |
| Rescissions / reductions of new BA | [-155,960] | [0] | [0] | [0] |
| Rescission of prior year BA..... | [-3,500] | [-88,000] | [0] | [+88,000] |
| Net transfers..... | [+3,628] | [0] | [0] | [0] |
| Legislative proposal..... | [0] | [0] | [-7,500] | [-7,500] |
| Rescission of contract authority | [-30,000] | [-30,000] | [-30,000] | [0] |
| Net, current authority | | | | |
| <i>(with hurricane/drought supplementals)</i> | [11,290,281] | [10,386,798] | [10,704,625] | [+317,827] |
| Net, current authority | | | | |
| <i>(without hurricane/drought supplementals)</i> | [10,954,981] | [10,386,798] | [10,704,625] | [+317,827] |
| Grand total, permanent authority | [5,332,884] | [4,773,580] | [5,264,493] | [+490,913] |
| Net transfers..... | [-166,304] | [-194,616] | [-204,136] | [-9,520] |
| Net, permanent authority | [5,166,580] | [4,578,964] | [5,060,357] | [+481,393] |

COMPARISON OF 2006, 2007, AND 2008 BUDGET AUTHORITY

EXPLANATORY NOTES

The budget totals in the *Interior Budget in Brief* differ somewhat from the presentation in the President's budget. The President's budget presentation uses a system of budget scoring required by the Budget Enforcement Act that is based on "net discretionary budget authority." The *Interior Budget in Brief* document almost exclusively uses a system of scoring based on "current authority." Current authority portrays the amounts that the Congress appropriates each year to carry out the Department's programs, including funds classified as mandatory under the Budget Enforcement Act that must still be appropriated each year. Most mandatory funding does not require annual appropriations and is excluded from current authority. Net discretionary excludes mandatory funding, and is reduced by offsetting receipts.

The different scoring can be seen in the budgets of BLM, OSM, OIA, Reclamation, and CUPCA. Both BLM and OIA have current accounts or portions of accounts that are classified as mandatory. Additionally, receipts offset some account totals. The BLM's Service Charges, Deposits and Forfeitures and Reclamation's Central Valley Project include discretionary offsets (receipts) that reduce discretionary totals. In 2006, the Utah Mitigation account also includes a permanent appropriation of \$6.6 million that is scored in the President's budget as \$270,000 in discretionary authority after adjusting for offsetting receipts of \$6.4 million. For all other bureaus and offices the totals under either system are identical.

The scoring differences are slight relative to the size of the budget, ranging from \$98.8 million in 2006 to \$93.4 million in 2008. A current versus discretionary reconciliation follows.

| | 2006 | 2007 | 2008 |
|--|-------------------|-------------------|-------------------|
| Total Current authority | 11,290,281 | 10,386,798 | 10,704,625 |
| Adjustments for Mandatory Current accounts | | | |
| BLM Range Improvements | -10,000 | -10,000 | 0 |
| BLM Miscellaneous Trusts | -15,447 | -12,405 | -12,405 |
| Insular Affairs, Assistance to Territories | -27,720 | -27,720 | -27,720 |
| Insular Affairs, Compact Assistance | -2,000 | -2,000 | -2,000 |
| Adjustments for Discretionary Offsets | | | |
| Central Valley Restoration Receipts | -43,918 | -33,755 | -51,321 |
| CUPCA net receipts | -6,363 | 0 | 0 |
| Permanent Scored as discretionary | +6,633 | 0 | 0 |
| Total Net Discretionary | 11,191,466 | 10,300,918 | 10,611,179 |

The OMB presents the President's budget to the Congress in "millions of dollars." The presentation in the *Interior's Budget in Brief* is based on amounts in "thousands of dollars," the level at which Congress appropriates. When several amounts that have been rounded to millions of dollars are added or subtracted, small differences in the sum of these rounded numbers may be created as compared to the sum of the same numbers unrounded. This rounding effect may result in slight differences between the totals in the President's budget and totals in this document. Rounding differences can also occur as a result of enacted across-the-board reductions since these reductions are made at the whole dollar level while most tables herein are in thousands of dollars.

EXPLANATORY NOTES (CONTINUED)

2006 Actuals

- The Interior, Environment, and Related Agencies Appropriations Act, 2006, P.L. 109-54, was signed August 2, 2005. The Act included an across-the-board reduction of 0.476 percent. The Act provided Secretarial discretion to allocate the across-the-board reductions within the BIA's Land and Water Settlements account. The Act authorizes transfers of \$17.0 million from unobligated balances in the NPS land acquisition Everglades modified water delivery program to NPS line item construction projects. These amounts are shown separately in Appendix A as transfers to conform to budget scoring rules.
- The 2006 appropriations language changed the cap on fees imposed by the Indian Gaming Commission for 2007 to \$12.0 million. However, this provision was superseded by the Native American Technical Amendments Act, P.L. 109-221, signed on May 12, 2006 which struck the dollar limitation on fees and replaced it with a formula.
- The Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 2006, P.L. 109-97, signed November 10, 2005, included technical corrections for the amounts appropriated in the Interior bill: NPS Construction was increased by \$17.0 million; NPS Land acquisition was reduced \$9.9 million; and Departmental Management was decreased \$10.0 million to eliminate a double add for the Martin Luther King Memorial.
- The Energy and Water Appropriations Act, P.L. 109-103, was signed November 19, 2005.
- The Department of Defense, Emergency Supplemental Appropriations to Address Hurricanes in the Gulf of Mexico, and Pandemic Influenza Act, 2006, P.L. 109-148, signed December 30, 2005, included \$70.3 million for MMS, FWS, NPS, and USGS for response, recovery, and restoration activities to address damages from Hurricanes Katrina, Rita, Wilma, and Ophelia. Appendix A includes totals both with and without these funds due to their emergency, one-time nature. The Act also provided \$11.6 million to FWS, NPS, and USGS for Avian Flu research and monitoring. These funds are included as recurring supplementals in Appendix A, and reflected in all totals.
- The 2006 Defense Appropriation Act included a government-wide across-the-board rescission of exactly one percent against all 2006 regular appropriations for all agencies. The across-the-board rescission is not applicable to the hurricane supplemental and Avian Flu funding provided in the Act. It also included rescissions of \$3.5 million in unobligated balances for BLM and FWS accounts that are highlighted in Appendix A.
- The Emergency Supplemental Appropriations Act for Defense, the Global War on Terror, and Hurricane Recovery, P.L. 109-234, was signed on June 15, 2006 and included \$256.0 million for Katrina recovery for NPS, USGS, FWS, MMS, and Historic Preservation Grants to coastal States. It also included \$9.0 million for Reclamation to address drought conditions in the southwest.
- On September 29, 2006, the 2007 Department of Defense Appropriations Act, P.L. 109-289, was signed which included a \$100.0 million emergency supplemental for Wildland Fire Management. Title X provided funds for suppression, emergency rehabilitation, and repayment to other accounts from which funds were previously transferred to cover suppression costs.
- Appendix A details transfers authorized by law, often within an appropriations act, including emergency transfers executed under the authorities of Section 102 of the Interior Appropriations Act. During 2006, there were cumulative Section 102 emergency fire transfers totaling \$96.0 million, \$21.7 million in transfers to repay 2005 Section 102 transfers for hurricane relief, and a number of other transfers described below.

EXPLANATORY NOTES (CONTINUED)

- The accounts displayed below supported \$96.0 million in emergency wildland fire needs. The transfers were repaid in 2006 from funds appropriated to the Wildland Fire account in 2006.

| | |
|----------------------|---------|
| Wildland Fire | +96,000 |
| BLM Construction | -2,000 |
| FWS Construction | -6,000 |
| NPS Construction | -54,000 |
| BIA Construction | -22,000 |
| BLM Land acquisition | -3,000 |
| FWS Land acquisition | -4,000 |
| NPS Land acquisition | -5,000 |

- The BIA transferred funding to MMS and USGS in 2005 for hurricane relief activities and was repaid in 2006 from emergency supplemental funds appropriated to MMS and USGS. A portion of the 2006 supplemental funding appropriated to FWS and NPS was used to repay construction and land acquisition accounts for amounts borrowed in 2005 for hurricane relief efforts.

| | |
|--|-----------|
| BIA Construction | +7,343 |
| MMS Royalty and Offshore Minerals Management | -3,343 |
| USGS Surveys, Investigations and Research | -4,000 |
| FWS Construction | +/-10,000 |
| NPS Construction | +/-4,354 |

- During 2006, there was one other internal transfer of \$3.0 million from BIA to OST for trust activities.
- 2006 external transfers included:

| | |
|---|--------|
| To Wildland Fire from US Forest Service for joint science | +1,366 |
| To FWS Resource Management from US Agency for International Development for Congo Great Great Apes activities | +2,500 |
| To FWS Resource Management from US Forest Service for Jarbridge Canyon recovery | +590 |
| To NPS operations from the Executive Office of the President to deter high intensity drug trafficking | +148 |
| To NPS construction from DOD for Ft. Baker | +2,000 |
| From Reclamation to the Army Corps of Engineers | -1,980 |

2007 Estimates

- At the time of budget publication, no 2007 appropriations acts have been enacted for Interior or any other agency except for the Departments of Defense and Homeland Security. The rest of the Federal government is receiving funds under a continuing resolution appropriation. This appropriation provides no set dollar amounts but provides funding for each account based on the lower of the 2007 House-passed level or the current rate for that account. The current rate is a formula-derived amount based on 2006 appropriations adjusted for unobligated balances.

EXPLANATORY NOTES (CONTINUED)

- Throughout this document, at the bureau level and account level, funding is presented at the annual rate provided under the authority of the third fiscal year 2007 Continuing Resolution, P.L. 109-383, effective through February 15, 2007. At more detailed levels of the budget structure (activity, subactivity, budget element, budget sub-element), line items are presented at the 2007 President's budget level, with non-add amounts presented at the activity level conveying the impact of the continuing resolution.
- An appropriation of \$2.0 million in the Defense Appropriations Act for transfer to NPS for Fort Baker is not included in the 2007 totals due to its origination outside the Interior, Environment, and Related Agencies Act and to avoid distorting requested budget changes. The 2006 amount for Fort Baker of \$2.0 million is scored. This same approach applies to the \$573,000 transfer from Office of the Secretary - Salaries and Expenses account to the General Services Administration for the costs of the new Civilian Board of Contract Appeals established in Section 847 of P.L. 109-163, the Defense Authorization Act for 2006.
- The Commercial Spectrum Enhancement Act, P.L. 108-494, required Federal agencies to relocate from certain spectrum bands to accommodate non-Federal usage. The Act created a Spectrum Relocation Fund to facilitate reimbursement to affected agencies. The National Telecommunications and Information Agency is the lead agency and OMB administers the Fund. The OMB will make a one-time transfer of mandatory funds in 2007 to fund the relocation costs of USGS, NPS, and Reclamation. Appendix A identifies this funding under the Permanent accounts section.
- In 2007, \$96.0 million in 2006 emergency fire transfers were repaid with the \$100.0 million supplemental received at the end of 2006.

2008 Estimates

- The 2005 Energy Policy Act established a \$250.0 million coastal restoration grant program to be funded by OCS revenues. The grant program will begin in 2007 and sunset in 2010. The 2008 request includes appropriations language allowing MMS to use up to three percent of the funds for administrative activities. This language was also included in the 2007 budget.
- The Energy Security Act of 2006, P.L. 109-432, signed December 20, 2006, significantly changed OSM's Abandoned Mine Reclamation Fund program in 2008. The law reauthorizes coal production excise taxes; shifts much of the grant funding from discretionary to mandatory appropriations, under a new formula; funds new coal miner health benefit programs; and provides mandatory General Fund payments to States for their balances currently in the AML Fund. The law thus substantially reduced the amount subject to appropriation.
- The Energy Security Act also created a new coastal revenue sharing account for MMS and a new component for the NPS Land and Water Conservation Fund State Assistance Grants. These accounts are funded from receipts and the programs will begin in 2009. The 2008 proposed appropriations language under NPS Administrative Provisions includes a proposal to fund some of the administrative costs of the LWCF State Assistance Grants program from the available mandatory receipts in lieu of appropriated funds.

EXPLANATORY NOTES (CONTINUED)

2007 Authorization Proposals

Payments for Trust Accounting Deficiencies — In 1998, OST identified a difference between the OST investment balances and the underlying Individual Indian Monies account balances. Since that time, approximately \$700,000 has been recovered as a result of historical account reconciliation efforts. An approximate \$6 million difference currently exists between the investment balances and the IIM subsidiary accounts. The Administration has proposed legislation that would authorize up to \$6.0 million be made available to credit the investment balances, as shown in this Appendix A.

2008 Authorization Proposals

The following authorization proposals impact the spending levels of Interior's bureaus:

National Park Service Centennial Challenge Fund — The budget assumes enactment of a legislative proposal that would provide a new, dedicated source of funding for the Centennial Match over ten years of up to \$100.0 million per year of annual mandatory Federal spending to be made available to match at least dollar for dollar \$100 million in Centennial Challenge contributions for signature projects and programs. Currently, NPS receives about \$27 million annually in donations in addition to in-kind contributions. If that level is maintained, for every additional dollar donated to the NPS, the new program will match dollar for dollar up to \$100.0 million. The match is contingent on maintaining current donation levels.

Range Improvements — The budget for BLM proposes to discontinue mandatory appropriations from the Range Improvement Fund totaling \$10.0 million annually. Instead, revenues will be deposited to the Treasury. The BLM's new grazing rule will allow permittees to share title to range improvements. Therefore, permittees should be able to bear more of the cost of these improvements in the future.

Geothermal Implementation Fund — The Energy Policy Act of 2005, P.L.109-58, dedicated 25 percent of geothermal revenues to be used by the BLM to expedite geothermal leasing activities. The budget proposes to eliminate the fund, direct the receipts to the General Fund, and fund increased leasing activity through user fees.

Federal Land Transactions Facilitation Act — The Federal Land Transaction Facilitation Act, P.L. 106-248 114 Stat. 613, authorizes the sale of BLM lands that have been classified as suitable for disposal under resource management plans in place at the time the Act was passed and allows the Department to retain the proceeds from such sales to cover the administrative costs of those sales and to acquire other high-value non-Federal lands within specially-designated areas such as national parks, refuges, and monuments. The 2008 budget proposes to amend FLTFA to allow BLM to use updated management plans to identify areas suitable for disposal; allow a portion of the receipts to be used by BLM for restoration projects; return 70 percent of the net proceeds from these sales to the Federal Treasury; and cap Interior receipt retention at \$60.0 million per year.

Repeal of Section 365 Energy Policy Act of 2005 — The 2008 BLM budget assumes enactment of legislation to repeal provisions of Section 365 of the Energy Policy Act. Section 365 diverts mineral leasing rental receipts from the General Fund to the newly created Permit Processing Improvement Fund and prohibits BLM from establishing cost recovery fees for processing applications for permits to drill. The BLM will promulgate regulations to phase in full cost recovery for processing APDs, which will be in place by 2008. The rulemaking will begin with a fee amount that generates an estimated \$21.0 million in 2008, fully replacing the estimated amount that would otherwise be provided by rental receipts, thus sustaining the program's capabilities.

EXPLANATORY NOTES (CONTINUED)

Sale of Subsurface Mineral Estate — The budget includes a proposal to credit the BLM Land Acquisition account proceeds from the sale of subsurface mineral estate to the surface owner, sales which are already authorized under Section 209 of the Federal Land Policy and Management Act. The sales proceeds will be used to purchase lands or interests in land, and for administrative expenses for purchasing the lands, as authorized by FLPMA. The proposal caps the collections that can be credited to the Land Acquisition account at \$5.0 million in 2008 and establishes a minimum sale price of \$10 per acre. The budget assumes that \$5.0 million will be credited to the Land Acquisition account in 2008.

San Joaquin River Restoration Fund Proposed Legislation — The budget proposes to re-direct the Friant surcharge receipts to a proposed new mandatory account to be established for the environmental restoration of the San Joaquin Valley. The budget proposes redirecting the use of Friant receipts for current Central Valley Restoration Fund activities, thus reducing Central Valley Restoration Fund budget authority by \$7.5 million.

Mandatory proposals described in this section include only those that provide a change in Interior's budgetary resources through 2008. Other proposals assumed in the budget change revenues to the General Treasury or would impact Interior's budgetary resources in 2009 and later years. Additional information on all mandatory proposals is included in the Departmental Overview – Mandatory Proposals.

2008 REQUEST BY MISSION GOAL

(in millions of dollars)

RESOURCE PROTECTION

| Appropriation/Bureau/Account | Improve health of watersheds and landscapes | Sustain biological communities | Protect cultural and heritage resources | Improve understanding through interdisciplinary assessment |
|--|---|--------------------------------|---|--|
| BUREAU OF LAND MANAGEMENT | | | | |
| Management of Lands and Resources .. | 167.5 | 26.9 | 78.4 | 0 |
| Wildland Fire Management | 94.4 | 0 | 0 | 0 |
| Oregon and California Grant Lands..... | 34.8 | 6.3 | 0 | 0 |
| Miscellaneous Trust Funds | 10.2 | 0 | 0 | 0 |
| Total BLM | 306.9 | 33.2 | 78.4 | 0 |
| OFFICE OF SURFACE MINING | | | | |
| Abandoned Mine Reclamation Fund | 18.5 | 0 | 0 | 0 |
| Total OSM..... | 18.5 | 0 | 0 | 0 |
| U.S. GEOLOGICAL SURVEY | | | | |
| Surveys, Investigations, and Research .. | 0 | 0 | 0 | 794.7 |
| Total USGS | 0 | 0 | 0 | 794.7 |
| FISH AND WILDLIFE SERVICE | | | | |
| Resource Management | 318.8 | 499.8 | 6.7 | 0 |
| Construction | 5.5 | 9.2 | 0.2 | 0 |
| Land Acquisition | 15.9 | 1.3 | 0 | 0 |
| State Wildlife Grants Fund..... | 0 | 34.7 | 0 | 0 |
| National Wildlife Refuge Fund | 6.5 | 2.3 | 0 | 0 |
| Neotropical Migratory Bird Conservation | 0 | 4.0 | 0 | 0 |
| North Am. Wetlands Conserv. Fund | 1.2 | 38.3 | 0 | 0 |
| Coop End. Spec. Conserv. Fund | 2.2 | 77.8 | 0 | 0 |
| Multinational Species Cons. Fund | 0 | 4.3 | 0 | 0 |
| Total FWS | 350.2 | 671.6 | 7.0 | 0 |
| NATIONAL PARK SERVICE | | | | |
| Operation of the National Park System | 155.9 | 99.2 | 387.9 | 0 |
| US Park Police..... | 0 | 0 | 29.7 | 0 |
| National Recreation and Preservation .. | 5.1 | 0.3 | 32.3 | 0 |
| Historic Preservation Fund | 0 | 0 | 63.7 | 0 |
| Construction..... | 18.9 | 0.3 | 110.2 | 0 |
| Land Acquisition and State Assist. | 11.1 | 0 | 2.0 | 0 |
| Total NPS..... | 191.0 | 99.8 | 625.6 | 0 |
| NATURAL RESOURCES | | | | |
| DAMAGE ASSESSMENT | 6.2 | 0 | 0 | 0 |
| OFFICE OF THE SECRETARY | | | | |
| Appraisal Function..... | 5.3 | 0.3 | 0.4 | 0 |
| Central Hazardous Material Fund..... | 10.0 | 0 | 0 | 0 |
| Total OS..... | 15.3 | 0.3 | 0.4 | 0 |
| SUBTOTAL, INTERIOR, ENVIRONMENT AND RELATED AGENCIES..... | | | | |
| | 888.0 | 804.9 | 711.4 | 794.7 |

Note: Numbers may not add due to rounding.

2008 REQUEST BY MISSION GOAL
(in millions of dollars)

RESOURCE PROTECTION *(continued)*

| <u>Appropriation/Bureau/Account</u> | <u>Improve health of watersheds and landscapes</u> | <u>Sustain biological communities</u> | <u>Protect cultural and heritage resources</u> | <u>Improve understanding through interdisciplinary assessment</u> |
|--|--|---------------------------------------|--|---|
| BUREAU OF RECLAMATION | | | | |
| Water and Related Resources | 7.9 | 1.1 | 0.7 | 0 |
| Policy and Administration | 0.6 | 0.1 | 0.1 | 0 |
| Total BuRec..... | 8.4 | 1.1 | 0.8 | 0 |
| CUPCA | | | | |
| Central Utah Project Completion | 0 | 0.9 | 0 | 0 |
| Utah Reclamation and Mitigation..... | 0 | 0.9 | 0 | 0 |
| Total CUPCA..... | 0.1 | 1.8 | 0 | 0 |
| SUBTOTAL, ENERGY AND WATER..... | 8.5 | 2.9 | 0.8 | 0 |
| MISSION GOAL TOTAL - | | | | |
| ALL ACCOUNTS | 896.5 | 807.8 | 712.1 | 794.7 |

Note: Numbers may not add due to rounding.

2008 REQUEST BY MISSION GOAL
(in millions of dollars)

| RESOURCE USE | | | | | | |
|--|--|--|---|---|---|--|
| <u>Appropriation/Bureau/Account</u> | Enhance public benefit and economic value-fossil fuels | Enhance public benefit and economic value-renewables | Enhance public benefit and economic value - forage, forest, other | Enhance public benefit and economic value-forest products | Deliver water in an environmentally responsible and cost-efficient manner | Improve understanding of energy and mineral uses |
| BUREAU OF LAND MANAGEMENT | | | | | | |
| Management of Lands and Resources .. | 156.4 | 0 | 98.7 | 0 | 0 | 0 |
| Oregon and California Grant Lands..... | 0 | 0 | 46.4 | 0 | 0 | 0 |
| Total BLM | 156.4 | 0 | 145.1 | 0 | 0 | 0 |
| MINERALS MANAGEMENT SERVICE | | | | | | |
| Royalty and Offshore Mineral Mgmt. .. | 155.0 | 0 | 0 | 0 | 0 | 0 |
| Oil Spill Research | 6.4 | 0 | 0 | 0 | 0 | 0 |
| Total MMS | 161.5 | 0 | 0 | 0 | 0 | 0 |
| OFFICE OF SURFACE MINING | | | | | | |
| Regulation and Technology | 115.3 | 0 | 0 | 0 | 0 | 0 |
| Total OSM..... | 115.3 | 0 | 0 | 0 | 0 | 0 |
| U.S. GEOLOGICAL SURVEY | | | | | | |
| Surveys, Investigations, and Research.. | 0 | 0 | 0 | 0 | 0 | 72.6 |
| Total USGS | 0 | 0 | 0 | 0 | 0 | 72.6 |
| FISH AND WILDLIFE SERVICE | | | | | | |
| Resource Management | 2.2 | 5.6 | 4.4 | 0 | 5.2 | 0 |
| Total FWS | 2.2 | 5.6 | 4.4 | 0 | 5.2 | 0 |
| SUBTOTAL, INTERIOR, ENVIRONMENT AND RELATED AGENCIES..... | | | | | | |
| | 435.3 | 5.6 | 149.5 | 0 | 5.2 | 72.6 |
| BUREAU OF RECLAMATION | | | | | | |
| Water and Related Resources | 0 | 0 | 0 | 0 | 790.5 | 0 |
| Central Valley Project Restoration Fund | 0 | 0 | 0 | 0 | 51.6 | 0 |
| California Bay Delta..... | 0 | 0 | 0 | 0 | 31.8 | 0 |
| Policy and Administration..... | 0 | 0 | 0 | 0 | 57.0 | 0 |
| Total BuRec..... | 0 | 0 | 0 | 0 | 930.9 | 0 |
| CUPCA | | | | | | |
| Central Utah Project Completion | 0 | 0 | 0 | 0 | 40.8 | 0 |
| Total CUPCA..... | 0 | 0 | 0 | 0 | 40.8 | 0 |
| SUBTOTAL, ENERGY AND WATER..... | | | | | | |
| | 0 | 0 | 0 | 0 | 971.7 | 0 |
| MISSION GOAL TOTAL - ALL ACCOUNTS | | | | | | |
| | 435.3 | 5.6 | 149.5 | 0 | 977.0 | 72.6 |

Note: Numbers may not add due to rounding.

2008 REQUEST BY MISSION GOAL
(in millions of dollars)

RECREATION

| <u>Appropriation/Bureau/Account</u> | <u>Improve the quality and diversity of recreation</u> | <u>Expand seamless recreation opportunities</u> |
|--|--|---|
| BUREAU OF LAND MANAGEMENT | | |
| Management of Lands and Resources .. | 92.8 | 0 |
| Oregon and California Grant Lands..... | 12.2 | 0 |
| Miscellaneous Trust Funds | 1.5 | 0 |
| Total BLM | <u>106.6</u> | <u>0</u> |
| FISH AND WILDLIFE SERVICE | | |
| Resource Management | 30.2 | 46.1 |
| Construction | 1.9 | 0 |
| Land Acquisition | 0.2 | 0 |
| State Wildlife Grants Fund..... | 0 | 34.7 |
| National Wildlife Refuge Fund | 0.8 | 0 |
| North Am. Wetlands Conserv. Fund | 0 | 0.1 |
| Total FWS | <u>33.0</u> | <u>81.0</u> |
| NATIONAL PARK SERVICE | | |
| Operation of the National Park System | 1,299.0 | 17.9 |
| U.S. Park Police..... | 58.4 | 0 |
| National Recreation and Preservation .. | 0.4 | 8.7 |
| Construction..... | 72.0 | 6.7 |
| LWCF rescission | -30.0 | 0 |
| Land Acquisition and State Assist. | 6.4 | 3.1 |
| Total NPS | <u>1,406.3</u> | <u>29.9</u> |
| OFFICE OF THE SECRETARY | | |
| Appraisal Function..... | 1.3 | 0.6 |
| Total OS..... | <u>1.3</u> | <u>0.6</u> |
| SUBTOTAL, INTERIOR, ENVIRONMENT AND RELATED AGENCIES..... | | |
| | <u>1,547.2</u> | <u>111.4</u> |
| BUREAU OF RECLAMATION | | |
| Policy and Administration..... | 1.1 | 0 |
| Water and Related Resources | 16.0 | 0 |
| Total BuRec..... | <u>17.1</u> | <u>0</u> |
| SUBTOTAL, ENERGY AND WATER..... | | |
| | <u>16.0</u> | <u>0</u> |
| MISSION GOAL TOTAL - ALL ACCOUNTS | | |
| | <u>1,564.3</u> | <u>111.5</u> |

Note: Numbers may not add due to rounding.

2008 REQUEST BY MISSION GOAL
(in millions of dollars)

SERVING COMMUNITIES

| <u>Appropriation/Bureau/Account</u> | <u>Protect lives and property</u> | <u>Advance knowledge through scientific leadership</u> | <u>Fulfill trust responsibilities</u> | <u>Advance quality communities for Tribes</u> | <u>Advance quality communities for Islands</u> |
|---|-----------------------------------|--|---------------------------------------|---|--|
| BUREAU OF LAND MANAGEMENT | | | | | |
| Management of Lands and Resources .. | 258.7 | 0 | 0 | 0 | 0 |
| Wildland Fire Management | 707.4 | 0 | 0 | 0 | 0 |
| Construction and Access | 6.5 | 0 | 0 | 0 | 0 |
| Land Acquisition | 1.6 | 0 | 0 | 0 | 0 |
| Oregon and California Grant Lands..... | 10.6 | 0 | 0 | 0 | 0 |
| Miscellaneous Trust Funds | 0.7 | 0 | 0 | 0 | 0 |
| Total BLM | 985.5 | 0 | 0 | 0 | 0 |
| OFFICE OF SURFACE MINING | | | | | |
| Abandoned Mine Reclamation Fund | 34.5 | 0 | 0 | 0 | 0 |
| Total OSM..... | 34.5 | 0 | 0 | 0 | 0 |
| U.S.GEOLOGICAL SURVEY | | | | | |
| Surveys, Investigations, and Research.. | 0 | 107.7 | 0 | 0 | 0 |
| Total USGS | 0 | 107.7 | 0 | 0 | 0 |
| FISH AND WILDLIFE SERVICE | | | | | |
| Resource Management | 115.4 | 0 | 0 | 0 | 0 |
| Construction | 6.4 | 0 | 0 | 0 | 0 |
| Land Acquisition | 0.5 | 0 | 0 | 0 | 0 |
| National Wildlife Refuge Fund | 1.2 | 0 | 0 | 0 | 0 |
| North Am. Wetlands Conserv. Fund | 3.0 | 0 | 0 | 0 | 0 |
| Total FWS | 126.5 | 0 | 0 | 0 | 0 |
| NATIONAL PARK SERVICE | | | | | |
| Operation of the National Park System | 9.1 | 0 | 0 | 0 | 0 |
| Construction..... | 2.1 | 0 | 0 | 0 | 0 |
| Total NPS..... | 11.3 | 0 | 0 | 0 | 0 |
| INDIAN AFFAIRS | | | | | |
| Operation of Indian Programs | 0 | 0 | 335.8 | 1,655.1 | 0 |
| Construction..... | 27.2 | 0 | 14.6 | 155.8 | 0 |
| Settlements | 0 | 0 | 34.1 | 0 | 0 |
| Guaranteed Loans | 0 | 0 | 0 | 6.3 | 0 |
| Total IA..... | 27.2 | 0 | 384.5 | 1,817.1 | 0 |
| OFFICE OF THE SPECIAL TRUSTEE | | | | | |
| Federal Programs | 0 | 0 | 186.2 | 0 | 0.0 |
| Indian Land Consolidation..... | 0 | 0 | 10.0 | 0 | 0 |
| Total OST | 0 | 0 | 196.2 | 0 | 0 |
| INSULAR AFFAIRS | | | | | |
| Assistance to Territories | 0 | 0 | 0 | 0 | 74.9 |
| Compact of Free Association | 0 | 0 | 0 | 0 | 4.9 |
| Total OIA | 0 | 0 | 0 | 0 | 79.8 |

Note: Numbers may not add due to rounding.

APPENDIX B

2008 REQUEST BY MISSION GOAL
(in millions of dollars)

SERVING COMMUNITIES *(continued)*

| <u>Appropriation/Bureau/Account</u> | <u>Protect lives and property</u> | <u>Advance knowledge through scientific leadership</u> | <u>Fulfill trust responsibilities</u> | <u>Advance quality communities for Tribes</u> | <u>Advance quality communities for Islands</u> |
|--|-----------------------------------|--|---------------------------------------|---|--|
| OFFICE OF THE SECRETARY | | | | | |
| Appraisal Function | 0.4 | 0 | 0 | 0 | 0 |
| Payment in Lieu of Taxes | 190.0 | 0 | 0 | 0 | 0 |
| Total OS..... | 190.4 | 0 | 0 | 0 | 0 |
| SUBTOTAL, INTERIOR, ENVIRONMENT AND RELATED AGENCIES..... | 1,375.4 | 107.7 | 580.7 | 1,817.1 | 79.8 |
| CUPCA | | | | | |
| Central Utah Project Completion | 0 | 0 | 0 | 0.3 | 0 |
| Total CUPCA..... | 0 | 0 | 0 | 0.3 | 0 |
| SUBTOTAL, ENERGY AND WATER..... | 0 | 0 | 0 | 0.3 | 0 |
| MISSION GOAL TOTAL - ALL ACCOUNTS | 1,375.4 | 107.7 | 580.7 | 1,817.4 | 79.8 |

Note: Numbers may not add due to rounding.

2008 REQUEST BY MISSION GOAL
(in millions of dollars)

MANAGEMENT EXCELLENCE

| <u>Appropriation/Bureau/Account</u> | <u>Management Excellence</u> |
|--|----------------------------------|
| OFFICE OF THE SECRETARY | |
| Salaries and Expenses..... | 115.4 |
| Working Capital Fund | 22.4 |
| Total OS..... | <u>115.4</u> |
| OFFICE OF THE SOLICITOR | |
| Salaries and Expenses..... | 58.9 |
| OFFICE OF THE INSPECTOR GENERAL | |
| Salaries and Expenses..... | 42.3 |
| SUBTOTAL, INTERIOR, ENVIRONMENT AND RELATED AGENCIES..... | |
| | <u>216.7</u> |
| MISSION GOAL TOTAL - ALL ACCOUNTS | |
| | <u>216.7</u> |

Note: Numbers may not add due to rounding.

MAINTAINING AMERICA'S HERITAGE

(in thousands of dollars)

| Bureau/Account | 2006 Actual | 2007 CR | 2008 Request | 2008 Compared to 2007 |
|---|------------------|------------------|------------------|-----------------------------|
| MAINTENANCE | | | | |
| Bureau of Land Management | | | | |
| Management of Lands and Resources | 76,646 | 75,381 | 71,831 | -3,550 |
| Oregon and California Grant Lands..... | 10,742 | 10,821 | 11,092 | +271 |
| Wildland Fire Management | 7,734 | 7,734 | 7,734 | 0 |
| Subtotal, BLM | 95,122 | 93,936 | 90,657 | -3,279 |
| U.S. Geological Survey | | | | |
| Surveys, Investigations, and Research..... | 32,728 | 32,995 | 37,890 | +4,895 |
| Fish and Wildlife Service | | | | |
| Resource Management | 153,737 | 151,179 | 154,366 | +3,187 |
| National Park Service | | | | |
| Operation of the National Park System | 592,578 | 601,800 | 698,571 | +96,771 |
| Indian Affairs | | | | |
| Operation of Indian Programs | 79,553 | 76,828 | 81,862 | +5,034 |
| Subtotal, Maintenance | 953,718 | 956,738 | 1,063,346 | +106,608 |
| CONSTRUCTION* | | | | |
| Bureau of Land Management..... | 11,750 | 11,476 | 6,476 | -5,000 |
| Fish and Wildlife Service..... | 45,216 | 39,756 | 23,071 | -16,685 |
| National Park Service | 315,858 | 229,934 | 201,580 | -28,354 |
| Indian Affairs | 275,925 | 215,799 | 197,627 | -18,172 |
| Subtotal, Construction..... | 648,749 | 496,965 | 428,754 | -68,211 |
| TOTAL, DEPARTMENT OF THE INTERIOR..... | 1,602,467 | 1,453,703 | 1,492,100 | +38,397 |
| TOTALS BY BUREAU | | | | |
| Bureau of Land Management..... | 106,872 | 105,412 | 97,133 | -8,279 |
| U.S. Geological Survey | 32,728 | 32,995 | 37,890 | +4,895 |
| Fish and Wildlife Service..... | 198,953 | 190,935 | 177,437 | -13,498 |
| National Park Service | 906,436 | 831,734 | 900,151 | +68,417 |
| Indian Affairs | 355,478 | 292,627 | 279,489 | -13,138 |
| TOTAL, DEPARTMENT OF THE INTERIOR..... | 1,602,467 | 1,453,703 | 1,492,100 | +38,397 |

* In 2006 Construction totals include transfers but exclude supplementals.

CONSTRUCTION PROGRAM

INTERIOR, ENVIRONMENT, AND RELATED AGENCIES

(in thousands of dollars)

| Bureau/State/Project | Estimated Cost | Through 2007 | 2008 Request |
|--|-------------------|-----------------|-----------------|
| BUREAU OF LAND MANAGEMENT | | | |
| California | | | |
| Emergency Evacuation for Dumont Dunes Provide a safe pad to land emergency helicopters to extract critical patients from Dumont Dunes Off-Highway Vehicle area. | 456 | 0 | 456 |
| Harper Lake Area of Critical Environmental Concern Fencing Construct protective fencing as part of BLM's "Watchable Wildlife" program. | 108 | 0 | 108 |
| Headwaters Forest Road Trail System Resource Interpretation, Phase I Realign existing roads and trails to meet geometric standards for public access and to reduce the risk of collision. | 659 | 0 | 659 |
| Colorado | | | |
| Colorado Canyons National Conservation Area Construct two kiosks, two vault toilets, and gravel and delineate parking areas and appurtenant fences, gates and picnic facilities. | 396 | 0 | 396 |
| Confluence River Access Reconstruct a boat launch and construct vehicle turn-around and parking. | 187 | 0 | 187 |
| Grand Junction Trailhead and Overlook Improvements Construct interpretive displays and bulletin boards at key trailheads and overlooks to help educate users. | 146 | 0 | 146 |
| Lemhi River TMDL Road Maintenance, Phase II Reconstruct and maintain 93 road miles for public access, sediment reduction for implementation of Total Maximum Daily Load, and protect threatened and endangered species habitat. | 2,368 | 0 | 2,368 |
| Penitente Canyon Rehabilitation Install two toilets and five trash dumpsters, replace ten cooking grills and ten picnic tables, relocate a group campsite, add 100 feet of fence, place 125 rock barriers, add a campground host campsite, improve 250 feet of road, build overflow parking for day users, and replace the entrance fee collection kiosk. | 222 | 0 | 222 |

CONSTRUCTION PROGRAM
INTERIOR, ENVIRONMENT, AND RELATED AGENCIES
(in thousands of dollars)

| Bureau/State/Project | Estimated Cost | Through 2007 | 2008 Request |
|--|-------------------|-----------------|-----------------|
| Idaho | | | |
| Boise District Fire Sprinklers Install a new automatic fire sprinkler system in the main Boise District Administrative Office building. | 330 | 0 | 330 |
| Oregon | | | |
| Twin Springs Recreation Site Maintenance Provide potable water from a well and pipeline system, replace existing toilet, reroute the site road to a more user-friendly route, install irrigation system, replace the bulletin board, and improve camping sites with picnic tables and fire-rings. | 111 | 0 | 111 |
| Utah | | | |
| Monticello and Price Vault Toilet Installations Install four new vault toilets in four separate trailhead locations. | 108 | 0 | 108 |
| Vernal District Warehouse Yards Reconstruction Phase II Demolish and reconstruct buildings. | 1,069 | 0 | 1,069 |
| Bureau-wide | | | |
| Architectural and Engineering Services Provide for completion of survey and design work, final project design, and initial contract development for construction projects within the BLM Five-Year Plan. | 316 | 0 | 316 |
| TOTAL, BUREAU OF LAND MANAGEMENT | | | 6,476 |

CONSTRUCTION PROGRAM
INTERIOR, ENVIRONMENT, AND RELATED AGENCIES
(in thousands of dollars)

| Bureau/State/Project | Estimated Cost | Through 2007 | 2008 Request |
|--|-------------------|-----------------|-----------------|
| U. S. GEOLOGICAL SURVEY | | | |
| Maryland | | | |
| Patuxent Wildlife Research Refuge Repair and renovate water and sewer infrastructure. Also see the FWS request for this project below. | 12,650 | 0 | 4,650 |
| FISH AND WILDLIFE SERVICE | | | |
| Illinois | | | |
| Crab Orchard National Wildlife Refuge Rehabilitate Devil's Kitchen Dam. | 2,497 | 497 | 2,000 |
| Maryland | | | |
| Patuxent Wildlife Research Refuge Repair and renovate water and sewer infrastructure. Also see the USGS request for this project above. | 12,650 | 0 | 5,000 |
| Wyoming | | | |
| Jackson National Fish Hatchery Seismic Rehabilitation of Two Buildings – Phase IV | 5,988 | 3,951 | 2,037 |
| Midway Atoll Islands | | | |
| Midway Atoll Wildlife Refuge Replace fuel farm. | 2,346 | 0 | 2,346 |
| Servicewide | | | |
| Division of Safety, Security, and Aviation Replace survey aircraft – Phase V | 16,000 | 3,958 | 500 |
| Bridge Safety — Bridge Safety Program and Inspections Inspect 300 of the Service's 700+ bridges to ensure that they remain in a safe operating condition and are capable of carrying loads within design limits. | 570 | Annual | 570 |
| Dam Safety — Dam Safety Program and Inspections Perform annual safety inspections and evaluations of high and significant hazard dams. | 717 | Annual | 717 |
| Core Engineering Services | -- | -- | 6,225 |
| Seismic Safety Program | -- | -- | 120 |
| Environmental Compliance Management | -- | -- | 1,000 |
| Waste Prevention, Recycling, and Environmental Management Systems | -- | -- | 100 |
| User Pay Cost Share | -- | -- | 2,456 |
| TOTAL, FISH AND WILDLIFE SERVICE | | | 23,071 |

CONSTRUCTION PROGRAM
INTERIOR, ENVIRONMENT, AND RELATED AGENCIES
(in thousands of dollars)

| Bureau/State/Project | Estimated Cost | Through 2007 | 2008 Request |
|---|-------------------|-----------------|-----------------|
| NATIONAL PARK SERVICE | | | |
| California | | | |
| Redwood National Park | | | |
| Protect park resources by removing failing roads, Phase 3 (completion). | 6,760 | 4,414 | 2,346 |
| Relocate and replace maintenance facility, Phase 1. | 17,574 | 0 | 11,144 |
| Channel Islands National Park | | | |
| Replace failing 700 foot pier, primary access to Santa Rosa Island. | 9,295 | 0 | 9,295 |
| San Francisco Maritime National Historical Park | | | |
| Rehabilitate Amphitheatre structure. | 10,051 | 0 | 10,051 |
| Colorado | | | |
| Rocky Mountain National Park | | | |
| Rehabilitate primary power lines. | 2,817 | 0 | 2,817 |
| District of Columbia | | | |
| National Mall and Memorial Parks | | | |
| Provide universal accessibility at Ford's Theatre NHS. | 8,135 | 4,614 | 3,521 |
| The White House | | | |
| Perform structural and utility rehabilitation for Executive Residence. | 47,229 | 39,867 | 5,901 |
| Florida | | | |
| Everglades National Park | | | |
| Modify water deliveries project (ongoing). | 398,418 | 300,254 | 14,526 |
| Hawaii | | | |
| USS Arizona Memorial | | | |
| Provide Federal portion of funds to replace failing Visitor Center, Phase 2 (completion). | 8,230 | 3,685 | 4,545 |
| Indiana | | | |
| George Rogers Clark National Historic Park | | | |
| Repair memorial terrace. | 3,764 | 0 | 3,764 |
| Kentucky | | | |
| Mammoth Cave National Park | | | |
| Replace Mammoth Dome Tower. | 1,353 | 0 | 1,353 |
| Massachusetts | | | |
| Cape Cod National Seashore | | | |
| Widen and rehabilitate unsafe Province Lands Bike Path. | 1,292 | 0 | 1,292 |

CONSTRUCTION PROGRAM
INTERIOR, ENVIRONMENT, AND RELATED AGENCIES
(in thousands of dollars)

| Bureau/State/Project | Estimated Cost | Through 2007 | 2008 Request |
|--|-------------------|-----------------|-----------------|
| North Carolina | | | |
| Blue Ridge Parkway Replace Mt. Pisgah wastewater treatment system. | 1,916 | 0 | 1,916 |
| Cape Hatteras National Seashore Preserve and rehabilitate Bodie Island Lighthouse. | 2,805 | 0 | 2,805 |
| Pennsylvania | | | |
| Delaware Water Gap National Recreation Area Replace portable toilets with permanant comfort stations. | 1,503 | 0 | 1,503 |
| South Dakota | | | |
| Wind Cave National Park Rehabilitate failing Elk Mountain Camp water system. | 1,158 | 0 | 1,158 |
| Virginia | | | |
| Petersburg National Battlefield Provide safe public access and facilities for the Five Forks National Historic Landmark. | 3,045 | 0 | 3,045 |
| Shenandoah National Park Rehabilitate five historic Skyline Drive overlooks. | 2,292 | 0 | 2,292 |
| Washington | | | |
| Mount Rainier National Park Replace Visitor Center and rehabilitate parking areas. | 19,041 | 17,229 | 1,812 |
| Olympic National Park Restoration of Elwha River Ecosystem. | 260,164 | 135,164 | 20,000 |
| Servicewide | | | |
| Special Programs | -- | -- | 25,806 |
| Construction Planning | -- | -- | 17,355 |
| Construction Program Management and Operations | -- | -- | 39,842 |
| General Management Planning | -- | -- | 13,491 |
| TOTAL, NATIONAL PARK SERVICE | | | 201,580 |

CONSTRUCTION PROGRAM
INTERIOR, ENVIRONMENT, AND RELATED AGENCIES
(in thousands of dollars)

| Bureau/State/Project | Estimated Cost | Through 2007 | 2008 Request |
|--|-------------------|-----------------|-----------------|
| INDIAN AFFAIRS | | | |
| <i>Education Construction</i> | | | |
| Replacement School Construction | | | 14,812 |
| Replace schools in accordance with an established Priority List as listed below. | | | |
| Arizona | | | |
| Keams Canyon Elementary School | | | * |
| Minnesota | | | |
| Circle of Life Survival School | | | * |
| Replacement Facilities | | | 20,428 |
| Replace structures at BIA schools as listed below. | | | |
| North Dakota | | | |
| Standing Rock Community School (Phase II) | | | * |
| Oklahoma | | | |
| Riverside Indian School | | | * |
| Multiple States | | | |
| Replacement Facility Planning and Design | | | 2,150 |
| Employee Housing Repair | | | 1,617 |
| Repair critical life safety related deficiencies in BIA employee housing. | | | |
| Major Facilities Improvement and Repair | | | 26,921 |
| Repair critical life safety items, consolidate or close under-utilized facilities, and repair education facilities for BIA funded schools. | | | |
| Arizona | | | |
| Cibecue Community School | | | * |
| Lukachukai Boarding School | | | * |
| North Dakota | | | |
| Standing Rock Community School | | | * |
| South Dakota | | | |
| Flandreau Indian School | | | * |
| Washington | | | |
| Yakima Tribal School | | | * |
| Multiple States | | | |
| Major Facilities Improvement and Repair, Planning and Design | | | 3,294 |

CONSTRUCTION PROGRAM
INTERIOR, ENVIRONMENT, AND RELATED AGENCIES
(in thousands of dollars)

| Bureau/State/Project | Estimated Cost | Through 2007 | 2008 Request |
|---|-------------------|-----------------|-----------------|
| Facilities Improvement and Repair and Maintenance | | | 70,622 |
| <i>Subtotal, Education Construction</i> | | | 139,844 |
| <i>Public Safety and Justice Construction</i> | | | |
| Major Public Safety and Justice Facilities Improvement and Repair | | | 3,557 |
| Address detention facilities improvement and repair needs, with emphasis on critical health and safety items identified in safety reports. | | | |
| Montana | | | |
| Fort Peck Law Enforcement Center | | | * |
| Wind River Detention Center | | | * |
| North Dakota | | | |
| Fort Totten Law Enforcement Center | | | * |
| Multiple States | | | |
| Major Facility Improvement and Replacement Planning and Design. | | | 805 |
| Facilities Improvement and Repair and Maintenance | | | 3,749 |
| Fire Protection and Coordination | | | 3,510 |
| Procure fire trucks and equipment and install fire sprinklers and fire and smoke alarms in dormitories, detention centers, and other buildings. | | | |
| <i>Subtotal, Public Safety and Justice Construction</i> | | | 11,621 |
| <i>Resources Management Construction</i> | | | |
| Indian Irrigation Projects | | | |
| New Mexico | | | |
| Navajo Indian Irrigation Project | 765,000 | 617,312 | 12,611 |
| Safety of Dams | | | |
| Corrective Construction | | | 20,255 |
| Arizona | | | |
| Tsalie Dam | | | * |
| Bog Tank Dam | | | * |
| California | | | |
| Lauer Dam | | | * |

APPENDIX D

CONSTRUCTION PROGRAM
INTERIOR, ENVIRONMENT, AND RELATED AGENCIES
(in thousands of dollars)

| Bureau/State/Project | Estimated Cost | Through 2007 | 2008 Request |
|--|-------------------|-----------------|-----------------|
| New Mexico | | | |
| Captain Tom Dam | | | * |
| Red Lake Dam | | | * |
| Multiple States | | | |
| Dam Maintenance | | | 1,935 |
| Engineering and Supervision | | | |
| Multiple States | | | |
| Irrigation project engineering and supervision | | | 2,136 |
| Survey and Design | | | 296 |
| Federal Energy Regulatory Commission Activities | | | 683 |
| <i>Subtotal, Resources Management Construction</i> | | | 37,916 |
| General Administration | | | |
| Multiple States | | | |
| Telecommunications Improvement and Repair | | | 895 |
| Facilities Improvement and Repair | | | 1,219 |
| Construction Program Management | | | 6,132 |
| <i>Subtotal, General Administration Construction</i> | | | 8,246 |
| TOTAL, INDIAN AFFAIRS | | | 197,627 |

* Indian Affairs does not provide cost estimates for construction projects until the planning and design for a project has progressed to the point where an accurate cost estimate can be made.

CONSTRUCTION PROGRAM
Energy and Water Development
(in thousands of dollars)

| Bureau/State/Project | Estimated Cost | Through 2007 | 2008 Request |
|---|-------------------|-----------------|-----------------|
| BUREAU OF RECLAMATION | | | |
| Arizona | | | |
| Central Arizona Project | 4,588,352 | 3,579,859 | 26,825 |
| Colorado River Front Work and Levee System | 195,448 | 123,834 | 3,312 |
| Phoenix Metropolitan Water Reclamation Reuse | 20,000 | 1,518 | 200 |
| San Carlos Apache Tribe Water Settlement | 37,850 | 418 | 310 |
| Southern Arizona Water Rights Settlement Act | 72,962 | 45,586 | 4,445 |
| California | | | |
| Auburn-Folsom South Unit, CVP | 3,363,307 | 425,417 | 4,823 |
| Calleguas Water Recycling | 20,000 | 9,843 | 900 |
| Delta Division, CVP | 412,972 | 279,611 | 6,669 |
| Long Beach Water Reclamation | 19,076 | 10,600 | 600 |
| Long Beach Desalination Research and Development Project | 20,000 | 4,599 | 250 |
| Miscellaneous Project Programs, CVP * | 860,985 | 570,346 | 702 |
| N. San Diego County Water Reclamation | 20,000 | 18,500 | 1,500 |
| Orange County Water Reclamation | 20,000 | 17,402 | 1,500 |
| Sacramento River Division, CVP | 551,126 | 471,921 | 5,894 |
| Salton Sea Research Project | 45,000 | 25,431 | 300 |
| San Diego Area Water Reclamation | 172,590 | 83,905 | 3,450 |
| San Felipe Division, CVP | 379,768 | 315,453 | 649 |
| San Gabriel Basin Project | 44,590 | 31,678 | 700 |
| San Joaquin Division, CVP * | 712,976 | 188,173 | 327 |
| San Jose Area Water Reclamation and Reuse Program | 109,959 | 27,577 | 200 |
| Shasta Division, CVP * | 301,647 | 293,403 | 100 |
| Trinity River Division, CVP * | 436,427 | 383,176 | 7,005 |
| West San Joaquin Division, San Luis Unit, CVP | 1,881,916 | 615,457 | 1,900 |
| <i>* Note: Request amounts exclude CVP Restoration Fund</i> | | | |
| Colorado | | | |
| Animas La Plata Project | 548,956 | 341,460 | 57,750 |
| Nevada | | | |
| Lake Mead/Las Vegas Wash Program | 10,000 | 9,519 | 900 |
| North Dakota | | | |
| Garrison Diversion Unit, Pick-Sloan Missouri Basin Program | 1,736,265 | 801,078 | 15,458 |
| Oregon | | | |
| Savage Rapids Dam Removal | 36,300 | 17,397 | 15,000 |
| South Dakota | | | |
| Lewis and Clark Rural Water System | 345,529 | 74,875 | 15,000 |
| Mni Wiconi Project | 446,967 | 329,048 | 19,474 |
| Texas | | | |
| Lower Rio Grande Water Conservation | 47,000 | 8,589 | 50 |

CONSTRUCTION PROGRAM
Energy and Water Development
(in thousands of dollars)

| Bureau/State/Project | Estimated Cost | Through 2007 | 2008 Request |
|---|-------------------|-----------------|-----------------|
| Washington | | | |
| Yakima River Basin Water Enhancement Project | 314,154 | 76,899 | 8,470 |
| Multi-State | | | |
| Colorado River Basin Salinity Control, Title II Basinwide | 175,000 | 101,957 | 7,850 |
| Colorado River Storage Project, Section 8 | 88,190 | 8,732 | 4,000 |
| Columbia and Snake Rivers FCRPS ESA Implementation | na | 140,376 | 15,000 |
| Endangered Species Recovery Implementation | na | 139,267 | 15,720 |
| Safety of Dams Corrective Actions/Studies | 1,352,588 | 1,035,544 | 57,100 |
| TOTAL, BUREAU OF RECLAMATION | | | 304,333 |
| CENTRAL UTAH PROJECT | | | |
| Central Utah Project | 793,752 | 37,068 | 39,615 |
| TOTAL, CENTRAL UTAH PROJECT | | | 39,615 |

COOPERATIVE CONSERVATION PROGRAMS

(in thousands of dollars)

| Program | 2006 Actual | 2007 CR | 2008 Request | 2008 Compared to 2007 |
|---|----------------|----------------|-----------------|-----------------------------|
| CHALLENGE COST SHARE | | | | |
| Bureau of Land Management | 9,357 | 9,357 | 9,357 | 0 |
| Fish and Wildlife Service | 4,280 | 8,558 | 6,682 | -1,876 |
| National Park Service | | | | |
| Traditional | 2,400 | 2,380 | 2,380 | 0 |
| Lewis and Clark..... | 2,463 | 0 | 0 | 0 |
| Subtotal..... | 18,500 | 20,295 | 18,419 | -1,876 |
| HEALTHY LANDS INITIATIVE | | | | |
| Bureau of Land Management | 0 | 0 | 15,000 | +15,000 |
| U.S. Geological Survey..... | 0 | 0 | 5,000 | +5,000 |
| Fish and Wildlife Service | | | | |
| Partners for Fish and Wildlife* | 0 | 0 | [750] | [+750] |
| National Fish Habitat Action Plan*..... | 0 | 0 | [250] | [+250] |
| Subtotal..... | 0 | 0 | 20,000 | +20,000 |
| FISH AND WILDLIFE SERVICE | | | | |
| Coastal Program..... | 12,954 | 12,984 | 13,277 | +293 |
| Migratory Bird Joint Ventures..... | 10,800 | 11,835 | 11,066 | -769 |
| Partners for Fish and Wildlife | 50,151 | 42,660 | 48,354 | +5,694 |
| Open River Initiative | 0 | 0 | 6,000 | +6,000 |
| Fish Passage Base | 3,646 | 5,000 | 5,000 | 0 |
| National Fish Habitat Action Plan | 985 | 2,985 | 5,235 | +2,250 |
| Subtotal..... | 78,536 | 75,464 | 88,932 | +13,468 |
| OFFICE OF THE SECRETARY | | | | |
| Take Pride in America | 490 | 499 | 513 | +14 |
| CONSERVATION GRANT PROGRAMS | | | | |
| Fish and Wildlife Service | | | | |
| Landowner Incentive Program..... | 21,667 | 15,000 | 0 | -15,000 |
| Private Stewardship Grants | 7,277 | 7,000 | 0 | -7,000 |
| North American Wetlands Conservation Fund | 39,412 | 36,646 | 42,646 | +6,000 |
| Neotropical Migratory Birds..... | 3,941 | 4,000 | 3,960 | -40 |
| Coop. Endangered Species Conserv. Fund | 80,001 | 80,507 | 80,001 | -506 |
| State and Tribal Wildlife Grants | 67,492 | 50,000 | 69,492 | +19,492 |
| Subtotal, FWS Grant Programs..... | 219,790 | 193,153 | 196,099 | +2,946 |
| TOTAL, DEPARTMENT OF THE INTERIOR..... | 317,316 | 289,411 | 323,963 | +34,552 |

* Funding for these FWS programs within the Healthy Lands Initiative are included within the FWS program accounts listed below.

LAND ACQUISITION PROGRAM

Land and Water Conservation Fund

(in thousands of dollars)

| State/Project | Acres | 2008 Request |
|--|-------|-----------------|
| BUREAU OF LAND MANAGEMENT | | |
| California | | |
| Upper Sacramento River Area of Critical Environmental Concern | 54 | 500 |
| Colorado | | |
| Gunnison Gorge National Conservation Area | 552 | 856 |
| Idaho | | |
| Upper Snake/South Fork Snake River Area of Critical Environmental Concern/Special Management Recreation Area | 530 | 1,500 |
| New Mexico | | |
| El Malpais National Conservation Area..... | 200 | 200 |
| Montana | | |
| Blackfoot River Special Recreation Management Area..... | 1,280 | 1,000 |
| Subtotal, BLM line item projects | | 4,056 |
| Emergency/Inholdings/Hardship | | 944 |
| Offsetting Collections Credited from the Sale of the Subsurface Mineral Estate | | -5,000 |
| Acquisition Management | | 1,619 |
| Subtotal, Bureau of Land Management | | 1,619 |
| FISH AND WILDLIFE SERVICE | | |
| Florida | | |
| National Key Deer National Wildlife Refuge | 52 | 1,044 |
| Oregon | | |
| Upper Klamath National Wildlife Refuge | 1,851 | 4,500 |
| Subtotal, FWS line item projects..... | | 5,544 |
| Acquisition Management | | 6,436 |
| Cost Allocation Methodology | | 1,494 |
| Emergencies..... | | 1,500 |
| Inholdings..... | | 1,500 |
| Exchanges | | 1,537 |
| Subtotal, Fish and Wildlife Service | | 18,011 |

LAND ACQUISITION PROGRAM
Land and Water Conservation Fund

| (in thousands of dollars) | | |
|---|-------|-----------------|
| State/Project | Acres | 2008 Request |
| NATIONAL PARK SERVICE | | |
| Pennsylvania | | |
| Flight 93 National Memorial | 606 | 5,000 |
| Multi-State | | |
| Civil War Battlefield Sites (Grants) | TBD | 4,000 |
| Subtotal, NPS line item projects | | 9,000 |
| Acquisition Administration | | 8,832 |
| Emergencies/Hardships..... | | 2,348 |
| Inholdings and Exchanges | | 2,349 |
| Subtotal, National Park Service..... | | 22,529 |
| OFFICE OF THE SECRETARY | | |
| Appraisal Services | | 7,792 |
| TOTAL, DEPARTMENT OF THE INTERIOR..... | | 49,951 |

EVERGLADES RESTORATION

(in thousands of dollars)

| Bureau/Account/Program Activity | 2007 CR | 2008 Request | 2008 Compared to 2007 |
|--|---------------|-----------------|-----------------------------|
| U.S. GEOLOGICAL SURVEY | | | |
| Surveys, Investigations, and Research..... | 7,771 | 5,771 | -2,000 |
| FISH AND WILDLIFE SERVICE | | | |
| Resource Management | | | |
| Comprehensive Everglades Restoration Plan Implementation.... | 3,269 | 3,269 | 0 |
| Ecological Services | 2,516 | 2,516 | 0 |
| Refuges and Wildlife..... | 4,086 | 4,086 | 0 |
| Migratory Birds..... | 101 | 101 | 0 |
| Law Enforcement..... | 619 | 619 | 0 |
| Fisheries | 95 | 95 | 0 |
| Land Acquisition | 0 | 1,044 | +1,044 |
| Total, Fish and Wildlife Service..... | 10,686 | 11,730 | +1,044 |
| Comprehensive Everglades Restoration Plan Reimbursable Agreement with Corps of Engineers..... | [3,000] | [3,000] | [0] |
| NATIONAL PARK SERVICE | | | |
| Operation of the National Park System | | | |
| Park Management | 26,350 | 28,991 | +2,641 |
| Comprehensive Everglades Restoration Plan Implementation.... | 4,658 | 4,731 | +73 |
| Task Force | 1,308 | 1,324 | +16 |
| Everglades Research..... | 3,863 | 3,910 | +47 |
| GSA Space..... | 554 | 554 | 0 |
| Construction | | | |
| Modified Water Deliveries Project | 13,330 | 14,526 | +1,196 |
| Land Acquisition | | | |
| Everglades Acquisition Management..... | 500 | 500 | 0 |
| Use of Prior Year Balances..... | 0 | 0 | 0 |
| Total, National Park Service..... | 50,563 | 54,536 | +3,973 |
| BUREAU OF INDIAN AFFAIRS | | | |
| Operation of Indian Programs | | | |
| Seminole, Miccosukee Tribe Water Studies | 382 | 382 | 0 |
| TOTAL, DEPARTMENT OF THE INTERIOR..... | 69,402 | 72,419 | +3,017 |

INVASIVE SPECIES

(in thousands of dollars)

| Bureau | 2006 Actual | 2007 Estimate | 2008 Estimate |
|---|----------------|------------------|------------------|
| BUREAU OF LAND MANAGEMENT | 8,321 | 8,321 | 9,821 |
| Prevention | 1,809 | 1,809 | 1,959 |
| Early Detection/Rapid Response | 1,713 | 1,713 | 1,863 |
| Control and Management | 3,569 | 3,569 | 4,169 |
| Restoration | 674 | 674 | 974 |
| Education and Public Awareness..... | 50 | 50 | 200 |
| Leadership/International Cooperation | 506 | 506 | 656 |
| BUREAU OF RECLAMATION..... | 2,785 | 2,879 | 2,893 |
| Prevention | 255 | 129 | 278 |
| Early Detection/Rapid Response | 150 | 317 | 177 |
| Control and Management | 1,650 | 1,661 | 1,761 |
| Restoration | 145 | 214 | 147 |
| Research..... | 585 | 535 | 530 |
| Education and Public Awareness..... | 0 | 7 | 0 |
| Leadership/International Cooperation | 0 | 16 | 0 |
| U.S. GEOLOGICAL SURVEY | 11,145 | 10,973 | 10,973 |
| Early Detection/Rapid Response | 1,602 | 1,602 | 1,602 |
| Research..... | 9,543 | 9,371 | 9,371 |
| FISH AND WILDLIFE SERVICE..... | 26,500 | 24,013 | 23,878 |
| Prevention | 2,821 | 2,821 | 2,834 |
| Early Detection/Rapid Response | 4,548 | 3,563 | 3,563 |
| Control and Management | 9,835 | 8,201 | 8,702 |
| Restoration | 9,296 | 9,428 | 8,779 |
| NATIONAL PARK SERVICE | 9,752 | 9,752 | 10,502 |
| Control and Management | 9,752 | 9,752 | 10,502 |
| BUREAU OF INDIAN AFFAIRS | 2,036 | 988 | 988 |
| Prevention | 101 | 49 | 49 |
| Early Detection/Rapid Response | 408 | 198 | 198 |
| Control and Management | 1,222 | 593 | 593 |
| Restoration | 101 | 49 | 49 |
| Research..... | 204 | 99 | 99 |
| OFFICE OF INSULAR AFFAIRS | 2,660 | 2,673 | 2,673 |
| Prevention | 215 | 215 | 215 |
| Early Detection/Rapid Response | 665 | 665 | 665 |
| Control and Management | 562 | 576 | 590 |
| Restoration | 245 | 245 | 245 |
| Research..... | 720 | 719 | 705 |
| Education and Public Awareness..... | 150 | 150 | 150 |
| Leadership / International Cooperation | 103 | 103 | 103 |
| TOTAL, DEPARTMENT OF THE INTERIOR..... | 63,199 | 59,599 | 61,728 |

GRANTS AND PAYMENTS

(in thousands of dollars)

| Bureau/Grant or Payment | 2006 Actual | 2007 CR | 2008 Request | 2008 Compared to 2007 |
|---|----------------|------------|-----------------|-----------------------------|
| BUREAU OF LAND MANAGEMENT | | | | |
| General Fund Payment to Counties and Native Corporations | 109,594 | 104,855 | 4,401 | -100,454 |
| Payments to States and Counties from Shared Receipts including NPRA and SNPLMA Payments..... | 138,310 | 38,201 | 48,668 | +10,467 |
| MINERALS MANAGEMENT SERVICE | | | | |
| 8(g) Payments to States | 82,356 | 78,583 | 92,987 | +14,404 |
| Cooperative and Delegated Audits of Oil and Gas Ops | 8,963 | 7,423 | 7,423 | 0 |
| Mineral Leasing Revenue Payments to States..... | 2,126,113 | 1,884,253 | 2,004,140 | +119,887 |
| Geothermal Payments to Counties | 3,912 | 3,438 | 0 | -3,438 |
| Coastal Impact Assistance Program..... | 0 | 250,000 | 250,000 | 0 |
| OFFICE OF SURFACE MINING | | | | |
| State Abandoned Mine Reclamation Grants..... | 145,352 | 145,352 | 94,300 | -51,052 |
| State Regulatory Grants | 56,365 | 58,365 | 60,365 | +2,000 |
| BUREAU OF RECLAMATION | | | | |
| Boulder Canyon Project Payments to AZ,NV | 600 | 600 | 600 | 0 |
| Water Reclamation/ Reuse Program | 25,642 | 10,100 | 10,100 | 0 |
| Water 2025..... | 0 | 9,700 | 9,000 | -700 |
| FISH AND WILDLIFE SERVICE | | | | |
| Boating Infrastructure Grants | 10,984 | 12,512 | 12,816 | +304 |
| Clean Vessel Act Grants | 10,984 | 12,512 | 12,816 | +304 |
| Coastal Wetlands Conservation..... | 27,036 | 32,742 | 34,640 | +1,898 |
| Cooperative Endangered Species Conservation Funds .. | 80,001 | 80,507 | 80,001 | -506 |
| Federal Aid in Wildlife Restoration, Payments to States | 231,108 | 258,039 | 264,574 | +6,535 |
| Fish and Wildlife Foundation | 7,656 | 7,656 | 7,656 | 0 |
| Fish Commission and Boating Council | 1,200 | 1,200 | 1,200 | 0 |
| Hunter Education and Safety Grant Program..... | 8,000 | 8,000 | 8,000 | 0 |
| Landowner Incentive Grants | 21,667 | 15,000 | 0 | -15,000 |
| Multi-State Conservation Grant Program..... | 6,420 | 6,280 | 6,140 | -140 |
| Multinational Species Conservation Funds..... | 6,404 | 6,057 | 4,257 | -1,800 |
| National Outreach Program..... | 10,984 | 12,512 | 12,483 | -29 |
| National Wildlife Refuge Fund..... | 22,718 | 22,721 | 15,937 | -6,784 |
| Neotropical Migratory Bird Conservation..... | 3,941 | 4,000 | 3,960 | -40 |
| North American Wetlands Conservation Fund..... | 40,212 | 37,127 | 43,146 | +6,019 |
| Private Stewardship Grants | 7,277 | 7,000 | 0 | -7,000 |
| Sport Fish Restoration, Apportionment to States | 290,360 | 348,200 | 365,258 | +17,058 |
| State and Tribal Wildlife Grants..... | 67,492 | 50,000 | 69,492 | +19,492 |
| NATIONAL PARK SERVICE | | | | |
| Chesapeake Bay Gateway Grants..... | 1,478 | 0 | 0 | 0 |
| Civil War Battlefield Sites Matching Grants | 5,000 | 4,000 | 4,000 | 0 |
| Heritage Partnership Program..... | 13,202 | 7,299 | 9,898 | +2,599 |
| Historic Preservation Grants - HBCU..... | 2,956 | 0 | 0 | 0 |
| Historic Preservation Grants - Indian Tribes | 3,941 | 3,941 | 3,941 | 0 |
| Historic Preservation Grants - State portion..... | 35,717 | 35,717 | 35,717 | 0 |
| LWCF State Conservation Grants..... | 27,995 | 0 | 0 | 0 |
| Native American Graves Protection Act Grants | 2,368 | 2,368 | 2,368 | 0 |
| Preserve America | 4,926 | 10,000 | 10,000 | 0 |
| Save America's Treasures | 24,632 | 14,800 | 10,000 | -4,800 |
| Underground Railroad to Freedom Grants | 368 | 0 | 0 | 0 |

GRANTS AND PAYMENTS
(in thousands of dollars)

| Bureau/Grant or Payment | 2006 Actual | 2007 CR | 2008 Request | 2008 Compared to 2007 |
|---|------------------|------------------|------------------|-----------------------------|
| OFFICE OF THE SECRETARY | | | | |
| Kendall County, IL Land Acquisition | 4,926 | 0 | 0 | 0 |
| Martin Luther King Memorial | 9,852 | 0 | 0 | 0 |
| OFFICE OF INSULAR AFFAIRS | | | | |
| American Samoa | 22,770 | 22,880 | 22,880 | 0 |
| Brown Tree Snake | 2,660 | 2,673 | 2,673 | 0 |
| Compact of Free Association (Permanent)..... | 199,249 | 202,333 | 204,736 | +2,403 |
| Compact of Free Association (Current) | 5,313 | 4,862 | 4,862 | 0 |
| Coral Reef Initiative..... | 493 | 495 | 495 | 0 |
| Covenant Grants | 27,720 | 27,720 | 27,720 | 0 |
| Insular Management Controls | 1,469 | 1,476 | 1,476 | 0 |
| Maintenance Assistance..... | 2,266 | 2,277 | 2,277 | 0 |
| Return Federal Taxes to Guam and Virgin Islands | 131,000 | 119,000 | 119,000 | 0 |
| Technical Assistance | 10,524 | 8,226 | 8,226 | 0 |
| Water and Wastewater Projects..... | 985 | 990 | 990 | 0 |
| Department-wide Programs | 232,134 | 232,128 | 189,600 | -42,528 |
| TOTAL, DEPARTMENT OF THE INTERIOR..... | 4,325,595 | 4,216,120 | 4,185,219 | -30,901 |

RECREATIONAL FEE PROGRAM

(in thousands of dollars)

| Bureau | 2006 Actual | 2007 Estimate | 2008 Estimate |
|---|----------------|------------------|------------------|
| BUREAU OF LAND MANAGEMENT | | | |
| Fee Revenues..... | 15,404 | 14,200 | 14,200 |
| America the Beautiful Pass | 0 | 800 | 800 |
| Unobligated Balance Brought Forward and Recoveries..... | 8,443 | 10,508 | 9,908 |
| Funds Obligated | 13,339 | 14,800 | 14,800 |
| Unobligated Balance | 10,508 | 9,908 | 9,308 |
| Total Expenditures (outlays)..... | 12,933 | 11,922 | 11,922 |
| <i>Obligations by Type of Project</i> | | | |
| Interpretation and Visitor Services | 4,126 | 4,000 | 4,000 |
| Law Enforcement, Recreation..... | 2,660 | 2,500 | 2,500 |
| Asset Repairs and Maintenance | | | |
| Facilities Deferred Maintenance | 561 | 1,000 | 1,000 |
| Facilities Capital Improvements Health and Safety..... | 423 | 1,500 | 1,500 |
| Facilities Routine / Annual Maintenance | 2,280 | 2,900 | 2,900 |
| Subtotal..... | 3,264 | 5,400 | 5,400 |
| Habitat Restoration, Resource Protection | 464 | 500 | 500 |
| Collection Costs | 1,278 | 1,500 | 1,500 |
| Fee Mgmt. Agreement and Reservation Services | 1,547 | 900 | 900 |
| Total Obligations | 13,339 | 14,800 | 14,800 |
| FISH AND WILDLIFE SERVICE | | | |
| Fee Revenues..... | 4,279 | 4,525 | 4,520 |
| America the Beautiful Pass | 0 | 225 | 230 |
| Unobligated Balance Brought Forward and Recoveries..... | 4,093 | 4,452 | 4,472 |
| Funds Obligated | 4,171 | 4,730 | 4,967 |
| Unobligated Balance | 4,202 | 4,472 | 4,255 |
| Total Expenditures (outlays)..... | 3,711 | 4,558 | 5,036 |
| <i>Obligations by Type of Project</i> | | | |
| Facilities Routine / Annual Maintenance..... | 281 | 400 | 350 |
| Facilities Capital Improvements..... | 376 | 300 | 400 |
| Facilities Deferred Maintenance..... | 440 | 330 | 500 |
| Subtotal, Asset Repairs and Maintenance | 1,097 | 1,030 | 1,250 |
| Interpretation and Visitor Services | 1,553 | 2,050 | 1,980 |
| Habitat Restoration | 140 | 200 | 200 |
| Direct Operation Costs - Cost of Collection..... | 558 | 665 | 675 |
| Law Enforcement | 417 | 375 | 450 |
| Fee Management Agreement and Reservation Services..... | 8 | 10 | 12 |
| Administration, Overhead and Indirect Costs (CAM) | 397 | 400 | 400 |
| Total Obligations | 4,170 | 4,730 | 4,967 |

Recreational Fee Program

(in thousands of dollars)

| Bureau | 2006 Actual | 2007 Estimate | 2008 Estimate |
|---|----------------|------------------|------------------|
| NATIONAL PARK SERVICE * | | | |
| Fee Revenues (Excludes Deed-Restricted Parks)..... | 136,479 | 149,187 | 154,187 |
| Nation Park Pass | N/A | 15,000 | 20,000 |
| America the Beautiful Pass | 22,212 | 5,000 | 0 |
| Unobligated Balance Brought Forward and Recoveries..... | 284,587 | 298,661 | 294,848 |
| Funds Obligated | 146,617 | 175,000 | 183,000 |
| Unobligated Balance | 296,661 | 292,848 | 286,035 |
| Total Expenditures (outlays)..... | 148,511 | 163,200 | 169,920 |
| <i>Obligations by Type of Project</i> | | | |
| Facilities Routine/ Annual Maintenance..... | 65 | 500 | 1,500 |
| Facilities Capital Improvements..... | 4,500 | 8,000 | 5,000 |
| Facilities Deferred Maintenance..... | 72,500 | 85,000 | 90,000 |
| Subtotal, Asset Repairs and Maintenance | <u>77,065</u> | <u>93,500</u> | <u>96,500</u> |
| Interpretation and Visitor Services | 17,500 | 25,000 | 24,000 |
| Habitat Restoration | 8,912 | 9,000 | 10,000 |
| Direct Operation Costs - Cost of Collection..... | 33,931 | 34,800 | 37,000 |
| Law Enforcement (for Public Use and Recreation) | 500 | 2,000 | 2,000 |
| Fee Management Agreement and Reservation Services..... | 1,639 | 3,000 | 4,000 |
| Administrative, Overhead and Indirect Costs | 2,387 | 7,700 | 9,500 |
| Pass Administration and Overhead..... | 4,683 | 0 | 0 |
| Total Obligations | <u>146,617</u> | <u>175,000</u> | <u>183,000</u> |

* The above information represents accounting changes in accordance with the Federal Land Recreation Enhancement Act that combined Recreation Fee, National Park Pass, America the Beautiful Pass, and Deed Restricted revenues when reporting obligations and unobligated balances for the Recreation Fee program. Although these changes did not become effective until the end of calendar year 2006, or the second quarter of 2007, this table includes National Park Pass information in 2006 for comparison purposes. This table does not include other programs administered under the Recreation Fee Permanent account such as the Transportation Systems Fund, Education Expenses for the Children of Yellowstone NP Employees, and the Payment of Tax Losses on Land Acquired at Grand Teton NP.

Data from the Bureau of Reclamation are not included in this table. Reclamation was not part of the Federal Land Recreation Enhancement Act program and therefore does not have an established program from which to base 2008 estimates nor has any historical data to report. Reclamation is in the process of complying with the recently passed legislation and expects to have data to report in future budgets.

ENERGY PROGRAMS

(in thousands of dollars)

| Program | 2006 Actual | 2007 CR | 2008 Request | 2008 Compared to 2007 |
|---|-----------------|-----------------|-----------------|-----------------------------|
| BUREAU OF LAND MANAGEMENT | | | | |
| Energy and Minerals | | | | |
| Renewables/Energy and Minerals | [1,250] | [1,250] | [1,250] | [0] |
| Non-Renewables/Energy and Minerals | 108,157 | 134,705 | 141,206 | +6,501 |
| Renewables/Lands and Realty (Rights-of-Way)..... | 982 | 982 | 762 | -220 |
| Non-Renewables/Lands and Realty (Rights-of-Way) | 1,236 | 1,236 | 956 | -280 |
| Subtotal, Bureau of Land Management | 110,375 | 136,923 | 142,924 | +6,001 |
| <i>BLM Cost Recoveries (Energy and Minerals program only)..</i> | <i>[3,400]</i> | <i>[3,400]</i> | <i>[26,400]</i> | <i>[+23,000]</i> |
| <i>BLM Cost Recoveries (Rights-of-Way processing)</i> | <i>[6,150]</i> | <i>[6,150]</i> | <i>[6,650]</i> | <i>[-5,500]</i> |
| <i>APD Oil and Gas Pilot Funding</i> | <i>[20,218]</i> | <i>[20,718]</i> | <i>[0]</i> | <i>[-20,718]</i> |
| <i>Geothermal.....</i> | <i>[2,693]</i> | <i>[0]</i> | <i>[0]</i> | <i>[0]</i> |
| <i>NPR-2 Revenue.....</i> | <i>[555]</i> | <i>[604]</i> | <i>[604]</i> | <i>[0]</i> |
| MINERALS MANAGEMENT SERVICE | | | | |
| Offshore Minerals Management | 148,772 | 148,771 | 159,956 | +11,185 |
| Minerals Revenue Management | 77,881 | 77,882 | 82,371 | +4,489 |
| General Administration | 47,468 | 47,468 | 48,451 | +983 |
| Subtotal, Minerals Management Service..... | 274,121 | 274,121 | 290,778 | +16,657 |
| <i>MMS Cost Recoveries</i> | <i>[9,488]</i> | <i>[18,500]</i> | <i>[18,500]</i> | <i>[0]</i> |
| U.S. GEOLOGICAL SURVEY | | | | |
| Energy Resources..... | 23,760 | 26,131 | 26,799 | +668 |
| FISH AND WILDLIFE SERVICE | | | | |
| Energy and Hydropower Consultation..... | 6,220 | 6,691 | 8,691 | +2,000 |
| BUREAU OF INDIAN AFFAIRS | | | | |
| Trust Natural Resources | | | | |
| Mining and Minerals Program (TPA) | 2,548 | 2,976 | 3,147 | +171 |
| Mining and Minerals Program (non-TPA) | 5,631 | 7,038 | 7,042 | +4 |
| Mining and Minerals Oversight | 1,720 | 1,450 | 1,489 | +39 |
| Subtotal, Bureau of Indian Affairs..... | 9,899 | 11,464 | 11,678 | +214 |
| OFFICE OF THE SECRETARY | | | | |
| Office of Hearings and Appeals..... | 0 | 400 | 400 | 0 |
| TOTAL, DEPARTMENT OF THE INTERIOR..... | 424,375 | 455,730 | 481,270 | +25,540 |

Numbers in italics are receipts and cost recovery. Bureau totals do not include receipts and cost recovery.

MINERAL REVENUE PAYMENTS TO STATES *

(in thousands of dollars)

| State | 2006 Actual | 2007 Estimates | 2008 Estimates |
|---------------------|------------------|-------------------|-------------------|
| Alabama | 751 | 610 | 649 |
| Alaska** | 18,904 | 25,811 | 30,126 |
| Arizona | 135 | 120 | 127 |
| Arkansas | 6,826 | 4,941 | 5,262 |
| California | 47,481 | 42,151 | 44,833 |
| Colorado | 147,409 | 130,862 | 139,187 |
| Florida | 142 | 126 | 134 |
| Idaho | 1,276 | 1,132 | 1,204 |
| Illinois | 181 | 90 | 96 |
| Kansas | 2,458 | 2,178 | 2,316 |
| Kentucky | 379 | 269 | 286 |
| Louisiana | 1,171 | 945 | 1,005 |
| Michigan | 659 | 569 | 605 |
| Minnesota | 15 | 11 | 12 |
| Mississippi | 1,053 | 789 | 838 |
| Missouri | 1,980 | 1,466 | 1,558 |
| Montana | 38,273 | 33,977 | 36,138 |
| Nebraska | 28 | 25 | 26 |
| Nevada | 7,697 | 6,833 | 7,268 |
| New Mexico | 574,195 | 509,740 | 542,171 |
| North Dakota | 15,513 | 13,666 | 14,537 |
| Ohio | 488 | 257 | 276 |
| Oklahoma | 5,100 | 4,381 | 4,661 |
| Oregon | 657 | 583 | 620 |
| Pennsylvania | 92 | 52 | 56 |
| South Dakota | 850 | 755 | 803 |
| Texas | 8,728 | 7,098 | 7,548 |
| Utah | 173,132 | 153,697 | 163,476 |
| Virginia | 217 | 126 | 135 |
| Washington | 1,082 | 961 | 1,022 |
| West Virginia | 493 | 282 | 301 |
| Wyoming | 1,073,217 | 952,746 | 1,013,361 |
| TOTAL | 2,130,584 | 1,897,250 | 2,020,640 |

* All fiscal years exclude payments made to coastal States under the Outer Continental Shelf Lands Act since they are direct, unappropriated transfers, and late interest payments. The new Coastal Impact Assistance funding is excluded in 2007. Although the source is OCS revenues, this is a grant program, and is not considered revenue sharing. The new Energy Act account for Geothermal Payments to Counties is also excluded. This account is small, estimated at \$3.4 million. The budget proposes to eliminate the account in 2008. The 2008 estimates include the impact of the budget proposal to deduct administrative costs from revenue before disbursement to the States (net receipts sharing).

** Includes National Petroleum Reserve – Alaska payments made by the Bureau of Land Management.

Columns may not add due to rounding

RECEIPTS BY SOURCE CATEGORY

(in thousands of dollars)

| Source Category | 2006 Actual | 2007 Estimate | 2008 Estimate | 2008 Compared to 2007 |
|---|-------------------|-------------------|-------------------|-----------------------------|
| OFFSETTING RECEIPTS | | | | |
| Onshore Energy Mineral Leasing | | | | |
| Rents and Bonuses | | | | |
| Oil and Gas | 414,008 | 224,713 | 187,251 | -37,462 |
| Coal | 418,568 | 437,600 | 442,500 | +4,900 |
| Geothermal | 754 | 1,250 | 1,300 | +50 |
| Oil Shale | 15 | 15 | 15 | 0 |
| All Other | 47 | 21 | 21 | 0 |
| Royalties | | | | |
| Oil and Gas | 2,784,415 | 2,593,429 | 2,898,738 | +305,309 |
| Coal | 502,342 | 525,036 | 540,531 | +15,495 |
| Geothermal | 19,362 | 12,416 | 12,416 | 0 |
| Oil Shale | 18 | 0 | 0 | 0 |
| All Other | 206,634 | 57,921 | 57,042 | -879 |
| Subtotal, Onshore Energy Mineral Leasing | 4,346,163 | 3,852,401 | 4,139,814 | +287,413 |
| Noncompetitive Filing Fees | 91 | 100 | 100 | 0 |
| Grazing Fees | 17,601 | 16,558 | 16,558 | 0 |
| Timber Fees | 36,387 | 33,341 | 38,025 | +4,684 |
| Recreation Entrance/Use Fees | 178,815 | 196,232 | 201,257 | +5,025 |
| Park Concession Special Accounts and Other Fees | 150,853 | 91,176 | 114,193 | +23,017 |
| Rent of Land and Structures | 27,961 | 30,868 | 31,678 | +810 |
| Sale of Land, Water, Power, Buildings, etc. | 1,127,803 | 276,900 | 355,440 | +78,540 |
| Offsetting Earnings on Investments | 265,726 | 251,780 | 230,734 | -21,046 |
| All Other Offsetting Receipts | 360,293 | 450,192 | 456,022 | +5,830 |
| Subtotal, Offsetting Receipts | 6,511,693 | 5,199,548 | 5,583,821 | +384,273 |
| UNDISTRIBUTED PROPRIETARY RECEIPTS | | | | |
| OCS Mineral Leasing | | | | |
| Rents and Bonuses | 966,945 | 411,520 | 2,154,425 | +1,742,905 |
| Royalties | 6,315,120 | 6,398,680 | 7,040,277 | +641,597 |
| Subtotal | 7,282,065 | 6,810,200 | 9,194,702 | +2,384,502 |
| Escrow Payout Interest | 1,688 | 0 | 0 | 0 |
| Subtotal, Undistributed Proprietary Receipts | 7,283,753 | 6,810,200 | 9,194,702 | +2,384,502 |
| NON-OFFSETTING GOVERNMENTAL RECEIPTS | | | | |
| Mined Land Reclamation Fee | 302,750 | 300,700 | 295,000 | -5,700 |
| All Other Non-offsetting Receipts | 356,248 | 470,215 | 572,573 | +102,358 |
| Subtotal, Non-offsetting Governmental Receipts | 658,998 | 770,915 | 867,573 | +96,658 |
| UNDISTRIBUTED INTERFUND RECEIPTS | | | | |
| Non-offsetting Earnings on Investments | 2,664 | 1,293 | 1,362 | +69 |
| TOTAL, DEPARTMENT OF THE INTERIOR | 14,457,108 | 12,781,956 | 15,647,458 | +2,865,502 |
| <i>Total excluding Reclamation and Central Utah Project receipts...</i> | <i>14,214,183</i> | <i>12,525,956</i> | <i>15,327,446</i> | <i>+2,801,490</i> |

STAFFING

(Full-Time Equivalent Staff Years)

| Bureau/Office | 2006 Usage | 2007 Estimated Usage | 2008 Estimated Usage | 2008 Compared to 2007 |
|--|---------------|----------------------------|----------------------------|-----------------------------|
| Bureau of Land Management..... | 10,668 | 10,540 | 10,506 | -34 |
| Minerals Management Service..... | 1,641 | 1,671 | 1,668 | -3 |
| Office of Surface Mining | 528 | 544 | 544 | 0 |
| Bureau of Reclamation | 5,630 | 5,649 | 5,649 | 0 |
| U.S. Geological Survey | 8,578 | 8,217 | 8,117 | -100 |
| Fish and Wildlife Service | 8,910 | 8,910 | 8,932 | +22 |
| National Park Service | 20,056 | 19,506 | 21,589 | +2,083 |
| Indian Affairs..... | 9,233 | 9,081 | 9,176 | +95 |
| Departmental Offices | | | | |
| Office of the Secretary | 727 | 720 | 726 | +6 |
| Department-wide Programs | 1,327 | 1,365 | 1,380 | +15 |
| Office of the Solicitor | 396 | 402 | 402 | 0 |
| Office of Inspector General..... | 261 | 261 | 261 | 0 |
| Office of Special Trustee for American Indians | 607 | 619 | 634 | +15 |
| Office of Insular Affairs..... | 36 | 39 | 39 | 0 |
| Central Utah Project | 5 | 5 | 5 | 0 |
| Natural Resource Damage Assessment..... | 6 | 7 | 7 | 0 |
| National Indian Gaming Commission..... | 86 | 115 | 119 | +4 |
| TOTAL, DEPARTMENT OF THE INTERIOR..... | 68,694 | 67,651 | 69,754 | +2,103 |
| Utah Mitigation Commission..... | 10 | 12 | 12 | 0 |
| COMBINED TOTAL..... | 68,704 | 67,663 | 69,766 | +2,103 |

