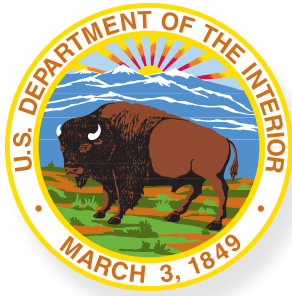
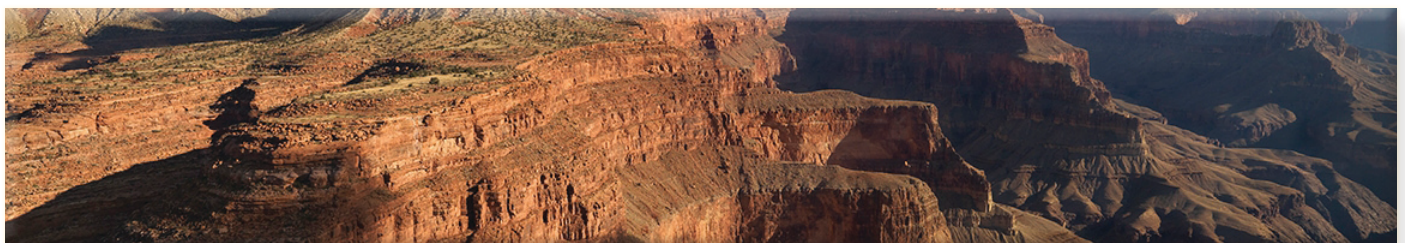


UNITED STATES DEPARTMENT OF THE INTERIOR



SUMMARY PERFORMANCE & FINANCIAL INFORMATION (FY 2010)



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I am pleased to submit the Department of the Interior's Summary of Performance and Financial Information for Fiscal Year 2010. This report presents a recap of our Agency Financial Report and Annual Performance Report.

Our 14th consecutive unqualified audit reflects the Department's continuing commitment to sound financial management. We can also demonstrate our commitment to performance of our mission in support of four strategic plan mission areas and five priority goals.

In four mission areas that align with the 2007-2012 Strategic Plan the Department met 71 percent of its performance targets. The Department's performance for targets in goal areas that were not met were challenged by external factors such as litigation, weather factors, economic impacts, and others. For five priority goals that set ambitious targets for renewable energy, water conservation, safe Indian communities, youth employment, and climate change, the Department reports positive achievements toward accomplishments of 2010-2011 goals.

The unprecedented disaster on the Deepwater Horizon oil rig in the Gulf of Mexico in April 2010 had a significant impact on the Nation and caused a realignment of the Department's plans in order to focus on its response, clean-up, damage assessment, and assisting the region with recovery and restoration. It also underscored the urgency of implementing substantive reforms to the Outer Continental Shelf program, which were initiated in 2009. Reforms are well underway with the elimination of the Minerals Management Service and the creation of the Bureau of Ocean Energy Management, Regulation and Enforcement, and the Office of Natural Resources Revenue located in the Office of the Secretary. Ongoing reforms will lead to safer and more environmentally-responsible offshore oil and gas operations. Lessons learned will help guide our Nation's development of offshore energy resources.

Despite the great demands placed on the Department's bureaus and offices by the oil spill and related activities in 2010, we significantly advanced our performance goals. In addition, the Department, along with the Department of Agriculture and the White House Council on Environmental Quality, hosted the White House Conference on America's Great Outdoors and held 50 public listening sessions across the Country that have helped to shape a conservation vision for the 21st Century. The Department also hosted the second White House Tribal Nations Conference bringing together tribal leaders from across the United States to interact with Administration representatives and develop actions going forward to strengthen the government-to-government relationship with American Indians and Alaska Natives. In 2010, the Department continued many other reforms to promote improved effectiveness and efficiency in acquisition, sustainability, asset management, information technology management, and others.

I am proud of the Department's progress and our 70,000 employees who carry out the Department's mission with great dedication, openness, and accountability. We remain dedicated to upholding the trust of the American people, improving our stewardship of the Nation's resources, and strengthening our delivery of programs and services with sound financial management. The Department's stewardship of the Nation's lands and diverse natural and cultural resources affects the lives of all Americans. The Department's programs support approximately \$370 billion in National economic activity—the programs are an engine of prosperity for winning the future.

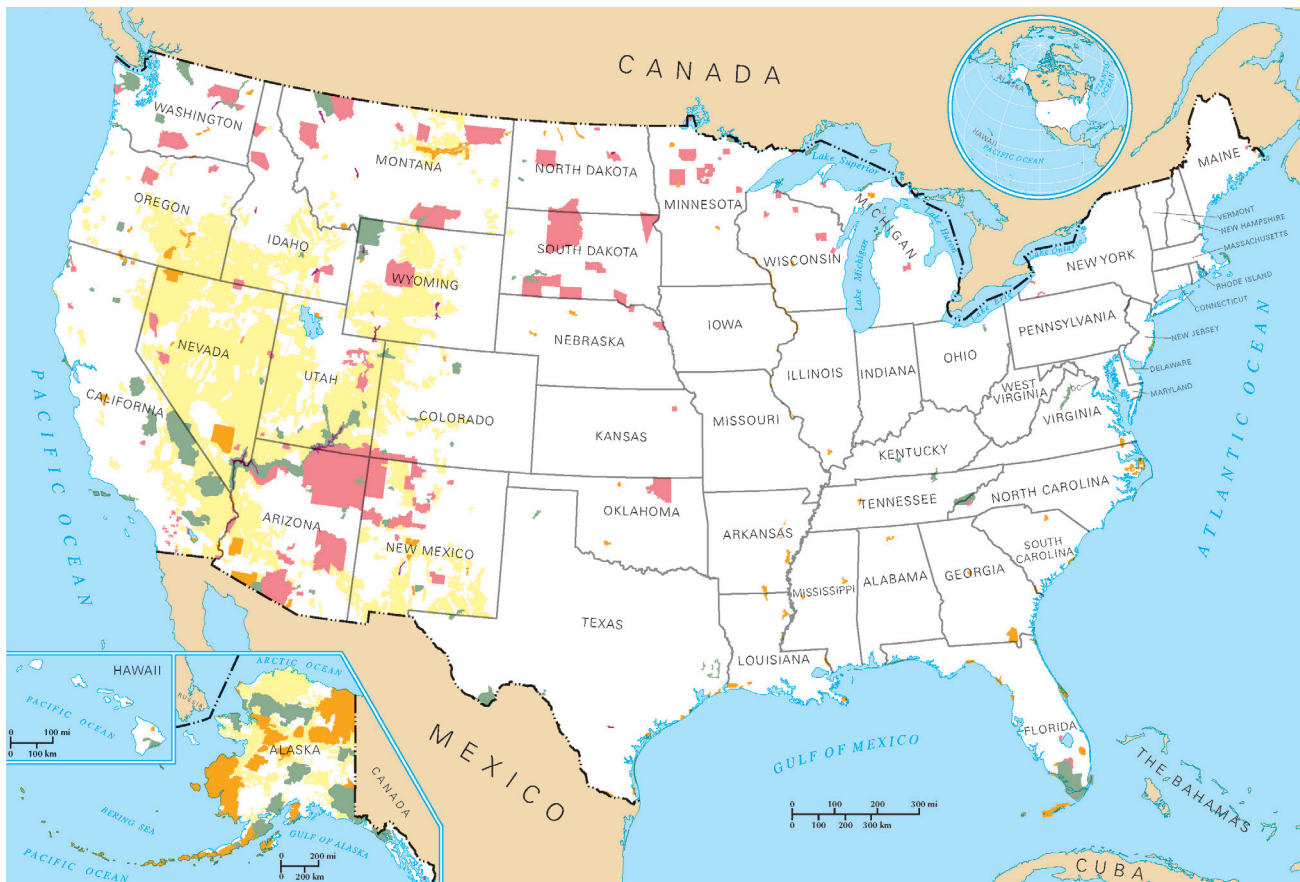
I hope you will review this report and recognize our efforts to demonstrate our accomplishments. Please visit the Department's website at www.doi.gov.



Ken Salazar
Ken Salazar

MISSION AND ORGANIZATIONAL STRUCTURE

Surface Lands Managed by The Department of the Interior



- Indian Affairs (Tribal Reservation Land)
- Bureau of Land Management
- Bureau of Reclamation
- Fish and Wildlife Service
- National Park Service

Mission

The U.S. Department of the Interior protects and manages the Nation's natural resources and cultural heritage; provides scientific and other information about those resources; and honors its trust responsibilities or special commitments to American Indians, Alaska Natives, and affiliated island communities.

History

Established in 1849, Interior is the Nation's principal Federal conservation agency. Interior manages many of the Nation's special natural, cultural, and historic places, conserves lands and waters, protects cultural legacies, and keeps the Nation's history alive. Interior manages parks, refuges, the National Landscape Conservation System, and other public lands and recreation areas for public enjoyment; provides access to many of the Nation's natural

resources; increases scientific knowledge; and fulfills America's trust and other responsibilities to native peoples. Interior also provides hydropower to the Western States. It delivers water to over 31 million citizens through management of 476 dams and 348 reservoirs.

A Department for Domestic Concern was considered by the First United States Congress in 1789, but those duties were initially placed in the Department of State. The proposal continued to percolate for a half-century. The 1846–1848 Mexican-American War gave the proposal new energy as the responsibilities of the Federal Government grew. President Polk's Secretary of the Treasury, Robert J. Walker, became a vocal champion for creating a new department.

In 1848, Walker stated in his annual report that several Federal offices were placed in Departments with which they had little in common: the General

Land Office in the Department of the Treasury; the Indian Affairs Office residing in the Department of War; and the Patent Office in the State Department. He proposed that all should be brought together in a new Department of the Interior. A bill authorizing Interior's creation passed the House of Representatives on February 15, 1849, and was adopted by the Senate in just over 2 weeks. The Department was established on March 3, 1849, the eve of President Zachary Taylor's inauguration, when the Senate voted 31 to 25 to create the Department.

Today, Interior manages about one-fifth of America's land, and 1.7 billion acres of the Outer Continental Shelf as shown on the previous page, and is made up of departmental offices and nine bureaus with a broad range of responsibilities.

Defining Interior's Goals

The Department's Strategic Plan for FY 2007–2012 provided the framework for activities in 2010. The Strategic Plan is the guide by which we gauge our success in achieving performance results. The combined Mission Areas contain 14 End Outcome Goals that the Department, through its offices and bureaus, works to accomplish.

In January 2011, the Department released a new Strategic Plan that will form the basis for next year's performance assessment.

The Statement of Net Cost is divided into the following five major program segments. The segments consist of the Department's four major mission areas of Resource Protection, Resource Use, Recreation and Serving Communities, plus Reimbursable Activity and Other.

Note: Reimbursable Activity and Other is predominantly the intra-governmental acquisition of goods and services through the Department's Working Capital Funds and Franchise Fund for general support of the Department's mission goals.

DOI'S MISSION AREAS

RESOURCE PROTECTION

Protect the Nation's natural, cultural, and heritage resources

- ▶ Improve the health of watersheds, landscapes, and marine resources that are Interior managed or influenced, consistent with obligations and state law regarding the allocation and use of water;
- ▶ Sustain biological communities on Interior managed and influenced lands and waters, consistent with obligations and state law regarding the allocation and use of water;
- ▶ Protect cultural and natural heritage resources; and
- ▶ Improve the understanding of national ecosystems and resources through and integrated interdisciplinary assessment.

RESOURCE USE

Improve resource management to assure responsible use and sustain a dynamic economy

- ▶ Manage or influence resource use to enhance public benefit, promote responsible development, and economic value;
- ▶ Deliver water consistent with applicable state and Federal law, in an environmentally responsible and cost-efficient manner; and
- ▶ Improve the understanding of energy and mineral resources to promote responsible use and sustain the Nation's dynamic economy.

RECREATION

Improve recreation opportunities for America

- ▶ Improve the quality and diversity of recreation experiences and visitor enjoyment on Interior lands; and
- ▶ Expand seamless recreation opportunities with partners.

SERVING COMMUNITIES

Improve protection of lives, property, and assets; advance the use of scientific knowledge, and improve the quality of life for communities we serve.

- ▶ Improve protection of lives, resources, and property;
- ▶ Improve understanding, prediction, and monitoring of natural hazards to inform decisions by civil authorities and the public to plan for, manage, and mitigate the effects of hazard events on people and property;
- ▶ Fulfill Indian fiduciary trust responsibilities;
- ▶ Advance quality communities for tribes & Alaska Natives; &
- ▶ Increase economic self-sufficiency of insular areas.

See Note

SUMMARY PERFORMANCE & FINANCIAL INFORMATION ★ FY 2010

Further details are provide in the Agency Financial Report at <http://www.doi.gov/pfm/par/afr2010/> and in the Annual Performance Report at <http://www.doi.gov/ppp>

STATUS OF HIGH PRIORITY GOALS

Key to the Department's performance this past year has been the pursuit of five Priority Goals, based on significant areas of change that were identified by the Secretary.

Renewable Energy Sources

Goal: *Increase approved capacity for production of renewable (solar, wind, and geothermal) energy resources on Department of the Interior managed lands, while ensuring full environmental review, to at least 9,000 megawatts by the end of 2011.*

Overview: Through responsible development of federally managed onshore and offshore renewables, such as wind, solar, and geothermal energy, the Department can play a central role in moving the Nation toward a clean energy economy while reducing our dependence on foreign oil and climate-changing greenhouse gas emissions. Most importantly, this can all be accomplished while protecting our natural resources, preserving land health, and maintaining high environmental standards.

Snapshot: BLM has identified 20.6 million acres of public land with wind energy potential in 11 western states, 29.5 million acres with solar energy potential in six southwestern states, and 140 million acres of public land in western states and Alaska with geothermal resource potential.

Status: In FY 2010, a collection of projects were approved that employ renewable energy resources with the capacity to generate an estimated 134 megawatts of electricity. A second set of projects was subsequently approved in the first quarter of FY 2011 that will also use renewable energy resources with the capacity to generate another 3,812 megawatts of electricity. This effort has been challenging due to the evolving nature of the renewable energy industry and ensuring that environment concerns are adequately addressed including those involving avian and sensitive species, as well as national park viewsheds.

Water Conservation

Goal: *Enable capability to increase available water supply for agricultural, municipal, industrial, and environmental uses in the western United States by 350,000 acre feet by the end of 2011 through Reclamation's conservation-related programs, such as water reuse and recycling (Title XVI), and WaterSMART grants.*

Overview: The American West is now the fastest growing region of the country and faces serious

water challenges. Competition for finite water supplies is increasing as a result of population growth, agricultural demands, and water for environmental needs. At the same time, climate change, extended droughts, and depleted aquifers are impacting water supplies and availability. One approach is to effectively "increase" the water supply by conservation through grants that support projects that improve the use of our important water resources.

Snapshot: The majority of milestones and targets for 2010 were met.

Status: At the end of FY 2010, 56 grants have been awarded for projects that are projected to conserve nearly 150,000 acre feet of water.

Through the WaterSMART Grants (formerly Challenge Grants) Reclamation provides 50/50 cost share funding to irrigation and water districts, Tribes, States and other entities with water or power delivery authority.

Title XVI Water Recycling and Reuse Projects provide authority for Reclamation's water recycling and reuse program. The Title XVI program is focused on identifying and investigating opportunities to reclaim and reuse wastewaters and naturally impaired ground and surface water in the 17 Western States and Hawaii.

Safe Indian Communities

Goal: *Achieve significant reduction in crime of at least 5 percent within 24 months on targeted tribal reservations by implementing a comprehensive strategy involving community policing, tactical deployment, and critical interagency and intergovernmental partnerships.*

Overview: Customized community policing programs are being employed to ensure the reduction of violent crime incidents on Indian lands. The rate of violent crime estimated from reported incidents for American Indians is more than twice the national average. A community crime assessment on four selected reservations will be used to determine root causes of excessive crime and develop individualized community policing plans comprised of best practices and strategies for sustained crime reduction in each community. The plan addresses increased police presence, strategic deployment, interagency partnerships, prevention and rehabilitation measures and other relevant factors.

Snapshot: Violent crime has already shown a decrease at all four locations during the fourth quarter of 2010. Current trends are expected to continue into the second year. After implementing crime reduction strategies at these locations, Agents are responding to fewer violent crimes. The Office of Justice Services (OJS) has heard from tribal leaders and tribal citizens that there is a noticeable decrease in violent crime within their communities.

Status: OJS has analyzed crime data, identified crime trends, developed crime reduction plans and implemented crime reduction strategies in each of the targeted communities. Proactive law enforcement measures to address specific crime trends and enhanced community partnerships will continue through the initiative.

Youth Stewardship and Engagement

Goal: *Increase by 50 percent (from 2009 levels) the employment of youth between the ages of 15-25 in the conservation mission of the Department.*

Overview: Youth engagement is a key component of the Department's vision with benefits that are far reaching. Youth involvement in the Department's stewardship agenda infuses energy and new thinking, educates a generation that has lost touch with nature in values surrounding conservation, and has the potential to improve the health of younger generations. It also has important economic benefits. According to the Department of Labor's Bureau of Labor Statistics, the proportion of young people employed in July 2010 was 48.9 percent, the lowest July rate on record based on record keeping that began in 1948.

Snapshot: The Department has already passed the midway point toward achieving the 50 percent increase in youth hires.

Status: The Department has increased youth hires by over 45 percent, primarily through partnership agreements with non-profit organizations serving youth, in the pursuit of its conservation mission. The NPS employed 8,168 youth in 2010, a 32 percent increase over 2009. The FWS hired 2,353 youth in conservation-related internships, career programs, and Youth Conservation Corps positions. The BLM hired more than 3,106 young people, a 40 percent increase over 2009, working through partners and by providing opportunities through the Student Educational Employment Program. Through AmeriCorps, VISTA, and direct hires, OSM brought in 218 young people, exceeding its goal by more than 50 percent. The Bureau of Reclamation

accomplished a 17 percent increase in the number of youth onboard over 2009. Interior's Office of Youth worked across the Department to identify opportunities to empower and employ Native youth in the areas of conservation, preservation, and resource management.

Climate Change

Goal: *By the end of 2012, for 50 percent of the Nation, the Department will identify resources that are particularly vulnerable to climate change and implement coordinated adaptation response actions.*

Overview: The Department will develop the means by which better coordinated, science-based decisions can be made for managing our natural resources using Climate Science Centers and multi-bureau conservation cooperatives across the country. Through these centers adaptation strategies will be developed to help address regional climate change impacts to land, water, fish and wildlife, cultural heritage, and tribal resources.

Snapshot: The milestones associated with forming the Landscape Conservation Cooperatives and Climate Science Centers are progressing as expected. A collection of vulnerability assessments were initiated to help determine which resources were under the greatest threat to the effects of climate change and in need of adaptive strategies.

Status: As a first step, the Department will assess the vulnerability of resources that may be impacted by climate change and assess the threats to resources that may be exacerbated by climate change. Those resources include fresh water supplies; landscapes, including wildlife habitat; native and cultural resources; and ocean health. Specific threats to resources include invasive species; wildfire risk; sea-level rise; and melting ice/permafrost. With these vulnerability assessments in hand, Interior will provide scientific and technical capacities to cultural and natural resource managers to help them design and implement adaptive management strategies in the face of a changing climate.

Management Challenges

The chart on the following two pages summarizes actions taken or underway in areas identified as management challenges by the Office of Inspector General.

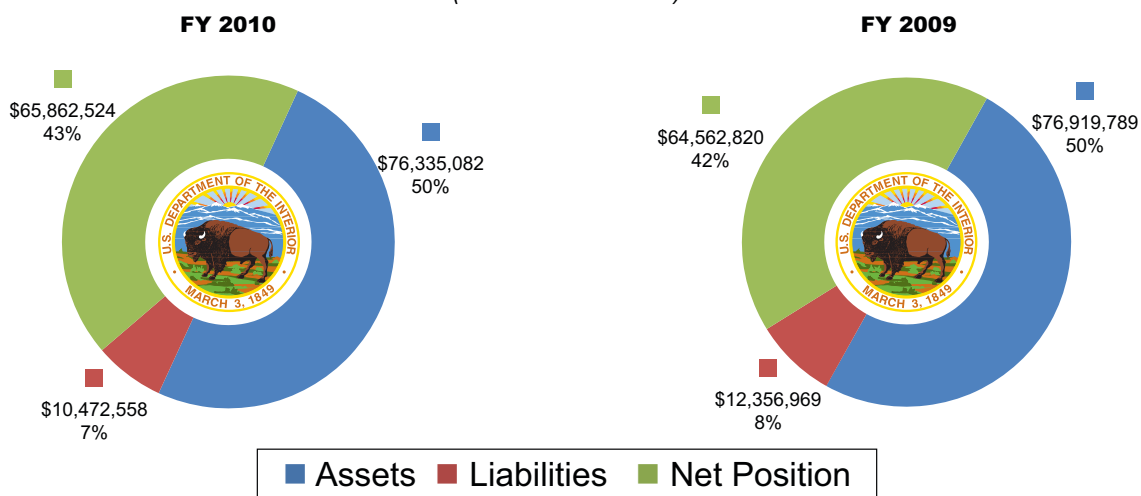
SUMMARY OF DOI'S 2010 SIGNIFICANT MANAGEMENT CHALLENGES

	Management Challenge per OIG (Oct. 2011)	Selected Actions Taken and Planned
1.	Outer Continental Shelf Energy Oversight	<ul style="list-style-type: none"> ☑ Broad reforms are being implemented including reorganization and improvement of policies and procedures. ☑ Reforms are intended to strengthen BOEMRE's permitting, inspections, enforcement, accident investigation, and environmental stewardship programs.
2.	Financial Management	<ul style="list-style-type: none"> ☑ A risk-based method is used to rate audit recommendations for significance, materiality, or severity in order to prioritize attention and resources to those with greatest need. ☑ A single financial management system, the Financial and Business Management System (FBMS) is being deployed within DOI to ensure consistency and retire unsustainable systems.
3.	Information Technology Security	<ul style="list-style-type: none"> ☑ The DOI Innovations and Efficiencies Team initiatives, which were initiated in June 2010 and an IT transformation initiative, are driving changes such as data center consolidation; they are expected to improve the efficiency and effectiveness of IT services throughout the Department.
4.	Health, Safety, and Maintenance: Aircraft; Deferred Maintenance; Abandoned Mines	<ul style="list-style-type: none"> ☑ The Department is responsible for ensuring that the 480 million annual park Visitors and employees are safe and secure. ☑ Interior's land management agencies utilize aviation services; FWS has purchased and is deploying eight new migratory bird aircraft and is working with the National Business Center to finalize a disposition plan. ☑ Facilities management focuses on actions to prioritize and optimize resources to address deferred maintenance needs. Bureaus develop multi-year plans that are responsive to deferred maintenance needs, with uniform criteria and ranking processes. ☑ BLM and NPS programs have expanded inventory and remediation efforts to protect the public from the dangers of abandoned mines, although a large inventory remains.
5.	Responsibility to Indians and Insular Areas	<p>Indian Affairs:</p> <ul style="list-style-type: none"> ☑ Indian Affairs is leading an effort to strengthen interagency consultation and collaboration for Indian education programs. ☑ Key funding increases for law enforcement and education programs are maintained in the 2011 budget empowering Tribal Nations initiative. ☑ The Department is focusing the fractional interest acquisition program in anticipation of an unprecedented consolidation effort under the Cobell v Salazar settlement. P.L. 108-374, the American Indian Probate Reform Act, lays the groundwork for reducing fractionation. <p>Insular Areas:</p> <ul style="list-style-type: none"> ☑ The Administration and the Republic of Palau have agreed on a new fifteen-year compact that will support Palau's efforts in economic development and improved quality of life. ☑ OIA has increased coordination with other Federal agencies promoting increased engagement of multi-Federal agency organizations such as the Interagency Group on Insular Areas (IGIA). Coordination through the IGIA was enhanced by Executive Order 13537 signed by President Obama on April 14, 2010.
6.	Resource Protection and Restoration	<p>Wildland Fire:</p> <ul style="list-style-type: none"> ☑ The Department is partnering with the U.S. Forest Service and others to mitigate the threat of wildfire and to balance cost with the associated risk through a comprehensive fire management "Cohesive Strategy." ☑ The Department has increased its use of decision support tools, such as LANDFIRE, Fire Program Analysis, and Ecosystem Management Decision Support to improve management and accountability.

	Management Challenge per OIG (Oct. 2011)	Selected Actions Taken and Planned
6.	Resource Protection and Restoration (continued)	<ul style="list-style-type: none"> ☑ The Department shared information from lessons learned with the expansive roads programs funded through the Recovery Act and engaged with the Department of Transportation and the Office of Management and Budget in the reauthorization of the Transportation Bill. ☑ The Department has developed a museum collections management action plan that establishes a set of actionable items for all Interior entities with museum collections. ☑ The Museum Property Executive Program Committee has been reconstituted and is developing a charter. ☑ The Department issued new reporting requirements for Scope of Collections Statements, inventory, non-Federal facilities, and conducted training on writing collection management documents.
7.	Revenue Collections	<ul style="list-style-type: none"> ☑ The Mineral Management Service was eliminated and renamed the Bureau of Ocean Energy Management, Regulation and Enforcement. Revenue collection functions were moved to the Office of Natural Resources Revenue within the Office of the Assistant Secretary for Policy, Management and Budget. ☑ The Secretary recently announced the first commercial lease for the first OCS renewable project – the Cape Wind Energy Project. ☑ BOEMRE issued limited leases with four developers to allow construction of meteorological towers for wind resource assessment offshore from Delaware and New Jersey. ☑ BOEMRE published a Request for Interest for wind energy development in the Federal Register for an area of the OCS offshore Delaware. ☑ BOEMRE established Federal/State Renewable Energy Task Forces in seven states and created an Atlantic Renewable Energy Office. ☑ BLM has a 2010-2011 high priority performance goal to increase approved capacity for production of renewable energy by at least 9,000 megawatts. ☑ BLM's five renewable energy coordination offices and energy coordination teams are facilitating permitting; energy policies and procedures are being implemented to ensure environmental protections are in place.
8.	Acquisition Management	<ul style="list-style-type: none"> ☑ Interior's acquisition professionals work together through the Acquisition Managers Partnership to build more consistent approaches, implement Interior's Acquisition Improvement Plan, and develop and implement new acquisition tools such as PRISM. ☑ With the challenges of implementing ARRA, Interior issued policies to communicate specific ARRA-mandated procedures, standardized methods for carrying out ARRA contract and financial assistance actions, maximized competition, ensured the use of appropriate acquisition vehicles, improved transparency of reporting, and streamlined contracting. ☑ Interior's <i>Acquisition Regulation</i> has been updated to streamline acquisition procedures. ☑ An electronic case management system for suspension and debarment was developed. A collaborative case referral process was established based on a working relationship with OIG's Acquisition Integrity Unit. ☑ The Department is meeting the goals of OMB Memorandum M-09-25, <i>Improving Government Acquisition</i>, by reviewing existing contracts and acquisition practices, implementing an acquisition savings plan, and reducing the share of dollars obligated under new contract actions awarded with high-risk contracting authorities.

Balance Sheet

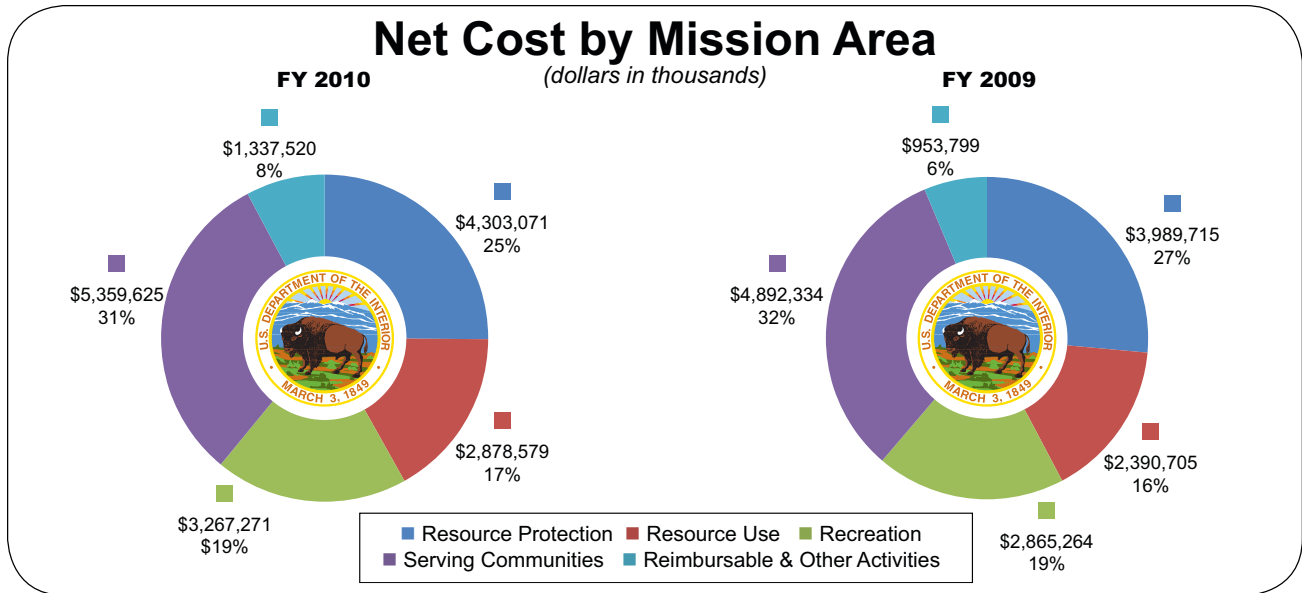
(dollars in thousands)



Analysis of Balance Sheet

- Interior received, for the 14th consecutive year, an unqualified audit opinion on its financial statements. The statements were audited by the independent accounting firm of KPMG LLP.
- At the end of FY 2010, Interior's assets totaled \$76,335,082 thousand. This is down slightly from the previous year's assets, which totaled \$76,919,789 thousand.
- Interior's assets are primarily composed of Fund Balance with Treasury, General Property, Plant, and Equipment (PP&E) and Investments. Fund Balance with Treasury is money that Interior is authorized to use to pay liabilities resulting from operational activity and consists of funds received from direct appropriations, transfers, offsetting receipts, recoveries, and funds held in budget clearing accounts. General PP&E is primarily composed of land, structures, and facilities which are used for general operations, power, wildlife enhancement, and recreation. Most of Interior's structures and facilities are composed of power and irrigation facilities, and dams managed by the Bureau of Reclamation (BOR). The remainder consists of buildings and facilities used in Interior's operations (e.g., visitor centers, fish hatcheries, and Bureau of Indian Education schools).
- Interior has over 160,000 buildings and structures which are included in Property, Plant and Equipment. Interior ranks second among Federal agencies in the number of constructed assets in its real property portfolio.
- In FY 2010, Interior's Accounts and Interest Receivable (Net) decreased for the year by approximately \$2,041,348 thousand or 39 percent. This decrease is mainly due to the decrease in Bureau of Ocean Energy Management, Regulation and Enforcement's receivable from Treasury as a result of liquidation of refunds due from the loss of the "Kerr McGee case."
- Interior's liabilities are composed of Accounts Payable, Debt & Loan Guarantees, Federal Employee and Veteran Benefits, Environmental and Disposal liabilities, Refunds Payable, Contingent Liabilities, Advances and Deferred Revenue, Payments due to States, Grants Payable, and Other Liabilities.
- On September 30, 2010, Interior's liabilities totaled \$10,472,558 thousand. This is a decrease of \$1,871,593 thousand or 15 percent from previous year's liabilities of \$12,356,969 thousand. The decrease is primarily a result of the offset of the "Kerr McGee recoupment's" noted above and an increase in contingent liabilities.

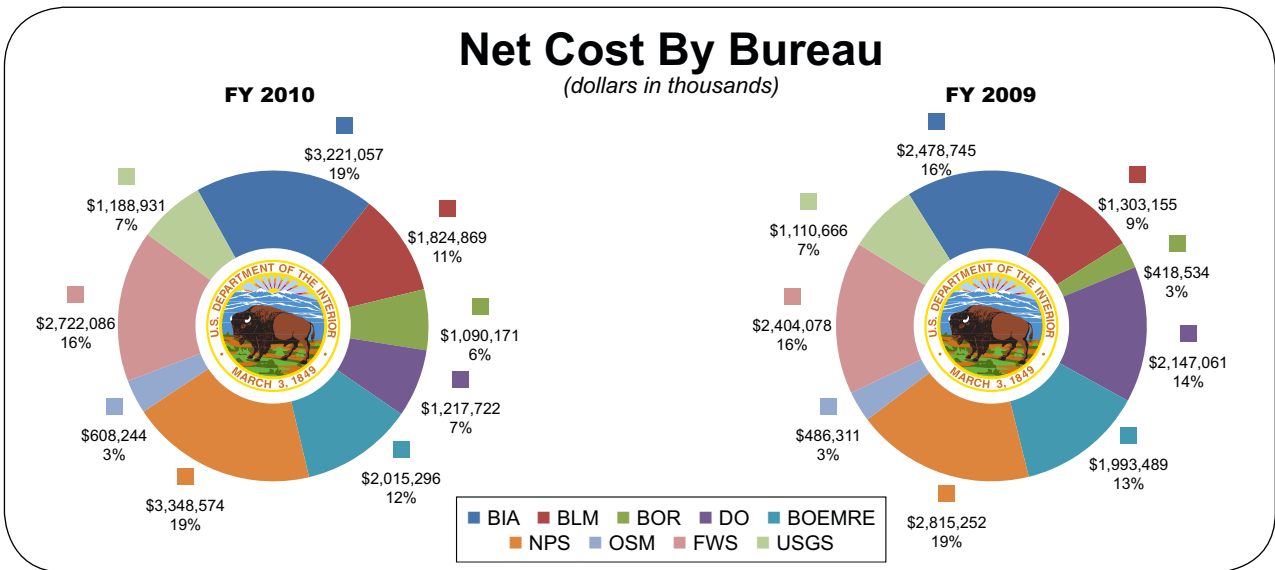
Net Cost by Mission Area



Analysis of Net Costs

- Most costs incurred by Interior are directly related to providing services to the public. The Consolidated Statement of Net Cost is divided into the following five major program segments.
- The segments consist of the Department's four major mission areas of Resource Protection, Resource Use, Recreation, and Serving Communities plus Reimbursable Activity and Other. Reimbursable Activity and Other is predominantly the intra-governmental acquisition of goods and services through the Department's Working Capital Fund and Franchise Fund for general support of the Department's mission goals.
- Interior's net cost of operations for FY 2010 was \$17,146,444 thousand. This is an increase of \$2,054,627 thousand or 14 percent from the previous year's net cost of \$15,091,817 thousand. The increase is a result of increased ARRA spending, an increase in contingent liabilities, and the sum of several other small increases in several areas.
- In the first chart Net Costs by Mission Area are shown by major segment which consist of Interior's four major mission areas and Reimbursable Activity and Other. The mission areas are identified in the Department's 2007 - 2012 Strategic Plan and in the discussion of performance contained in this report.
- In the second chart Net Costs by Bureau costs are shown by Interior Bureau components.

Net Cost By Bureau

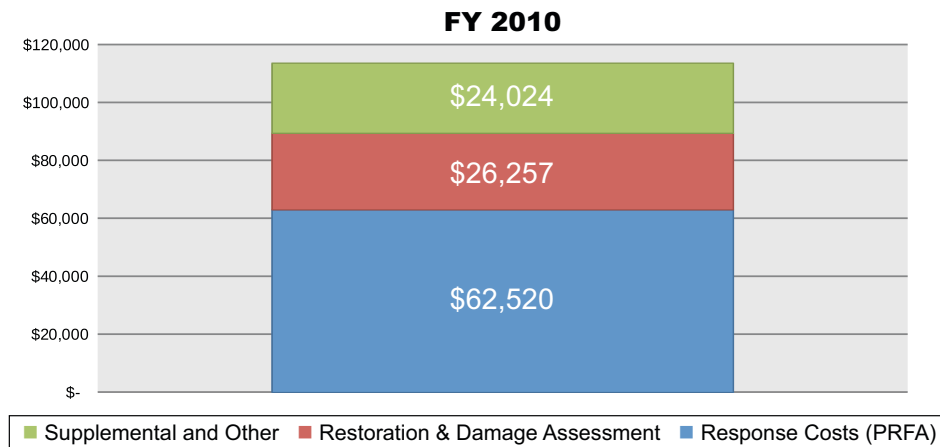


SUMMARY PERFORMANCE & FINANCIAL INFORMATION ★ FY 2010

Further details are provide in the Agency Financial Report at <http://www.doi.gov/pfm/par/af2010/> and in the Annual Performance Report at <http://www.doi.gov/ppp>

Deepwater Horizon Oil Spill Costs

(dollars in thousands)



Analysis of Net Cost concerning the Deepwater Horizon Oil Spill

- Charged with protecting America's natural and cultural resources, the Department and its bureaus have played an integral part in the National Federal response to the explosion of the Deepwater Horizon drilling rig since the tragedy first occurred.
- DOI worked with the U.S. Coast Guard (USCG) and the operator of the drilling rig to secure the well and oversee its continuing decommissioning.
- DOI assisted in alleviating the threats to fragile habitat as well as provided expertise in assessing and addressing the long-term damage to impacted resources. DOI deployed incident management personnel from across the Country to prepare for and respond to oil impacts along the Gulf Coast.
- DOI worked with the USCG for wildlife reconnaissance and recovery and shoreline cleanup and assessment; conducted surveys, sampling, and flyovers to document baseline conditions; mobilized resource experts to direct USCG and responsible party contractors during cleanup and recovery; and provided guidance and prioritization for protection measures such as boom placement in sensitive areas.
- DOI developed geospatial and remote sensing information for use by the Unified Command in short- and long-term science planning.
- As of September 30, 2010, the costs to perform these critical activities were approximately \$113 million. Funding to cover the costs associated with the activities has come through Pollution Reimbursable Funding Agreements (PRFA) with the USCG, interagency agreements between the Departments Natural Resource Damage Assessment and Restoration (NRDAR) activity, the National Pollution Funds Center, funds from the NRDAR fund itself, funds from the responsible party, and supplemental appropriations. The "supplemental and other" costs are those not subject to PRFA or NRDAR reimbursement. Total funding received to date is approximately \$123 million.

ARRA Milestones and Progress at the Department of the Interior

While the types of projects funded by ARRA are different, each project is monitored through the use of three milestones. These milestones are awarded, mobilized, and substantially complete. The DOI bureaus track each project to these three milestones, which help those responsible for project oversight and monitoring to evaluate if the projects are being completed on time, within budget, and in line with the goals of ARRA. Milestone tracking also supports the Department’s effort to monitor ARRA implementation at the portfolio level. Provided below are definitions of these three project milestones and their importance to effectively monitor and oversee the activities of the program.

- ◆ **Awarded** indicates that the bureau has successfully issued an award for the activities of the project. Once a project is awarded, contractors are provided with contracting documentation that enables them to begin the planning for the project. This may involve hiring resources, purchasing materials, or creating teaming agreements that help stimulate the economy.
- ◆ **Mobilized** indicates that the project activities have started on the ground. A mobilized project is one where people and/or resources are currently being leveraged on the project site. To execute the work, contractors may need to hire additional resources or execute teaming agreements to properly staff the project. They may also fully utilize their own

teams to execute the contract requirements, which help to keep people employed and funding moving through the economy.

- ◆ **Substantially Complete** indicates that project activities are 90 percent complete according to the project outlays. Outlays are an indicator used to assess payments provided to the contractor by the government for services rendered. If a project is substantially complete, this indicates that the contractor has successfully invoiced and received 90 percent of the value of the project. The funding provided to the contractor allows the contractor to retain and/or hire additional employees, which is a key goal of ARRA.

Milestones

Milestone tracking is an important element of monitoring and overseeing the DOI ARRA implementation. The table below shows milestone progress as of September 30, 2010, and highlights milestone achievements relative to the total number of projects.

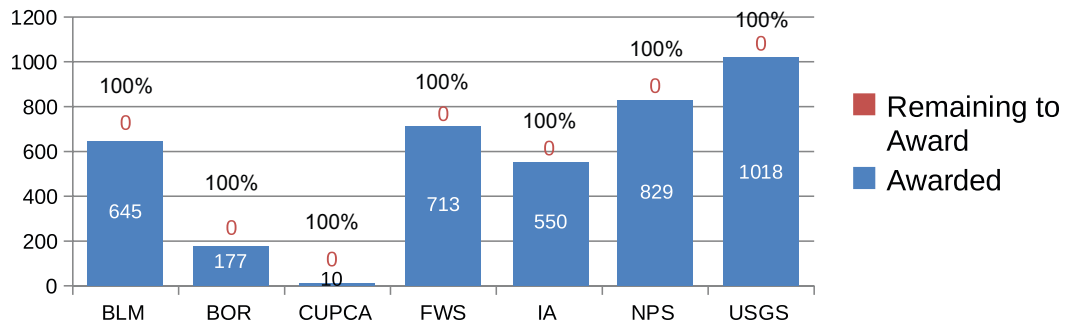
To view an interactive map of the Department’s ARRA projects by State and other up-to-date information on specific projects visit <http://recovery.doi.gov/>.

Milestones	Current Actual	Total Projects	Percent Achieved
Awarded	3,942	3,942	100%
Mobilized	3,770	3,942	96%
Substantially Complete	1,768	3,942	45%

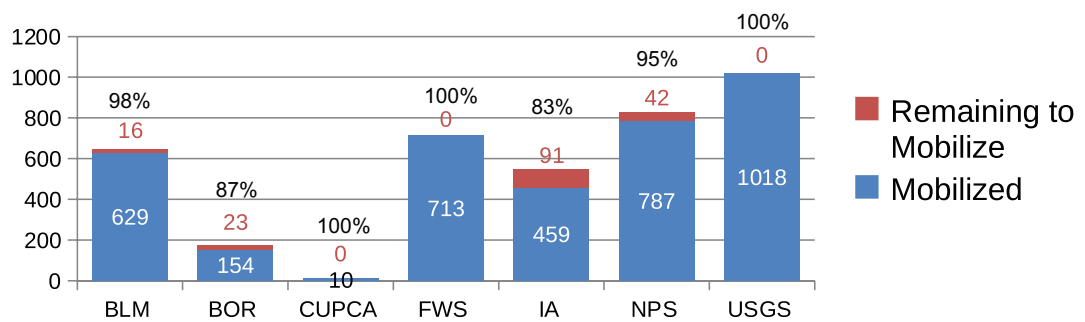
The following charts show the progress made in milestone achievements, by bureau.



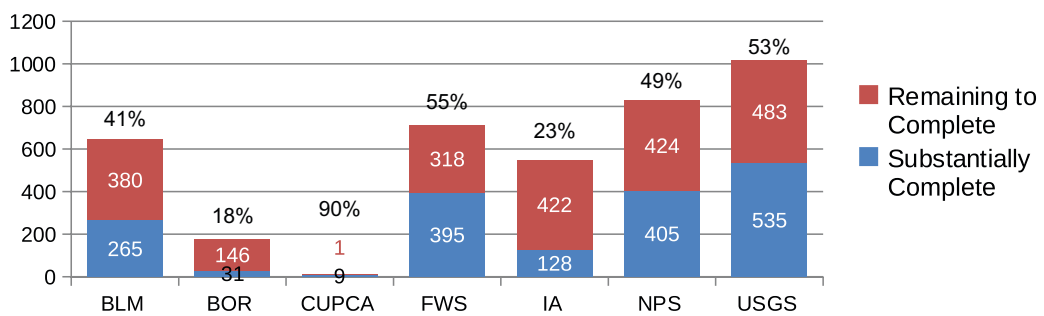
Award Progress by Bureau – as of September 30, 2010



Mobilization Progress by Bureau – as of September 30, 2010



Substantial Completions by Bureau – as of September 30, 2010



The Department manages 20 percent of the land mass of the United States and 1.7 billion acres of the Outer Continental Shelf. The Department is the steward of lands, waters, wildlife, and cultural and historic resources. Interior fulfills special responsibilities to Native Americans as the manager of one of the largest land trusts in the world – over 10 million acres owned by individual Indians and 46 million acres held in trust for Indian tribes.

Energy generated from public lands powers America's homes and businesses; mineral and timber resources are building blocks for the products consumed; grazing helps supply food; and the landscapes, recreational opportunities, and cultural properties draw visitors to Interior lands and support jobs and businesses in surrounding communities. These important functions and many others are administered by Interior's 78,798 employees.

The Department supports over 1.3 million jobs and over \$370 billion in economic activity. Parks, refuges, and monuments generate over \$24 billion in recreation and tourism. Conventional and renewable energy produced on Interior lands and waters results in \$292 billion in economic benefits and the water managed by Interior supports over \$25 billion in agriculture.

The Department will play a key role in a number of important initiatives. The Department's activities are guided by a Strategic Plan and a set of Priority Goals that align with the 2011 agenda.

New Energy Frontier. The Secretary's New Energy Frontier initiative will create clean sources of energy using the Nation's vast domestic resources. Implementation of a comprehensive New Energy Frontier strategy will create jobs, reduce the Nation's dependence on foreign oil, and reduce climate change impacts.

The Department has a Priority Goal to increase approved capacity for solar, wind, and geothermal energy resources on Interior managed lands, while ensuring full environmental review, by at least 9,000 megawatts by the end of 2011. This would provide sufficient energy to power 2 million homes each year.

Climate Change Adaptation. Resource managers consider climate change to be the single most challenging issue they face. In order to equip them with the tools and strategies they need, Interior's programs will determine the causes and formulate solutions to mitigate climate impacts to lands, waters, and natural and cultural resources. As the

pre-eminent manager of lands and resources, Interior will leverage its experience and expertise in partnership with other governmental and non-governmental entities. Interior's Climate Science Centers and Landscape Conservation Cooperatives will conduct and communicate research and monitoring to improve understanding and forecasting for those natural and cultural heritage resources that are most vulnerable to climate change impacts.

WaterSMART. The Department's sustainable water strategy will assist local communities in stretching water supplies and improving water management. A Priority Performance Goal is established to enable capability to increase water supply for agricultural, municipal, industrial, and environmental uses in the Western United States up to 350,000 acre-feet by the end of 2011 through Reclamation's programs including water reuse and recycling and WaterSMART grants.

Youth in Natural Resources. The future of resource conservation depends upon the next generation's understanding of the importance of natural resources and cultural treasures. The Department's Youth in Natural Resources initiative signals the Secretary's emphasis on youth involvement. The Department's Priority Goal for Youth in Natural Resources is, by the end of 2011, to increase by 50 percent from the 2009 level, the employment of youth under the age of 25 in the conservation mission of the Interior Department.

America's Great Outdoors. During FY 2010, the Department participated in a national dialogue about conservation, hosting the President's White House Conference on the Great Outdoors in April in the Main Interior Building and engaging in 50 listening sessions across the Country. The results of these listening sessions will be used to guide modern-day land conservation and reconnect Americans to the outdoors.

The Department is responsible for programs that are key components of the President's agenda for protecting America's treasured landscapes and a 21st Century conservation agenda. The budget will allow Interior to intensify efforts to protect treasured landscapes; participate in major restoration efforts to restore, protect, and preserve key ecosystems; and operate and maintain landscapes. Parks, refuges, and units of the National Landscape Conservation System contain breathtaking vistas, relate historical and cultural events, and preserve and protect important resource values for the Nation.

Empowering Tribal Nations. The Secretary's agenda includes advancing Nation-to-Nation relationships, improving Indian education for students in Bureau of Indian Education funded schools, improving the safety of Indian communities, and reforming trust land management with an ultimate goal of greater self-determination. In December 2010 and in November 2009, the White House held a Tribal Nations Conference, which were attended by many tribal leaders. At the conferences, the President pledged to strengthen Nation-to-Nation relationships, improve the tribal consultation process, and empower strong and stable Indian communities.

The Interior Department's High-Priority Performance Goal for Safe Indian Communities will achieve significant reductions in criminal offenses of at least five percent within 24 months on targeted tribal reservations by implementing a comprehensive strategy involving community policing, tactical deployment, and critical interagency and intergovernmental partnerships.

Ensuring Safety and Environmental Protection in Energy Programs. Beginning in April 2010, the Department's attention was focused on the unprecedented Deepwater Horizon disaster in the Gulf of Mexico. Although immediate actions focused

on response and mitigation, Interior also responded to the urgency of implementing substantive reforms in the management of offshore energy programs. The Minerals Management Service was abolished and the new Bureau of Ocean Energy Management, Regulation and Enforcement was established and the Department released a plan to restructure ocean energy management programs into three new entities; the Bureau of Ocean Energy Management, Regulation and Enforcement, the Bureau of Safety and Environmental Enforcement, and the Office of Natural Resources Revenue.

The 30 day report to the President, *Increased Safety Measures for Energy Development on the Outer Continental Shelf May 27, 2010*; the report of the *Safety Oversight Board, U.S. Department of the Interior Outer Continental Shelf Safety Oversight Board* report to Secretary of the Interior Ken Salazar and the *President's National Commission on the British Petroleum Deepwater Horizon Oil Spill and Offshore Drilling*, are the foundation for reforms that will guide the implementation of safe and environmentally-sound offshore oil and gas operations.

UNITED STATES DEPARTMENT OF THE INTERIOR

Office of the Secretary

Bureau of Land Management

Bureau of Ocean Energy Management, Regulation and Enforcement

Office of Surface Mining Reclamation and Enforcement

U.S. Geological Survey

Bureau of Reclamation

U.S. Fish and Wildlife Service

National Park Service

Indian Affairs

