

BUDGET The United States Department of the Interior **JUSTIFICATIONS**

and Performance Information
Fiscal Year 2013

NATURAL RESOURCE DAMAGE ASSESSMENT AND RESTORATION PROGRAM

NOTICE: These budget justifications are prepared for the Interior, Environment and Related Agencies Appropriations Subcommittees.

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DEPARTMENT OF THE INTERIOR



Restoration Program

Assessment & Restoration Program

Fiscal Year 2013 Budget Justifications

TABLE OF CONTENTS

Appropriation: Natural Resource Damage Assessment and Restoration

Summary of Request

Page

General Statement.....	1
Management Challenges & Solutions.....	4
Program Performance Summary	6
Goal Performance Table.....	9
Summary of Requirements Table.....	11
Fixed Costs and Related Changes.....	12
Appropriations Language.....	13

Program Activities

Damage Assessments Activity.....	15
Assessments and Restorations Site Map.....	19
Restoration Support Activity.....	25
Program Management Activity.....	39

Exhibits and Schedules.....	44
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NATURAL RESOURCE DAMAGE ASSESSMENT AND RESTORATION PROGRAM

GENERAL STATEMENT

FY 2013 Budget Request:

The Restoration Program's Fiscal Year 2013 request for current appropriations is \$6,263,000, an increase of \$10,000 over the 2012 enacted level of \$6,253,000. The increase is the net result of fully funded 2013 fixed cost increases of \$58,000, offset by a program reduction of \$48,000 to the Damage Assessment activity.

Additionally, the request also includes an estimated \$60.0 million in permanent funds for DOI bureaus and its Federal, State, and tribal co-trustees, which result from negotiated legal settlement agreements and cooperative damage assessments with responsible parties.

Executive Summary

The mission of the Natural Resource Damage Assessment and Restoration Program (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 trustee agencies, damage assessments provide the basis for determining the restoration needs that address the public's loss and use of these resources. Cooperation with its co-trustees and partners, and where possible, with the responsible parties, is an important component of meeting the Restoration Program's core mission.

As authorized by the Comprehensive Environmental Response, Compensation and Liability Act (CERCLA or Superfund), the Clean Water Act (CWA), and the Oil Pollution Act of 1990 (OPA), injuries to natural resources that the Department of the Interior manages or controls are assessed, and appropriate restoration projects are identified in contemplation of negotiated settlements or in rare cases, litigation with potentially responsible parties. Recoveries, in cash or in-kind services, from the potentially responsible parties are then used to finance or implement the restoration of the injured resources, pursuant to a publicly reviewed restoration plan.

The Office of Restoration and Damage Assessment (Program Office) manages the confluence of the technical, ecological, biological, legal, and economic disciplines and coordinates the efforts of six bureaus and three offices to accomplish this mission. The Program has a nationwide presence encompassing nearly the full span of natural and cultural resources for which the Secretary of the Interior has trust responsibility. Each bureau has its unique natural resource trusteeship and brings its expertise to bear on relevant sites. The Restoration Program is a truly integrated Departmental program, drawing upon the interdisciplinary strengths of its various bureaus and offices, while eliminating or minimizing redundant bureau-level bureaucratic and administrative operations.



The **Bureau of Indian Affairs** is responsible for the administration and management over 55 million surface acres and 57 million acres of sub-surface minerals estates held in trust by the United States for American Indians, Indian Tribes, and Alaska Natives, and provides assistance to 566 federally-recognized tribal governments to help protect water, natural resources and land rights.



The **Bureau of Land Management** administers 248 million acres of Federal land and 700 million acres of subsurface mineral estate, located primarily in 12 western states, including Alaska, characterized by grasslands, forests, deserts, coastline, and arctic tundra. The BLM sustains the ecological and economic health, diversity, and productivity of these public lands for the use and enjoyment of present and future generations.



Working in states west of the Mississippi River, the **Bureau of Reclamation** manages 6.6 million acres associated with projects to protect local economies and preserve natural resources and ecosystems through the management and effective use of water resources.



The **U.S. Fish & Wildlife Service** conserves, protects and enhances fish, wildlife, and plants and their habitats and manages over 150 million acres within 556 National Wildlife Refuges, other refuge units, and 38 wetland management districts for the continuing benefit of the American people, providing primary trusteeship for migratory birds and threatened and endangered species.



The **National Park Service** preserves unimpaired the natural and cultural resources and values of the 84 million acres of land and 4.5 million acres of oceans, lakes, and reservoirs of the 397 units of the national park system, and conserves the scenery and the natural and historic objects and the wildlife of these special places for the enjoyment, education, and inspiration of current and future generations.

In addition to the five bureaus with primary trust resource management activities, the U.S. Geological Survey (USGS), the Office of the Secretary, and the Office of the Solicitor play key roles in making the Restoration Program a fully integrated Departmental program. The Office of

the Solicitor provides legal advice, USGS provides technical scientific support, and the Office of Policy Analysis provides economic analytical expertise to the Program at both national policy and individual case management levels. The Office of Environmental Policy and Compliance provides a link to response and remedial activities associated with oil spills or chemical releases.

The Department, through its bureaus, conducts every damage assessment and restoration case in partnership 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 collaboration in its day-to-day operations and partnerships that have been developed with Tribal, State, and other Federal co-trustees, as well as with non-governmental conservation organizations and industry.

America's Great Outdoors (AGO) and the Restoration Program: On April 16, 2010, President Obama announced the America's Great Outdoors (AGO) initiative, launching the development of a 21st century conservation and recreation agenda. The result is a call for a grassroots approach to protecting our lands and waters and connecting all Americans to their natural and cultural heritage. The AGO initiative seeks to empower all Americans to share in the responsibility to conserve, restore, and provide better access to our lands and waters in order to leave a healthy, vibrant outdoor legacy for generations to come. Funding for the initiative is broadly defined to capture programs that are key to attaining conservation goals. That includes funding to operate and maintain our public lands; expand and improve recreational opportunities at the state and local level; protect cultural resources; and conserve and restore land, water, and native species.

The Restoration Program has no discretionary appropriated funds that specifically tie to the America Great Outdoors initiative. However, much of what the Program accomplishes is consistent with the spirit of the AGO initiative. A large percentage of restoration actions and accomplishments using settlement funds recovered through the Restoration Program and its Federal, State, and tribal co-trustee partners are targeted toward restoration, acquisition, or protection of public lands, recreational opportunities, and the restoration of landscapes and trust species.

Campaign to Cut Waste: Over the last two years, the Administration has implemented a series of management reforms to curb uncontrolled growth in contract spending, terminate poorly performing information technology projects, deploy state of the art fraud detection tools, focus agency leaders on achieving ambitious improvements in high priority areas, and open Government up to the public to increase accountability and accelerate innovation.

In November 2011, President Obama issued an Executive Order reinforcing these performance and management reforms and the achievement of efficiencies and cost-cutting across the government. This Executive Order identifies specific savings as part of the Administration's Campaign to Cut Waste to achieve a 20 percent reduction in administrative spending from 2010 to 2013. Each agency is directed to establish a plan to reduce the combined costs associated with travel, employee information technology devices, printing, executive fleet efficiencies, and extraneous promotional items and other areas.

The Department of the Interior's goal is to reduce administrative spending by \$207 million from 2010 levels by the end of 2013. To meet this goal, the Department is leading efforts to reduce waste and create efficiencies by reviewing projected and actual administrative spending to allocate efficiency targets for bureaus and Departmental offices to achieve the 20 percent target.

Additional details on the Campaign to Cut Waste can be found at:

<http://www.whitehouse.gov/the-press-office/2011/11/09/executive-order-promoting-efficient-spending>.

Management Challenges

The most significant challenge facing the Department's Restoration Program is one that is created, in part, by its own recent successes. The successful conclusion and settlement of a number of large, multi-year damage assessment cases over the last two years has resulted in deposits of over \$360 million into the DOI Restoration Fund, including a single bankruptcy settlement involving multiple sites that resulted in recovery of over \$185 million. To put this funding in perspective, the \$363 million received in fiscal years 2010 and 2011 is equal to the total deposits for the Fund from 1992 through 2006. Additionally, a number of multi-million dollar settlements are anticipated for 2012 and 2013, as well as potentially tens of millions of restoration funds from the Early Restoration Framework Agreement at the Deepwater Horizon Oil Spill in the Gulf of Mexico.

An analysis conducted in late December 2011 on the balance of \$474 million held in the DOI Restoration Fund revealed that over ninety-two percent of those funds were for the restoration of injured resources, as directed through court-approved settlement agreements and consent decrees. Of that amount, more than ninety-five percent were in settlements held on behalf of DOI and other Federal, State, and tribal co-trustee agencies. Thus, for the vast majority of funds held in the Restoration Fund, the Department cannot make unilateral decisions as to when and how to spend such settlement funds. Further, the Department and its co-trustees are legally bound to use these settlement funds to restore, replace, or acquire equivalent natural resources, consistent with statutory language in the laws under which they were recovered. Accordingly, the biggest challenge facing the Restoration Program is to lead the charge across multiple levels of governments, to coordinate joint efforts to identify, plan, implement and monitor restoration actions at hundreds of sites across the country.

Management Solutions

The DOI Restoration Program's response to this challenge will take place on many fronts, both externally and internally.

On the external front, a strong emphasis will be given to engaging our Federal, State, and Tribal co-trustees in a broader, deeper, and more strategic approach to implementing restoration. Nearly all restoration actions undertaken in the Program are planned and implemented with co-trustee partners in State and tribal governments. Only rarely is the Department the sole trustee in

an NRDA claim. The Department is working with DOI bureaus and NOAA in a strategic review to identify and establish more efficient practices in conducting damage assessment and restoration, to find commonalities and co-prioritize restoration priorities, and wherever possible to streamline the NRDA process. Increasing these collaborative efforts on a broad scale in planning, case prioritization, and resource allocation will enhance the efficiency of the NRDA process. The program will also continue its ongoing efforts to reach out to the tribal community and enhance tribe's participation in the Restoration Program's efforts to increase restoration. Additionally, the Department and NOAA recently entered into an agreement with the Association of Fish and Wildlife Agencies to strengthen a strong working partnership with our State counterparts and to advise States that are starting NRDA programs.

Within the Department, the Restoration Program Office is working with Departmental bureaus to undertake a multi-pronged strategy to increase restoration. Among the approaches being investigated are the following:

- An ongoing review of all settlement funds focuses on identifying those cases where DOI is the sole trustee. Among these cases, the Department and its bureaus will increase the rate of implementation of ongoing restoration projects;
- Ensuring the smooth transition from damage assessment to restoration planning and implementation once a settlement is reached;
- The expanded use of existing landscape, watershed, and flyway-scale restoration plans as an alternative to developing a site or settlement-specific restoration plan. Such an approach to use previously existing approved restoration plans would reduce the time and cost of developing plans and meeting any necessary compliance requirements;

The Restoration Fund is also actively looking for opportunities to streamline the movement of settlement funds to expedite the pace of restoration. A recent example of this effort is related to the Grand Calumet River site, IN, where the Department was successful in educating other Federal agencies and programs on the unique Federal/State hybrid nature of joint settlement funds in the DOI Restoration Fund, and how such funds could potentially be used as a match to existing grant programs. The Department expects to initiate discussions with other similar grant programs to explore additional partnership opportunities.

DOI Strategic Plan

The FY 2011-2016 DOI Strategic Plan, in compliance with the principles of the GPRA Modernization Act of 2010, provides a collection of mission objectives, goals, strategies and corresponding metrics that provide an integrated and focused approach for tracking performance across a wide range of DOI programs. While the DOI Strategic Plan for FY 2011 – FY 2016 is the foundational structure for the description of program performance measurement and planning for the FY 2013 President's Budget, further details for achieving the Strategic Plan's goals are presented in the DOI Annual Performance Plan and Report (APP&R). Bureau and program specific plans for FY 2013 are fully consistent with the goals, outcomes, and measures described

in the FY 2011-2016 version of the DOI Strategic Plan and related implementation information in the Annual Performance Plan and Report (APP&R).

Total 2013 Budget Request

(Dollars in Thousands)

Budget Authority	2011 Actual	2012 Enacted	2013 Budget Request	2013 Request vs. 2012 Enacted	
				Amount	Percent
Discretionary	6,449	6,253	6,263	+10	0.16%
Mandatory	74,037	64,000	54,000	-10,000	-15.63%
TOTAL	80,486	70,253	60,263	-9,990	-14.22%
<i>FTE</i>	<i>10</i>	<i>10</i>	<i>10</i>	-	-

Performance Summary

All activities within the Restoration Program (damage assessment, restoration support, and program management) support resource restoration either directly or as necessary steps on the road to restoration of injured natural resources under the trusteeship of the Department of the Interior. These restoration activities contribute towards Mission Area 1 / Goal No.1 in the Department's Strategic Plan, namely to Provide Natural and Cultural Resource Protection and Experiences/Protect America's Landscapes. As is also the case with the Department's America's Great Outdoors Initiative, the Program's restoration of injured natural resources includes activities as varied as partnerships to acquire high-value habitats; improved stewardship of Federal, State and tribal lands; and landscape-level conservation in key ecosystems.

In addition, the Program's damage assessment and restoration activities undertaken with tribal co-trustees support the Strengthening Tribal Nations Initiative by working government to government as equal partners to restore tribal natural resources. The Program also seeks opportunities wherever possible to involve young people, either in hands-on restoration activities or outdoor classroom experiences, in support of the Youth in the Great Outdoors Initiative.

As required by the Government Performance and Results Act of 1993, last year the Department published its Strategic Plan for Fiscal Years 2011 – 2016. This current Strategic Plan updated the prior plan (FY2007 – 2012) and includes a simpler and more strategic set of goals and more finite and focused performance measures. NRDAR performance is measured and reported respectively by the bureau that is the lead agency in any given case, described in each bureau's budget justification, and consolidated with performance measures from other programs in reporting the strategic outcomes. This budget request also continues to report a summary of on-the-ground performance, focusing on acres and miles of habitat restored. Performance measures reported here are not added to the Departmental strategic reporting in order to avoid potential issues of double-counting.

2013 Program Performance

In 2013, the Program will continue to review, develop and implement guidance and regulatory reforms that address process improvements recommended over the past several years by field practitioners, co-trustees, and key stakeholders. The program will also continue to work closely with Federal, State, and tribal co-trustees and other interested parties to gather the most up to date information needed for guidance development. These improvements address four major policy areas: injury quantification, damage determination, analysis of restoration alternatives, and restoration implementation. Once implemented, the recommendations will lead to improved processes and tools to achieve long-term restoration goals that support the Department's mission and overall goal to protect the nation's natural, cultural, and recreational resources.

In 2013, the Program will continue to focus its activities in support of trust resource restoration. Fiscal Year 2013 planned performance targets include the restoration of 18,750 acres and 165 stream or shoreline miles, increases of 3,750 acres (+25%) and 15 stream / shoreline miles (+10%), respectively over FY 2011 strategic plan goals. Attainment of these goals will be accomplished by the Department and its co-trustees through the use of funds or in-kind services received in settlement of damage claims with responsible parties.

A secondary, less formal performance indicator used by the Program is monitoring the amount of funds disbursed from the Restoration Fund to the bureaus and co-trustees to implement on-the-ground restoration projects. In the previous four years (2008 – 2011), the Restoration Program released over \$113 million to trustee agencies, including over \$28 million in FY 2011, a period of time when a large portion of DOI's damage assessment and restoration practitioners from across the bureaus were called away from their normal caseloads and into long-term duty rotations in response to the Gulf of Mexico Deepwater Horizon Oil Spill.

Restoration program performance measures and accomplishments in all three program activities (Damage Assessment, Restoration Support, and Program Management) are singularly focused on one goal, the increased restoration of acres and stream / shoreline miles. Such restoration creates or protects habitat for injured biological communities to recuperate, thrive and flourish. Programmatic performance accomplishments at the activity level are but a step leading to the implementation of restoration actions. Within the Damage Assessment activity, data is collected annually on all Departmentally-funded cases, which enables the Program to monitor the progress of cases through the assessment process to settlement, using measures such as number of cases reaching various milestones, numbers of cooperative assessments with industry, and number of cases settled. In 2013, the Program will continue to work with the USGS on a restoration science initiative to develop protocols and metrics to better measure the ecological outcomes of restoration activities.

The Restoration Program's performance goals reflect continued progress funded with monies and in-kind actions recovered in settlement from responsible parties, and not appropriated funds. Appropriated discretionary funds are used to fund damage assessments, administer the program, and provide technical support. Recent successful settlements of natural resource damage claims have increased the balance of and drawn attention to the NRDAR Fund, especially under the current economic funding restraints. Settlements in fiscal years 2010 and 2011, including the

largest NRDAR settlement from a bankruptcy claim (ASARCO, \$180 million) and several other multi-million dollar settlements added \$333 million to the fund, equal to the settlement receipts of the first 15 years of the Program from 1992 through 2006. As of the end of December 2011, there was \$474 million in settlement funds in the DOI Restoration Fund that are dedicated for restoration activities that will allow the program to continue moving forward towards its long term restoration goals.

Restoration accomplishments in acres and stream/shoreline miles restored often fluctuate from year-to-year, the result of a complex process in which numerous trustee councils across the nation are moving forward in identifying specific opportunities for restoration consistent with approved restoration plans, but which generally cannot be scheduled or readily anticipated on a site-specific basis. The year-to-year variability in performance shown on the following table reflects the pace of restoration which is greatly influenced by factors outside the Department's control, such as finding cooperative landowners or willing sellers.

There are a number of efforts currently underway that will help the Restoration Program meet its performance goals for 2013. Overall, continued program maturity and a focus on achieving restoration will provide the impetus for case teams in getting restoration projects underway. In addition, products and services such as contracting, restoration planning, project management, and engineering support will be provided by the Restoration Support Unit, giving case teams an expanding set of tools for restoration implementation. The increasingly common use of cooperative assessments is expected to continue, thus minimizing the chance of adversarial confrontations with responsible parties, and thus allowing case teams to move more quickly to settlement and restoration. In addition, the Office is working with the bureaus to continue to enhance internal and external restoration partnerships and to make greater use of existing watershed, landscape, or flyway scale restoration plans to jumpstart NRD restoration implantation where appropriate. In the longer term, regulatory, policy and operational improvements arising from practitioner, co-trustee, and stakeholder recommendations will lead to better, more efficient damage assessments, which will lead to quicker and more effective restorations, positioning the Restoration Program to achieve its long-term strategic plan goals.

Cost information, including unit costs, in the context of performance measurement is of limited value within the Restoration Program, due to the wide variability of possible restoration solutions that might be implemented and the multi-year implementation time-frames they often entail. Every restoration implemented is unique, from the resource injury being addressed, to the ecological, biological, and engineering aspects involved, and the number and roles of other involved co-trustees, partners, and responsible parties. The wide range of possible but generally not comparable restoration actions is best exemplified in the restoration success stories found in the Restoration Support section.

The bureaus will continue to collect, validate, and verify the performance data before reporting to the Program. In addition, the Program Office will continue to track internally the progress of cases from start to finish using measures such as increased numbers of restoration plans drafted, finalized, and in stages of implementation; increased numbers of restorations completed; increased numbers of cooperative assessments with industry; and increased funding leveraged from restoration partnerships.

Goal Performance Table

Appropriation: Natural Resource Damage Assessment and Restoration

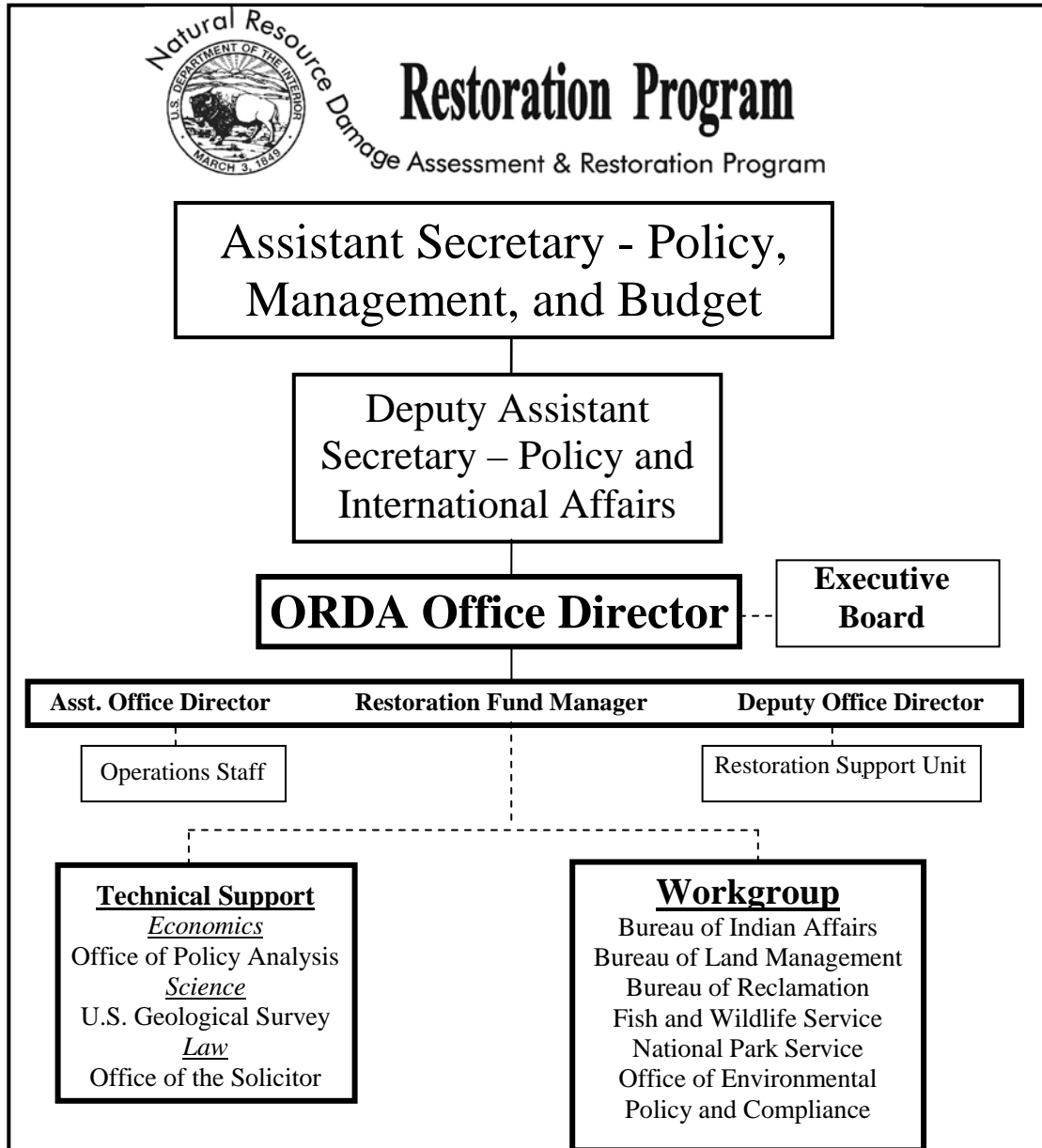
KEY TO CODES:	Target Codes: SP = Strategic Plan measures HPG = High Priority Goal BUR = Bureau specific measure	UNK = Prior year data unavailable n/a = information is unknown or cannot be determined at this time
	Type Codes: C = Cumulative Measure	A = Annual Measure

Mission Area 1: Provide natural and cultural resource protection and experiences

Supporting Performance Measures	Type	2008 Actual	2009 Actual	2010 Actual	2011 Plan	2011 Actual	2012 Plan	2013 Request	Change from 2012 Plan to 2013	Long-Term Target 2016
Goal #1: Protect America's landscapes										
<i>Strategy #1: Improve land and water health by restoring wetlands and uplands that support trust natural resources that have been injured by oil spills or releases of hazardous substances</i>										
Number of acres restored or enhanced to achieve desired habitat conditions to support trust species conservation	A	24,914	41,183	68,834	14,200	87,709	15,000	18,750	25%	30,000
Comments: Year to year variability is expected based on variability of timing and settlement amounts.										
Contributing Programs: NRDAR, FWS Environmental Contaminants, NPS, BIA, BLM, BOR, USGS, SOL, OSP/Policy Analysis, other Federal, State, and tribal co-trustees										
<i>Strategy #2: Improve land and water health by restoring riparian, stream, and shoreline areas that support trust natural resources that have been injured by oil spills or releases of hazardous substances</i>										
Number of stream or shoreline miles restored or enhanced to achieve desired habitat conditions to support trust species conservation	A	391	186	377	144	401	150	165	10%	210
Comments: Year to year variability is expected based on variability of timing and settlement amounts.										
Contributing Programs: NRDAR, FWS Environmental Contaminants, NPS, BIA, BLM, BOR, USGS, SOL, OSP/Policy Analysis, other Federal, State, and tribal co-trustees										

Note: The actual and planned acres and miles presented in this table are included among the performance results and targets presented in the Performance Budgets of the bureaus. As such, in order to avoid double-counting, these acres and miles are not included in the Department's aggregate results calculations or performance projections.

The DOI Office of Restoration and Damage Assessment (ORDA) administers the Restoration Program, and consists of ten (10) direct FTE. They are the Office Director and nine staff: the Deputy Office Director for Restoration, the Assistant Office Director for Operations, the Budget Officer/Restoration Fund Manager, and a budget analyst located in its Washington, DC headquarters; three staff Restoration Support specialists located in Denver, Colorado; and operations staffers in San Francisco and Philadelphia. The following organization chart goes beyond the small number of people in the Program Management Office and reflects the integrated management structure of the Program as a whole, with the inter-related components of six bureaus, the Office of the Solicitor, and two offices within the Office of the Secretary.



The Restoration Program reports to the Deputy Assistant Secretary – Policy and International Affairs, under the Assistant Secretary - Policy, Management, and Budget (AS-PMB). There is also a “Restoration Executive Board” representative at the assistant director level for BIA, BLM, BOR, FWS and NPS; a Deputy Associate Solicitor, and the Director of the Office of Environmental Policy and Compliance. The Restoration Executive Board is responsible for overseeing policy direction and approving allocation of resources.

Summary of Requirements Table
(Dollars in Thousands)

Appropriation: Natural Resource Damage Assessment and Restoration

Activity	2011 Actual		2012 Enacted Level		Fixed Costs (+/-)		Program Changes (+/-)		2013 Budget Request		Inc. (+) Dec. (-) from 2012 Enacted Level	
	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount
APPROPRIATED FUNDS												
Damage Assessments	0	3,896	0	3,737	0	+10	0	-48	0	3,699	0	-38
Restoration Support	3	616	3	613	0	+2	0	0	3	615	0	2
Program Management	7	1,937	7	1,903	0	+46	0	0	7	1,949	0	+46
Total, Appropriation	10	6,449	10	6,253	0	+58	0	-48	10	6,263	0	+10
PERMANENT FUNDS (RECEIPTS)												
Damage Assessments		37,527		6,234		0		0		4,000		-2,234
Restoration												
[Prince William Sound Restoration]		2,670		7,266		0		0		6,800		-466
[Other Restoration]		33,794		56,000		0		0		48,700		-7,300
Program Management		46		500		0		0		500		0
Subtotal, Gross Receipts	0	74,037	0	70,000	0	0	0	0	0	60,000	0	-10,000
Transfers Out		-7,162 *		-6,000		0		0		-6,000		0
Total, Net Receipts		66,875		64,000		0		0		54,000		-10,000

* The amount above reflects the 2011 end of year Budgetary Resources Report (SF133) which included an erroneous entry of \$90,000 as spending authority transferred from other accounts. The \$90,000 should have been displayed as mandatory budget authority transferred from other accounts.

Natural Resource Damage Assessment and Restoration Program
Justification of Fixed Costs
(Dollars in Thousands)

Pay Raise and Pay-Related Changes		PY	CY Change	BY Change
Calendar Year 2010 Quarter 4		-		
Calendar Year 2011 Quarters 1-3		-		
Calendar Year 2011 Quarter 4			-	
Calendar Year 2012 Quarters 1-3			-	
Calendar Year 2012 Quarter 4				-
Calendar Year 2013 Quarters 1-3				+14
Non-Foreign Area COLA Adj. to Locality Pay		-	-	
Change in Number of Paid Days				+16
Employer Share of Federal Health Benefit Plans		197	+31	+16

Other Fixed Cost Changes and Projections		PY	CY Change	BY Change
GSA Rental Payments		105	+40	+12
<p>The adjustment is for changes in the costs payable to General Services Administration (GSA) and others resulting from changes in rates for office and non-office space as estimated by GSA, as well as the rental costs of other currently occupied space. These costs include building security; in the case of GSA space, these are paid to DHS. Costs of mandatory office relocations, i.e. relocations in cases where due to external events there is no alternative but to vacate the currently occupied space, are also included.</p>				
Departmental Working Capital Fund		100	+4	0
<p>The change reflects expected changes in the charges for centrally billed Departmental services and other services through the Working Capital Fund. These charges are displayed in the Budget Justification for Departmental Management.</p>				

Natural Resource Damage Assessment and Restoration Program

Appropriations Language

NATURAL RESOURCE DAMAGE ASSESSMENT FUND

To conduct natural resource damage assessment and restoration activities by the Department of the Interior necessary to carry out the provisions of the Comprehensive Environmental Response, Compensation, and Liability Act, as amended (42 U.S.C. 9601 et seq.), the Federal Water Pollution Control Act, as amended (33 U.S.C. 1251 et seq.), the Oil Pollution Act of 1990 (33 U.S.C. 2701 et seq.), and Public Law 101-337, as amended (16 U.S.C. 19jj et seq.), [\$6,263,000] \$6,253,000, to remain available until expended. *Department of the Interior, Environment, and Related Agencies Appropriations Act, 2012.*

Authorizing Statutes:

Comprehensive Environmental Response, Compensation, and Liability Act, as amended, (42 U.S.C. 9601 et seq.). Section 106 of the Act authorizes the President to clean up hazardous substance sites directly, or obtain cleanup by a responsible party through enforcement actions. Trustees for natural resources may assess and recover damages for injury to natural resources from releases of hazardous substances and use the damages for restoration, replacement or acquisition of equivalent natural resources. Provides permanent authorization to appropriate receipts from responsible parties.

Federal Water Pollution Control Act (Clean Water Act), as amended, (33 U.S.C. 1251-1387). Authorizes trustees for natural resources to assess and recover damages for injuries to natural resources resulting from the discharge of oil into or upon the navigable waters of the United States, adjoining shorelines, the waters of the contiguous zone, or in connection with activities under the *Outer Continental Shelf Lands Act* or the *Deepwater Port Act of 1974*, or which may affect natural resources belonging to, appertaining to, or under the exclusive management authority of the United States.

Oil Pollution Act of 1990, (33 U.S.C. 2701 et seq.) Amends the *Federal Water Pollution Control Act*, and authorizes trustee(s) of natural resources to present a claim for and to recover damages for injuries to natural resources from each responsible party for a vessel or facility from which oil is discharged, or which poses a substantial threat of discharge of oil, into or upon the navigable waters or adjoining shorelines or the exclusive zone.

Public Law 101-337, (16 U.S.C. 19jj). Provides that response costs and damages recovered under it or amounts recovered under any statute as a result of damage to any Federal resource within a unit of the National Park System shall be retained and used for response costs, damage

assessments, restoration, and replacements. Liability for damages under this Act is in addition to any other liability that may arise under other statutes.

Interior and Related Agencies Appropriation Act, 1992 (P.L. 102-154). Permanently authorized receipts for damage assessment and restoration activities to be available without further appropriation until expended.

Dire Emergency Supplemental Appropriations for Fiscal Year 1992 (P.L. 102-229). Provides that the Fund's receipts are authorized to be invested and available until expended. Also provides that amounts received by United States in settlement of *U.S. v Exxon Corp. et al.* in FY 1992 and thereafter be deposited into the Fund.

Interior and Related Agencies Appropriation Act, 1998 (P.L. 104-134). Provides authority to make transfers of settlement funds to other federal trustees and payments to non-federal trustees.

ACTIVITY: DAMAGE ASSESSMENT



Oiled Canada geese at the Marshall River Pipeline Spill, MI (FWS Photo)

Natural Resource Damage Assessment	2011 Actual	2012 Enacted	2013			Change from 2012 (+/-)
			Fixed Costs (+/-)	Program Changes (+/-)	2013 Budget Request	
Activity: Damage Assessments \$000	3,986	3,737	+10	-48	3,699	-38
FTE	0	0	0	0	0	0

Justification of 2013 Program Changes:

Damage Assessment (\$48,000 / 0 FTE) - The 2013 budget request for Damage Assessment is \$3,699,000 and 0 FTE, a program change of -\$48,000 and 0 FTE from the 2012 enacted level.

The Restoration Program anticipates that the proposed decrease can be offset with recovered assessment costs from settled cases, so that the total available for damage assessment activities remains level. Should no past assessment costs be recovered, it is anticipated that the reduction will likely result in one new damage assessment case start being delayed or not started.

Activity Overview:

Damage assessment activities are the critical first step taken by the Department on the long journey to achieving restoration of natural resources injured through the release of oil or hazardous substances. The nature and magnitude of injury must first be identified, investigated,

and thoroughly understood if the subsequent restoration is to be effective. Through the damage assessment process, physical and scientific evidence of natural resource injury is documented, which then forms the basis for the Department's claim for appropriate compensation (or in-kind services) via restoration settlements that allow the Restoration Program to restore those injured trust resources. Damage assessment activities support the Department's performance outcome goals of protecting the nation's natural and cultural resources. Information regarding the nature, pathway, and magnitude of the injury, and the means by which they are determined, also help establish the goals of the restoration plans and influence the determination of when those goals have been successfully reached.

Damage assessment cases are conducted by one or more of the five resource management bureaus within the Department: (Fish and Wildlife Service; Bureau of Land Management; National Park Service; Bureau of Indian Affairs; and Bureau of Reclamation). All FTE supporting this activity are located in the Departmental bureaus, there are no FTE within the Program Office. Economic analytical support is provided by the Office of Policy Analysis, scientific / technical analysis and support from the U.S. Geological Survey, and legal counsel from the Office of the Solicitor. In nearly all cases, assessment activities are carried out in partnership with other affected Federal, State, and/or tribal co-trustees. These partnerships have proven advantageous for all involved, as cooperation and consultation among the trustees facilitates addressing overlapping areas of trustee concern, and consolidates those concerns into a single case. Trustees can also share data, achieve economies of scale, avoid duplication of effort and minimize administrative burdens. Responsible parties also benefit, as they are able to address trustee concerns in a single, unified case.

The Restoration Program continues to make progress in conducting many of its damage assessment cases on a cooperative basis with responsible parties. As a matter of practice, responsible parties are invited to participate in the development of assessment and restoration plans. The Department has been involved in forty-three cooperative assessments across the nation, where the responsible parties have elected to participate in the damage assessment process, and provide input into the selection of various injury studies and contribute funds for or reimburse Interior assessment activities. In Fiscal Year 2011, over \$33.7 million in advanced and/or reimbursed cooperative assessment funding was received from cooperating responsible parties for DOI's assessment activities at thirteen sites, including \$25.5 million from BP for the Deepwater Horizon Oil Spill. This continuously focused effort to use cooperative Funding and Participation Agreements with responsible parties to the greatest extent possible allows the Department to stretch its discretionary appropriated funds further, thus funding additional cases it might not otherwise fund.

Selection of damage assessment projects is accomplished on an annual basis through an extensive internal proposal and screening process that assures that only the highest priority cases are funded. Priorities for selecting initial projects are based upon a case's likelihood of success in achieving restoration, either through negotiated restoration settlements or through successful litigation where necessary. Cases must demonstrate sufficient technical, legal, and administrative merit focused on the purpose of achieving restoration.

The Restoration Program's project selection process is designed to:

- Be inclusive of all natural resources under Interior trusteeship and trustee roles;
- Provide a process that encourages thorough planning and ultimately, enhanced opportunities for restoration success;
- Provide a process that evaluates both the objective and subjective aspects of individual cases; and
- Fund cases that have demonstrated sufficient levels of technical and legal merit, trustee organization, and case readiness.

DOI bureaus are also required to coordinate their efforts into a single project proposal, thus promoting inter-Departmental efficiencies and eliminating duplication of effort. Bureau and DOI office capabilities are used to augment and compliment each other, as opposed to building redundant program capabilities in each bureau.

Once projects are funded, the Restoration Program makes use of project-level performance information to inform future funding decisions. In its 2012 project funding deliberations, the Restoration Program again made use of performance data collected from ongoing cases that document the attainment of specific chronological milestones (trustee MOU, assessment plan development, injury determination and quantification, preliminary estimate of damages, etc.) in the multi-year process toward settlement. Funding decisions were weighted in favor of those cases that continue to show progress along the damage assessment continuum towards settlement and eventual restoration. Cases that stall or fail to progress are considered a lesser priority, and are given direction to make course corrections at a stable or reduced funding level. Course corrections must be made before funding is made available for addressing subsequent milestones. For example, a case team was directed to finalize necessary procedural products such as a publicly-announced assessment plan before beginning its scientific studies. Such performance information lends itself to helping the Restoration Program better manage its workload by having a clearer sense of when damage assessments are near completion and opportunities for new starts emerge.

In addition to project milestone reporting, financial obligation data is monitored at the aggregate (DOI), bureau, and project levels across all involved bureaus. This obligation data and carryover balances are factors considered in the annual funding decision process. Further, unobligated balances on all damage assessment projects are closely monitored from inception through settlement, at which time all unused or unneeded funds are pulled back and re-allocated to other high-priority damage assessment projects. In some instances and under certain circumstances, case teams have been directed to or have voluntarily returned project funds from ongoing projects so that they can be re-allocated to other projects and needs.

The program requires its case teams to document their respective assessment costs and attempts to recover those costs from the potentially responsible parties when negotiating settlement agreements. Over the past three fiscal years (2009 – 2011), the Program has utilized an average of \$1.9 million annually in recovered funds in addition to its annual discretionary appropriation in order to initiate new cases or to continue ongoing damage assessment work at current sites.

M/V Cosco Busan Oil Spill Case

In late January 2012, a U.S. District Court approved the largest settlement in the history of the Oil Pollution Act. The owners and operators of the *M/V Cosco Busan*, a container cargo vessel that struck the San Francisco-Oakland Bay Bridge in November 2007, will pay a total of \$44.4 million to the United States, the State of California, the City and County of San Francisco and the City of Richmond for natural resource damages and penalties and to reimburse the governments for response costs. The spill of 53,000 gallons of bunker fuel oil killed nearly 7,000 birds and oiled over 100 miles of shoreline, including coastal and estuarine areas of the Golden Gate National Recreation Area, Point Reyes National Seashore, and the San Francisco Maritime National Historic Park. Of the total settlement, \$23.6 million will be deposited into the DOI Restoration Fund for the joint use of Federal and State trustees to restore injured natural resources in the spill area, including bird and habitat restoration, fish and eelgrass restoration, and recreational use improvements, consistent with a publicly-reviewed restoration plan.



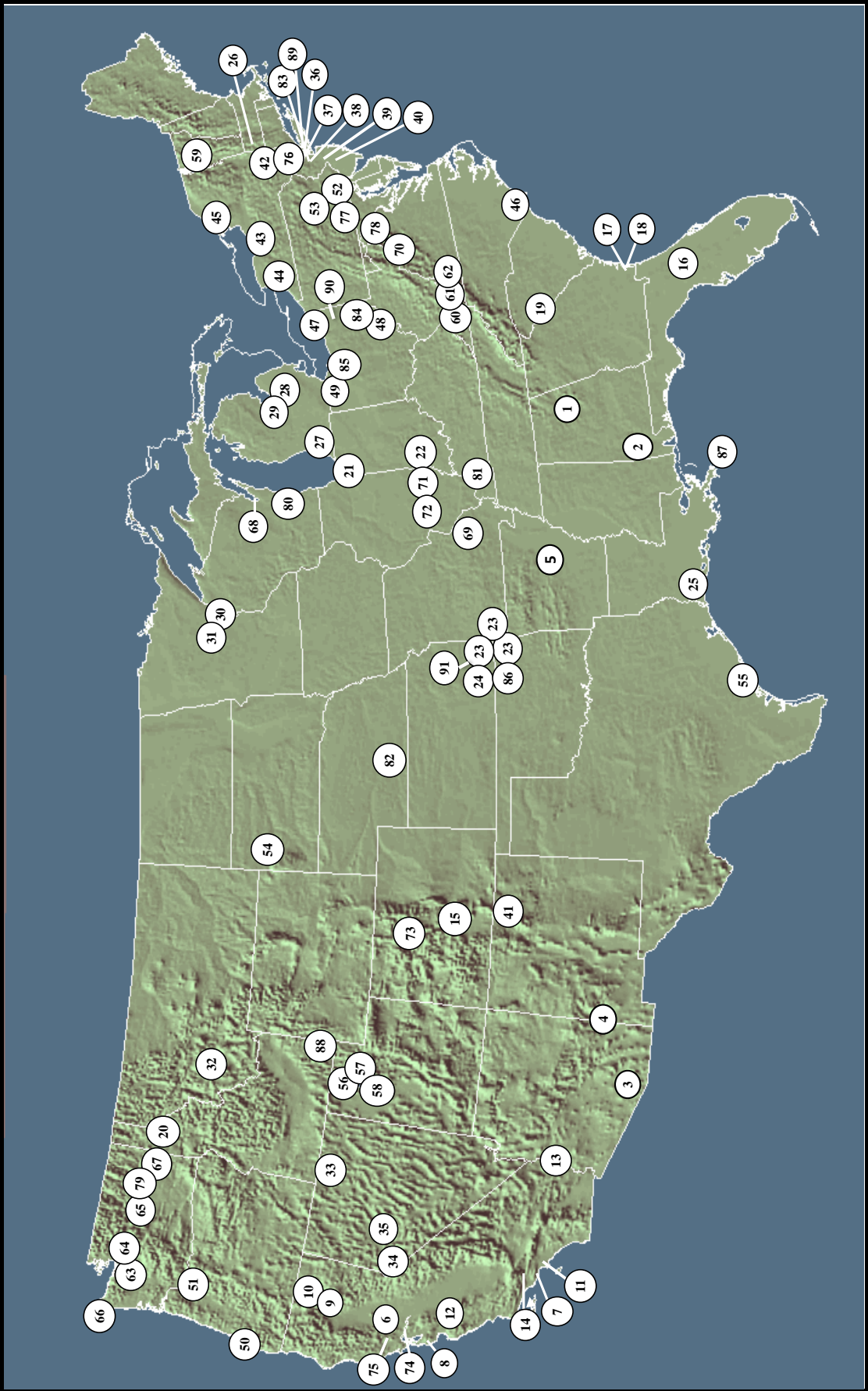
Damaged cargo vessel M/V Cosco Busan following November 2007 spill

2013 Activity Performance

In 2013, the program will continue to utilize a mix of discretionary appropriations, recovered past assessment costs from recent settlements and/or returned funds from completed assessments, as well as advanced funds from cooperative responsible parties to meet its damage assessment workload requirements. The combined appropriated and recovered funds will support new or ongoing damage assessment efforts at approximately 30 sites, maintaining the program's damage assessment capability at current levels. This level of funding will support new feasibility studies, initiation of assessments at new sites where warranted, as well as providing continued funding for ongoing cases. As has been the norm in recent years, the program anticipates that the annual project proposals received from the field will exceed the amount of appropriated funding, thus leading the program to select and fund those cases best organized and prepared to advance towards settlement. The program will also continue its focus on the use of cooperative assessments, and pursue advance funding agreements with potentially responsible parties wherever and whenever possible. Money provided under these funding agreements will expand program coverage by allowing other damage assessment cases to utilize the appropriated and recovered/returned assessment funds. In addition, the program will continue to refine its milestone reporting process and use that performance information to enhance management of its damage assessment workload.

The Program's current damage assessment project caseload through 2012 totals 54 ongoing cases (including feasibility studies), and are among those depicted on the map and table on the following pages.

Damage Assessment and Restoration Sites
Funded by the Department of the Interior Restoration Fund



- | | | | |
|---|--|---|---|
| <p>Alabama</p> <p>1. Anniston PCBs </p> <p>2. CIBA - McIntosh NPL Site </p> <p>Arizona</p> <p>3. Cyprus Tohono Mine </p> <p>4. Phelps-Dodge Mine Complex </p> <p>Arkansas</p> <p>5. Vertac/Bayou Meto </p> <p>California</p> <p>6. Almaden Quicksilver </p> <p>7. American Trader Oil Spill </p> <p>8. APEX Houston Oil Spill </p> <p>9. Cantara Loop Chemical Spill </p> <p>10. Iron Mountain Mine </p> <p>11. Montrose Chemical / Los Angeles Bight </p> <p>12. New Idria Mine </p> <p>13. PG&E Topock Compressor Station </p> <p>14. Santa Clara River Oil Spill </p> <p>14. Stege Marsh </p> <p>14. Turkey Run Mine </p> <p>Colorado</p> <p>15. Upper Arkansas River </p> <p>73. French Gulch Mines </p> <p>Florida</p> <p>16. Lake Apopka - North Shore </p> <p>Georgia</p> <p>17. LCP Chemical </p> <p>18. Terry Creek </p> <p>19. Lake Hartwell PCBs </p> <p>Idaho</p> <p>20. Coeur d'Alene Mine (Bunker Hill Mining District) </p> <p>88. Southeast Idaho Phosphates Sites </p> | <p>Illinois</p> <p>71. Former Indian Refinery </p> <p>72. Saugat Area Dump Sites </p> <p>Indiana</p> <p>21. Grand Calumet River </p> <p>22. Viacom / Westinghouse PCBs </p> <p>Kansas</p> <p>23. Tri-State Mining District - Cherokee County </p> <p>24. Eastern Kansas Smelters Slurry Explosives </p> <p>Kentucky</p> <p>81. B.F. Goodrich- Aircro Site </p> <p>Louisiana</p> <p>25. Calcasieu Estuary </p> <p>87. Deepwater Horizon Oil Spill, LA (also AL, MS, FL, & TX) </p> <p>Massachusetts</p> <p>26. Housatonic River </p> <p>Michigan</p> <p>27. Kalamazoo River </p> <p>28. Saginaw River and Bay </p> <p>29. Tittabawassee River </p> <p>Minnesota</p> <p>30. St. Louis River </p> <p>31. St. Regis Paper </p> <p>Missouri</p> <p>23. Tri-State Mining District - Jasper County </p> <p>69. S.E. Missouri Lead Mining Sites </p> <p>Montana</p> <p>32. Grant-Kohrs Ranch (Clark Fork River) </p> | <p>Nebraska</p> <p>82. Cottonwood WPA Site </p> <p>Nevada</p> <p>33. Rio Tinto Mine </p> <p>34. Leviathan Mine </p> <p>35. Yerington Anaconda Mine </p> <p>New Jersey</p> <p>36. Diamond Alkali </p> <p>37. Great Swamp NWR </p> <p>38. Berry's Creek Watershed </p> <p>39. GAF / ISP-ESI Facility </p> <p>40. U.S. Avenue Burn </p> <p>83. Rolling Knolls Landfill </p> <p>New Mexico</p> <p>41. Molycorp Mine </p> <p>New York</p> <p>42. Hudson River PCBs </p> <p>43. Onondaga Lake NPL Site </p> <p>44. Niagara River </p> <p>45. St. Lawrence Environment </p> <p>76. Richardson Hill Road Landfill </p> <p>89. Newtown Creek NPL Site </p> <p>North Carolina</p> <p>46. LCP - HoltraChem NPL Site </p> <p>Ohio</p> <p>47. Ashtabula River </p> <p>48. Ohio River </p> <p>49. Ottawa River </p> <p>84. Dover Chemical Site </p> <p>85. Duck & Otter Creeks </p> <p>91. Nease Chemical </p> <p>Oklahoma</p> <p>23. Tri-State Mining District - Tar Creek </p> <p>86. National Zinc NPL Site </p> | <p>Oregon</p> <p>50. MV New Carissa Oil Spill </p> <p>51. Portland Harbor NPL Site </p> <p>Pennsylvania</p> <p>52. Paoli Railyard </p> <p>53. Palmerton Zinc </p> <p>77. Lower Darby Creek </p> <p>South Dakota</p> <p>54. Whitewood Creek </p> <p>Texas</p> <p>55. Lavaca Bay </p> <p>Utah</p> <p>56. Jordan River </p> <p>57. Kennecott Copper-North End </p> <p>58. Richardson Flats Mine / Silver Creek </p> <p>Vermont</p> <p>59. Pine Street Canal </p> <p>Virginia</p> <p>60. CERTUS - Clinch River Spill </p> <p>61. Lone Mountain Coal Slurry </p> <p>62. Saltville Disposal NPL Site </p> <p>70. DuPont - Waynesboro Facility </p> <p>78. AVTEX Fibers Superfund Site </p> <p>Washington</p> <p>63. Commencement Bay </p> <p>64. Elliott Bay </p> <p>65. Holden Mine </p> <p>66. Tenyo Maru Oil Spill </p> <p>67. Midnite Mine </p> <p>79. Upper Columbia River / Lake Roosevelt </p> <p>Wisconsin</p> <p>68. Fox River / Green Bay </p> <p>80. Sheboygan River </p> |
|---|--|---|---|

Feasibility Studies	Damage Assessment in Progress	Case Settled - Restoration to Follow	Restoration Actions in Progress
			Tribal Involvement

DEEPWATER HORIZON OIL SPILL, GULF OF MEXICO

The Gulf of Mexico is a globally unique ecosystem, with a diversity of habitats, fish, and wildlife that make it one of the nation's great natural treasures. Gulf habitats are essential to the annual cycles of many species for breeding, wintering and migrating.

In April 2010, the Deepwater Horizon oil rig exploded, causing the death of 11 people and unprecedented damage to the natural resources and human uses of the Gulf of Mexico. Before the spill was stopped, almost 205 million gallons of crude oil contaminated wildlife habitats from the deepwater to coastal marshes.

The Deepwater Horizon oil spill caused significant damage to natural resources across vast areas of the Gulf of Mexico. Particularly hard hit were numerous National Wildlife Refuges, Parks and Seashores. These areas are managed by the Department of the Interior on behalf of the American people.

The Federal and State natural resource trustees initiated a Natural Resource Damage Assessment and Restoration (NRDAR) process to assess the injuries to natural resource caused by the spill and to identify appropriate restoration actions. The trustee council includes the Department of the Interior (through the FWS, NPS, and BLM), NOAA, the Department of Defense, and State Trustee representatives from Louisiana, Mississippi, Alabama, Florida, and Texas.

Thirteen technical working groups (TWGs) have been established by the trustees based on broad resource categories that include natural resources, human use of impacted natural resources, and cultural sites. Each group developed studies to assess injuries pertaining to its resource area taking into account impacts from the oil spill and response actions. In addition to these studies, the trustees review, and as appropriate, incorporate the vast amount of ongoing monitoring data on the Gulf of Mexico to better understand and assess injuries that may potentially result from the BP oil spill.



(FWS photo)

The thirteen Technical Working Groups include:

- Bird Technical Working Group
- Water Column Technical Working Group
- Fish Technical Working Group
- Marine Mammals and Sea Turtles Technical Working Group
- Submerged Aquatic Vegetation Technical Working Group
- Coral Technical Working Group
- Shoreline Technical Working Group
- Terrestrial and Freshwater Technical Working Group
- Human Uses Technical Working Group
- Chemistry Technical Working Group
- Cultural Resources Technical Working Group
- Data Management Technical Working Group

Much of the ongoing damage assessment work being conducted is accomplished through a cooperative effort with the responsible party. The damage assessment efforts of the DOI Trustee bureaus are being funded through a mix of funds advanced or reimbursed by the responsible party, as well as funds from the Coast Guard's National Pollution Fund Center.

Early Restoration Fund Framework Agreement

In April 2011, DOI and the other involved Federal and State trustees entered into an Early Restoration funding agreement with BP. The Framework Agreement provides \$1 billion in restoration funding, to be split amongst the State and federal trustees as follows:

State Trustees:

- | | |
|---------------|---------------|
| • Alabama | \$100 million |
| • Florida | \$100 million |
| • Louisiana | \$100 million |
| • Mississippi | \$100 million |
| • Texas | \$100 million |

Federal Trustees:

- | | |
|------------------------------|---------------|
| • Department of the Interior | \$100 million |
| • NOAA | \$100 million |

The remaining \$300 million will be divided equally between DOI and NOAA, to be used for projects selected by DOI or NOAA, respectively, from proposals submitted by the State trustees.

Any project proposed by a State or Federal trustee agency will first be submitted to the responsible party and its technical advisors, who will review the technical and restoration merits of the proposal. The proposal must then be approved by the responsible party in the form of a stipulation agreement that provides for quantifying the restoration benefits and offsets to future liability to be credited to the responsible party. The stipulation must then be agreed to and signed by all trustee agencies.

Presently the trustees are preparing the release of the first tier of the early restoration plan for public review and comment. Upon approval of the restoration plan and the signing of the stipulation agreements, the responsible party will then release funding and the Trustee agencies will begin project implementation.

ACTIVITY: RESTORATION SUPPORT

Natural Resource Damage Assessment		2011 Actual	2012 Enacted	2013			Change from 2012 (+/-)
				Fixed Costs (+/-)	Program Changes (+/-)	2013 Budget Request	
Activity: Restoration Support	\$000	3,986	3,737	+10	-48	3,699	-38
	FTE	3	3	0	0	3	0

Activity Overview:

The restoration of injured natural resources is the sole reason for the existence of the Department's natural resource damage assessment and restoration program. Every action the Restoration Program undertakes is done with the end goal of restoration in mind. Upon the successful conclusion of a damage assessment and upon achieving settlement, Departmental bureaus, working in partnership with other affected State, Federal, tribal and/or foreign co-trustees, use settlement funds to carry out restoration activities. Under this activity, the Program continues its coordinated effort to focus greater attention on restoration activities and to expedite the expenditure of settlement funds to develop and implement resource restoration plans. The program's Restoration Support Unit staff provides engineering and ecological/biological support to the Department's case managers/teams, as well as assistance with meeting various legal and regulatory compliance requirements, identifying possible partnering opportunities, and drafting appropriate documents. In addition, the Program continues to work with the USGS in the field of restoration ecology to develop monitoring protocols to better measure the success of restoration efforts.

In meeting the statutory and regulatory requirements to restore, replace, or acquire the equivalent of the natural resources that were injured by the release of oil or hazardous materials, these restoration activities encompass a wide variety of projects that support the Department's mission of protecting natural and cultural resources. By working with the co-trustees on restoration activities, the Program is able to direct funds that contribute to the President's America's Great Outdoors initiative through ecological restoration, land acquisition and/or protection, as well as provide secondary support to the Secretary's Strengthening Tribal Nations initiative via tribal co-trustee interactions. In addition, many projects engage youth in restoration activities and outdoor classrooms. These activities include multiple sites in high priority landscapes such as the Great Lakes, the California Bay/Delta, Chesapeake Bay, and the Gulf of Mexico; land acquisition for several National Wildlife Refuges and numerous State and local parks; protection and reintroduction of threatened and endangered species helping lead to their eventual recovery; and protection and restoration of essential habitat for migratory birds and fish.

Over ninety-two percent of all funds received and interest currently in the Restoration Fund from natural resource damage case settlements are designated as restoration funds, and can be used only for restoration planning, implementation (including land acquisition), oversight, and monitoring of implemented restoration actions at a specific site or related to a specific settlement, and only after the issuance of an publicly-reviewed restoration plan. The use of such

settlement funds provides real value to the American public, as injured natural resources and services are restored by, or at the expense of the responsible party, and not the taxpaying public.

Other Available Restoration Resources		
(Dollars in \$000)		
	<u>2011</u>	<u>2012</u>
Settlement funds currently held in DOI Restoration Fund (estimate)	\$417,224	\$419,899
Settlement funds in various court registry accounts (estimate)	\$100,000	\$100,000

In addition to settlement funds deposited into the DOI Restoration Fund, the Department is party to other natural resource damage settlements where settlement funds are deposited into a Court Registry or some other account selected by the Trustees. Additionally, there are a number of settlements where the responsible parties have agreed to undertake or implement the restoration action, with trustee agencies providing oversight to ensure compliance with the terms of the settlement and adherence to the approved and public-reviewed restoration plan. Once fully implemented, the restoration actions are then subject to long-term monitoring by the trustees to ensure they have been effective and have accomplished the goals and intent of the restoration plan.

2013 Activity Performance:

In addition to the broader strategic analysis and planned course of actions to increase the volume of restoration works that were discussed earlier in the Management Challenges and Solutions section, the Restoration Program will also embark on the following efforts:

In 2013, the Program will continue a variety of activities focused on furthering the achievement of restoration, primarily through the Restoration Support Unit in Denver. The focus of this activity will continue to be to provide assistance to the field for the sole purpose of getting restoration accomplished on the ground. As the focal point for the Program’s restoration efforts nation-wide, in 2013 the Unit will continue to support and facilitate restoration led by the bureaus at sites where damage claims have been settled. In addition, the Unit expects to have compiled a significant amount of information on restoration successes and actual restoration costs and provide input based on lessons learned that will help damage assessment case teams improve the strength of their damage claims in the future. The Restoration Support Unit continues to provide technical support to case teams to facilitate multiple aspects of restoration, including contracting, restoration planning, engineering support, and seeking out partnership opportunities and matching funds.

In addition to the activities just described, Unit staff will lead technology transfer and outreach activities to ensure that restoration advances made by individual case teams will be shared with fellow restoration practitioners. Examples include development of restoration training modules

to be taught at the FWS and BLM training centers, and the organization of seminar sessions at the Restoration Program's biennial workshop.

The program will continue to implement administrative and regulatory reforms that resulted from recommendations provided by field practitioners, co-trustees, and stakeholders. Specific restoration support activities in response to these recommendations include a partnership with the Society for Ecological Restorations to develop and maintain an inventory of restoration plans, opportunities, and success stories, as well as the development and implementation of policies and guidance to coordinate NRD restoration planning and NEPA compliance actions.

The program will continue to work with the U.S. Geological Survey (USGS) to implement restoration science advances. Scientists from the USGS are working with the Restoration Support Unit in developing protocols to improve the monitoring and management of restoration processes and the development of effective measures of restoration success on historically contaminated lands. Because ecosystems are dynamic, restoration monitoring protocols must serve as triggers for corrective actions and adaptive management and be carefully crafted into restoration plans. USGS and the Restoration Support Unit are working with restoration scientists in the public and private sector to develop a primer for restoration monitoring that will provide the guidance necessary to ensure successful restorations and return ecosystem services to injured resources. These efforts are focusing on species distributions, abundance and diversity, invasive species, community development and, when possible, ecosystem resiliency which is critically important as the NRDAR program faces the influence of global climate change on restoration planning. A special symposium in conjunction with the Society for Ecotoxicology and Chemistry was held in July 2011 where DOI restoration practitioners joined with experts from academia and industry to discuss the role of global climate change in environmental responses to chemical exposure, to address how climate change may affect the damage assessment process, and to explore how restoration activities may aid in the adaptation and mitigation of climate change effects in our environment. USGS will continue to build upon the scientific outcomes of this symposium in 2013 and incorporate them into restoration decision-making

USGS and the Restoration Support Unit are also working with the Society for Ecological Restoration (SER) to revise the SER restoration guidelines and to highlight Departmental restoration projects on the SER Global Restoration Network website (<http://www.globalrestorationnetwork.org/>), a freely accessible internet-based platform where practitioners as well as stakeholders and the general public can go to obtain extensive information on restoration successes and lessons learned in the process. By documenting restoration activities and their ultimate success, the Program can maintain transparency in the process that returns ecosystem services lost as a result of chemical contamination.

These efforts bring USGS science expertise to address the ecological restoration of species and habitats injured by the release of oil or other hazardous substances and the monitoring and measurement of restoration success. Although many scientifically valid techniques are available to document the extent and severity of injury to natural resources, restoration science is still in its infancy. Several interconnected efforts, engaging multiple disciplines within USGS, are being undertaken to strengthen the state of restoration science, reduce disagreements with responsible parties, and help us achieve more timely and effective restoration.

Improving the science in the design, implementation, and monitoring of type-specific restoration projects will increase the understanding of issues critical to restoration success, thus benefiting the Restoration Program as a whole, as well as enabling “technology transfer” opportunities to other Departmental restoration efforts, including the Everglades, California Bay-Delta, and the Gulf coast.

RESTORING INJURED RESOURCES

The following are examples of recent on-the-ground restoration accomplishments achieved by the DOI bureaus and their co-trustees at a number of selected sites:

Shattuck Chemical Site, Colorado

The S.W. Shattuck Chemical facility located in southwest Denver operated from 1917 to 1984, and processed various minerals and other materials, including salvaging uranium from defective fuel rods which left the 6-acre site contaminated by radioactive soils. These operational activities resulted in uncontrolled releases of hazardous substances from the site to the South Platte River watershed environment. The Shattuck site is part of the larger Denver Radium Superfund site, placed on the National Priorities List by the U.S. Environmental Protection Agency.

The Department of the Interior (through the Fish and Wildlife Service) recovered \$250,000 in settlement for migratory bird injuries. In 2009 FWS awarded about half of that money to the Denver Greenway Foundation to invigorate an ongoing effort to reestablish native vegetation for migratory bird and wildlife habitat enhancement along the South Platte River Greenway in Denver; specifically, Overland Pond Park near the former Shattuck Chemical facility. Overland Pond Park is an 8-acre neighborhood park, which has small habitat zones representing Colorado’s ecological diversity from prairie to alpine forest. Ongoing restoration efforts at the park include restoring native plant communities surrounding Overland Pond and the adjacent South Platte River riparian habitat; providing improvements within the park to enhance educational opportunities that emphasize migratory birds; as well as grading trails and installing new interpretive signs.

The State of Colorado natural resource trustees, who had received a separate settlement for groundwater injury, recently awarded the full sum of \$1.7 million to the Greenway Foundation to help restore water quality and riparian habitat along a 2-mile stretch of the South Platte River, and continue and expand their current restoration efforts.

Overland Pond Park is within the Denver metropolitan greenway system, and restoration efforts at the park contribute to the overall effort to enhance riparian habitats and improve trail connectivity along the Rocky Mountain Greenway. The Rocky Mountain Greenway is one of the Department’s two priority projects selected for the state of Colorado and described in the *America’s Great Outdoors Fifty-State Report*.

The Greenway Foundation has partnered with Denver Parks & Recreation and Denver Urban Drainage & Flood Control District, and has enlisted the services of many other organizations to enhance and restore habitat for migratory birds, promote public environmental education

opportunities, and incorporate volunteer efforts to include the community in the restoration efforts at Overland Pond Park.



South Platte River, Denver, CO following riverbank slope re-contour and invasive Siberian elm removal (DOI photo)

University of Colorado graduate students in Landscape Architecture developed the park master plan. Other volunteers actively assist the restoration effort by removing invasive species, initiating native seed plantings, upgrading visitor amenities, and enhancing environmental educational opportunities within the park. These volunteers include University of Denver students, and youth from the South Platte River Environmental Education program and River Rangers, two organizations that provide employment opportunities and natural resource education opportunities for Denver youth. The Greenway Foundation and a very dedicated Overland Neighborhood Association have formulated the Overland Pond Stewardship Partners to host volunteer and celebration activities at the park each year.

Wildlife habitat improvement along the urban river corridor will restore injured natural resources and their ecological services to levels that existed prior to the release of the environmental contaminants; especially for habitats that support migratory waterfowl, shorebirds and songbirds. Restoration efforts will also provide enhanced opportunities for citizens to engage in wildlife-related activities such as bird-watching, volunteering, and learning about river ecosystems.

Yellow River Fish Kill, Iowa

In northern Iowa's Allamakee County an estimated 3.1 miles of the Yellow River and its tributaries were contaminated by an un-permitted release of partially treated sewage in March 2002. The contaminant came from nearby municipal sewage treatment lagoons. The partially treated sewage either washed downstream and was diluted by the Mississippi River or decayed in the Yellow River. The high levels of ammonia and extremely low levels of dissolved oxygen caused by the spoiling sewage led to the deaths of an estimated 5,000 fish. The dead fish flowed down the Yellow River through Effigy Mounds National Monument and into the Mississippi River.

Much of the Yellow River's course is rugged and very scenic, coursing between vegetated limestone cliffs. The Yellow River is used for recreational fishing; its fish also serve as food for resident aquatic-dependent wildlife, including migratory birds. The Yellow River is located within the Driftless Area, a region encompassing the corners of Minnesota, Wisconsin, Iowa and Illinois that contains un-glaciated hills and valleys, including cold water streams.

The natural resource trustees (DOI, through Fish and Wildlife Service and National Park Service, and Iowa Department of Natural Resources) assessed the injury to natural resources and agreed upon a monetary settlement from the responsible parties. The restoration settlement that resulted took into account the injured natural resources including surface water, which flows through Effigy Mounds National Monument; aquatic life including fishes; and aquatic-dependent wildlife such as migratory birds, and the projected costs needed for restoration projects that benefit fish in the Yellow River as a means to compensate the public for the fish kill.

In order to provide maximum benefits with restoration funds, the trustees used partnership opportunities to leverage the settlement funds into larger scale projects. Local landowners signed agreements for maintenance and performance of the restoration actions for a period of 20 years. The funds from the settlement were used to support the Yellow River Watershed initiative to construct stream-bank stabilization projects that included fish bank hides. The initiative was lead by the Allamakee Soil and Water Conservation District and the U.S. Department of Agriculture's Natural Resource Conservation Service and supported by the Iowa Department of Natural Resources and the Iowa Department of Agriculture and Land Stewardship.

Injuries to the natural resources were compensated by improving habitat conditions of the stream, which in turn promotes good water quality and increases the production of fish and other aquatic life. The objective was to enhance stream quality by the construction of projects such as stream bank stabilization and bed stabilization that offer aquatic habitat structures and reduce sedimentation in the Yellow River. The Yellow River had steep, un-vegetated and vertically eroding banks that caved during high flow events. The restoration funds were used to complete 3 stream bank stabilization projects by excavating, re-contouring steep banks, and planting native prairie seed mix; which will reduce sedimentation by stabilizing the shoreline. Restoration funds also allowed for the installation of 14 fish cover habitats located on private properties along the Yellow River in the fish kill vicinity. These enhancements to the stream habitat will have a positive effect on the native habitats, fish, and wildlife populations.



Before



After

**Yellow River, IA
Riverbank Stabilization
Project**

New Bedford Harbor - Buzzards Bay, MA

New Bedford Harbor is a major commercial fishing port and industrial center in southeastern Massachusetts, on Buzzards Bay. From the 1940s to the 1970s, electrical parts manufacturers discharged wastes containing polychlorinated biphenyls (PCBs) and toxic metals into New Bedford Harbor, resulting in high levels of contamination throughout the waters, sediments, and biota of the harbor and parts of Buzzards Bay. Hundreds of acres of marine sediment were highly contaminated, and one location contained the highest concentrations of PCBs ever documented in a marine environment.

Biological impacts from the contamination include reproductive impairment and death of marine life throughout the estuary, and loss of marine biodiversity in areas of high contamination. The economic impact was severe, due to long-term fishing closures, lost beach use, diminished property values, and reduced opportunities for coastal development. Migratory birds including the roseate tern and common tern that use the islands in Buzzards Bay for nesting were adversely impacted.

Restoration efforts for roseate and common terns began in Buzzards Bay in the 1960's and have continued to the present. Most of the efforts have revolved around protection from disturbance and predation, and employing temporary measures to optimize nesting habitat; such as the use of artificial nesting structures. However, restoring habitat on the nesting islands is crucial to restoring terns to Buzzards Bay. The New Bedford Harbor Trustee Council (DOI, through the Fish and Wildlife Service, NOAA, and the Commonwealth of Massachusetts) approved funding to the Massachusetts Division of Fisheries and Wildlife for this purpose.

In Massachusetts, the major nesting islands for roseate and common terns are in Buzzards Bay, and Ram Island is one of just three major roseate tern colonies in North America, supporting about 20 percent of the entire roseate tern population. The Ram Island Habitat Restoration Project, implemented in 2010 and 2011, increased the nesting habitat available for both tern species. As part of this restoration effort, helicopters dropped fill in a low area dominated by non-native invasive common reed (*Phragmites*) to create drier upland nesting sites on Ram Island. Native plant species, including American beachgrass, beach pea, and seaside goldenrod were planted to restore flora typical of nesting sites, and approximately 40 protective nesting boxes (favored by roseate terns) were scattered throughout the area. The 0.50-acre restoration will allow the colony of approximately 600 roseate terns to grow. Already, in the first season following habitat restoration, it is estimated that 200 to 300 pairs of common terns and 40 pairs of roseate terns nested in the newly restored habitat. Although a 0.50-acre of restoration seems minute, the optimal location of Ram Island and Buzzards Bay and its nesting grounds will significantly help support the growth of the roseate tern and common tern populations.



Restored tern nesting habitat on Ram Island (before, during, and after) (Photos: C. Mostello, MA DFW)

Coeur d'Alene Basin, Idaho

In Fiscal Years 2011 and 2012, the Natural Resource trustees reached settlements with two large mining companies to resolve one of the largest Superfund damage assessment cases in the nation. The trustees have received approximately \$70 million from ASARCO in a bankruptcy settlement and \$35 million from Hecla Mining Company for natural resource restoration. The companies also paid several hundred million dollars to the United States, the Coeur d'Alene Tribe and the State of Idaho to resolve clean-up and remediation claims stemming from releases of wastes from their mining operations.

Over a century of mining in the Silver Valley contaminated the Coeur d'Alene River, its floodplain and nearby lakes with high levels of heavy metals including arsenic, cadmium, lead and zinc. The metals are toxic to plants, fish and wildlife. Large numbers of waterfowl deaths due to exposure to metals-contaminated sediments have been recorded in the Basin for decades. The collaborative project described below is one of many Superfund cleanup and restoration efforts planned for the Coeur d'Alene Basin.

In the Coeur d'Alene River corridor which lies within the Coeur d'Alene Tribe's aboriginal land territory, an area was identified by EPA and the Coeur d'Alene Basin NRDA Trustees (consisting of the Coeur d'Alene Tribe, the Department of the Interior represented by FWS and BLM, and the Department of Agriculture, represented by U.S. Forest Service) to be a prime area for wetland restoration. The identified area has a low potential for recontamination because of its relatively high elevation, natural levee features, and its proximity to the abandoned Union Pacific Rail line which was converted to the "Trail of the Coeur d'Alene's" by Union Pacific Railroad under agreement with the Tribe, State of Idaho and United States (EPA).

The first step to remediate and convert the area into a protected, functioning wetland came in 2006 when Superfund settlement monies were used by EPA to establish a 400-acre conservation easement. In collaboration with the NRDA Trustees, the property owner, Ducks Unlimited, the Army Corps of Engineers, and contractor CH₂M Hill, EPA's remedial actions helped create clean foraging habitat for migratory and resident wetland birds. This was accomplished by eliminating the exposure pathway to metals-contaminated sediment by excavating these sediments and installing water control structures to establish wetland hydrology. The remediation costs were approximately \$4 million. On the heels of remediation, the NRDA Trustees began restoring the site. The Tribe conducted the cultural resource investigation and FWS led wetland restoration planning, implementation and maintenance activities. Restoration work included noxious weed management, re-working the soil profile to establish a wetland habitat that would sustain native wetland plant species and water management throughout the 400 acres.



Restored wetland (Schlepp property), Coeur d'Alene Basin, ID

During the spring 2008 migration, FWS staff counted approximately 3,000 waterfowl in the area, and each year monitoring continues jointly with the EPA. FWS monitoring data show the remediated and restored habitat is attracting some of the highest and most diverse concentrations of waterfowl to the Coeur d'Alene Basin. Moreover, blood lead data suggests that waterfowl using the conservation easement area are experiencing reduced exposures to lead. This project is the first of its kind in the Basin, and is an important step in addressing Basin ecological contamination.

All restoration work was conducted utilizing settlement dollars. Approximately \$500,000 has been spent on restoration thus far, and additional restoration is planned for 2012. Yearly monitoring and maintenance will occur into the future to ensure a high-quality wetland habitat is sustained.

M/V New Carissa Oil Spill, Oregon (Bandon Marsh restoration)

In February 1999, the 640-foot freighter *M/V New Carissa* ran aground on the southern Oregon coast during a major winter storm. The vessel was carrying nearly 400,000 gallons of fuel oil and diesel fuel. After four days in the heavy surf, the *New Carissa* began leaking oil, and seven days later, broke in half. An estimated 70,000 to 140,000 gallons of oil and fuel were released into the marine environment, causing injury to migratory birds, particularly shorebirds and seabirds.

Bandon Marsh National Wildlife Refuge (NWR) is located along the picturesque southern Oregon coast near the mouth of the Coquille River, and the city of Bandon. There are two units to the Refuge, Bandon Marsh and Ni-les'tun. The Bandon Marsh Unit protects the largest remaining tract of salt marsh within the Coquille River estuary. Major habitats include undisturbed salt marsh, mudflat, and Sitka spruce and alder river bank communities. These provide resting and feeding areas for migratory waterfowl, shorebirds, wading birds, neotropical migrants, and raptors.

The Ni-les'tun Unit of Bandon Marsh NWR was once inhabited by members of the Coquille Indian Tribe, whose ancestors subsisted for centuries on the marsh's riches. The biggest tidal marsh restoration in Oregon history is underway in the Ni-les'tun Unit, which will double the acreage of tidal marsh in the estuary. This Unit will be managed to protect and restore intertidal marsh, freshwater marsh, and riparian areas that are



habitat for migratory birds and anadromous fish. The marsh was restored by the removal of dikes, ditches, and tide gates over a total of 418 acres. These activities will allow saltwater to once again inundate the mouth of the Coquille River, restoring an artificially-created freshwater marsh to the native salt marsh that will provide nursery habitat for cutthroat trout, Chinook salmon, and coho salmon. The restored salt marsh will create over five miles of new tidal channel and provide habitat for migratory shorebirds, seabirds, and waterfowl.



Members of the Coquille Indian Tribe paddle a ceremonial canoe into the freshly flooded Ni-les'tun Unit of Bandon Marsh NWR. Before the swath of land was diked and drained for farming about 100 years ago, it sustained the Coquilles for centuries. (Photo: R Lowe, FWS)

Bandon Marsh's approximately \$9.5 million restoration took more than a decade of planning, partnerships, property deals, scientific study, and engineering. The *New Carissa* Trustee Council (including the Department's Bureau of Land Management and Fish and Wildlife Service) partnered with more than two dozen public and private organizations to implement restoration projects within Bandon Marsh to address natural resource injury caused by the spill.

Deepwater Horizon Oil Spill - Sea Turtle Emergency Restoration, Texas

The Gulf Coast is home to one of the most ecologically complex regions in the country and site of a number of national wildlife refuges, national parks and national seashores protected by the Department of the Interior on behalf of the American people. Following the April 2010 BP Deepwater Horizon drilling rig explosion and oil spill, the Deepwater Horizon Oil Spill Natural Resource Trustees identified three potential emergency restoration projects, including the Kemp's Ridley Sea Turtle Emergency Restoration Project. More Kemp's Ridley sea turtles were documented oiled as a result of the Deepwater Horizon spill than any other sea turtle species, and the spill location overlapped the known distribution of important Kemp's Ridley foraging habitat.



(Photo: Todd Yates, Corpus Christi Caller-Times)

Emergency restoration actions are those taken by the trustees prior to the completion of the natural damage assessment and restoration planning process to prevent or reduce continuing natural resource injuries, and avoid potential irreversible loss of natural resources. Actions implemented for this project included enhanced support of Kemp's Ridley nest detection and protection activities on the Texas Gulf Coast and construction of facilities to decrease response time and improve Kemp's Ridley nest detection and protection on Padre Island National Seashore.



NPS employee from Padre Island National Seashore releasing recently-hatched Kemp's Ridley sea turtles. (Photo: Ray Kirkwood)

BP agreed to fund the project for the purpose of increasing nest detection and collection activities on Padre Island National Seashore, San Bernard National Wildlife Refuge, and state lands on the upper Texas coast. All located nests were transferred to existing egg incubation facilities at Padre Island National Seashore. Funds were utilized for enhanced nest detection surveys, field supplies, and construction of a temporary base camp and nesting corral at Padre Island National Seashore.

Nest detection and protection activities are high priority recovery tasks in the Kemp's Ridley Sea Turtle Recovery Plan, and this emergency restoration project helped reduce further injury to populations by protecting nests and increasing hatchling recruitment. The Kemp's Ridley Sea Turtle Emergency Restoration Project was completed in August 2011.

ACTIVITY: PROGRAM MANAGEMENT

Natural Resource Damage Assessment		2011 Actual	2012 Enacted	2013			Change from 2012 (+/-)
				Fixed Costs (+/-)	Program Changes (+/-)	2013 Budget Request	
Activity: Program Management	\$000	1,937	1,903	+46	0	1,949	+46
	FTE	7	7	0	0	7	0

Activity Overview:

Program Management provides the strategic vision, direction, management, and coordination of inter-Departmental activities necessary for the Department to carry out the Restoration Program. In short, it manages the intersection of complex interdisciplinary relationships among biology, environmental toxicology, natural resource management, economics, and law. The Program Management activity allocates damage assessment project funding; monitors program performance and ensures accountability; provides the framework for identifying and resolving issues that raise significant management or policy implications; develops the Department's policies and regulations for conducting and managing damage assessment and restoration cases; responds to Departmental, Office of Management and Budget, and Congressional inquiries; and ensures coordination among Federal, State, and Tribal governments.

Program Management funding enables the program to maintain support for bureau workgroup representation, ensuring essential integrated program coordination across the Department. The request includes funds for program support positions in the five bureaus with primary trust resource management roles (BIA, BLM, BR, FWS, and NPS), technical support offices (USGS, Office of Policy Analysis, and the Office of the Solicitor). The Program Office currently provides \$85,000 (approximately 0.6 FTE) to each participating bureau for workgroup participation and program support. A fully integrated Departmental program requires at least this level of bureau participation on the workgroup and Program Management Team, as well as continued regional coordination and technical support in science, economics, and law.

In 2013, the Program Office will continue its ongoing efforts to enhance its outreach to Tribes in two significant ways. First, it continues its monthly conference calls with any tribal co-trustees that have an interest in the natural resources and restoration activities of the Department. Secondly, the program has begun a Tribal training initiative where it is partnering with the interested tribal co-trustees to design natural resource damage assessment (NRDA) training for tribal members and technical consultants. This effort will attempt to utilize existing Departmental and tribal training resources, educators and experts to develop a curriculum and materials that are targeted to tribal resources in a NRDA context. Coincident to the Program improving relationships with Tribal co-trustees and governments will be an equally ambitious effort to maintain and improve communications with State co-trustees through the continued implementation of a Memorandum of Understanding (MOU) with the Association of Fish & Wildlife Agencies (AFWA). The AFWA MOU will facilitate communications between the Program and the State co-trustee on issues of mutual interest, likely leading to the development of policies, improved assessment techniques, and if needed, regulatory revisions.

In November 2011, the Department entered into a Memorandum of Understanding (MOU) with the International Group of Protection and Indemnity Clubs (P&I Clubs) to agree to consider appropriate cooperative damage assessment activities during marine spill incidents involving vessels for which they insure (about 95% of all vessels afloat).

The Restoration Program Office continues the deployment and use of improved information technology tools in 2012 by increased use of video-conferencing and developing program document libraries on the Program's SHAREPOINT site. These improvements and the enhanced use of information technology by the Program Office will bring it in line with the Secretary's priorities to reduce travel and its carbon footprint while increasing internal communications efficiency.

In another move to reduce program travel costs, the Department has adopted a biennial cycle for holding its National NRDA Program Workshop, which had previously been held annually. No workshop will be held in 2012. This workshop has proven to be among the largest gathering of Federal, State, and tribal NRDA practitioners from across the country. The workshop is also well attended by representatives from industry, and the conservation partner community, exemplifying the collaborative approach taken by the Department's and its co-trustees.

2013 Program Performance:

All current Program Management efforts and activities are focused on providing the tools, processes, or infrastructure to achieving restoration of injured natural resources. In 2013, in compliance with Administration's Executive Order on *Campaign to Cut Waste*, the Program Office will seek meet target goals by broadening its use of information technology in communicating to and with the program's workgroup, Bureaus, State, Tribal, and other Federal agency partners as follows:

- Combining the use of DOI video conferencing and Sharepoint enterprise software technology. This technology will be used for all monthly meetings of the Program's Work Group to discuss funding and policy issues affecting new and ongoing assessment projects and policies. It will also be used for the annual allocation of program funding for assessment projects eliminating a face-to-face meeting in DC thereby saving travel expenses and time of Work Group members.
- The Sharepoint enterprise software has been developed into a case Record Management System for the Program Office, affording Departmental bureaus and offices access to historical documents, including funding proposals dating back to 1999 as well as the attendant allocation memoranda and other supporting program documents. Further, the document library within the Sharepoint system currently contains over 400 documents that have been generated by this program such as Pre-Assessment Screen, Assessment Plans, Restoration Plans, and Consent Decrees. All of these documents are stored in the library in "searchable" .pdf file format.
- Enhanced and improved presentation and information on the Program's website (<http://www.doi.gov/restoration>) by improved design, accessibility, and content.

The 2013 request level will support the broadened Departmental communication, consultation, and coordination activities with Federal, State, and Tribal co-trustees, the environmental community, and industry. Continued cooperation and coordination with co-trustees is critical to increasing restoration productivity, and will enhance opportunities for efficiencies and to identify and eliminate duplication of effort and process redundancies.

Program management activities in 2013 will also continue efforts to develop, refine and update a number of existing administrative and policy tools, with an eye towards improved consistency and effectiveness. Among these efforts are the following:

- Continue to evaluate the appropriate role and use of economic analytical tools used in damage assessment and restoration activities.
- Coordinate with other trustees and restoration funding entities (U.S. Coast Guard's National Pollution Funds Center) to continue the development of common cost documentation practices and formats to ensure consistency and uniformity.
- Broaden the opportunities for cooperative assessment by improving existing guidance and documents.
- Continue improvement of public outreach and information sharing through internet-based applications and websites.
- Adopt procedures that promote coordination between response and NRDAR activities.
- Ensure that compliance by federal trustees with the requirements of the National Environmental Policy Act (NEPA) occurs concurrently with restoration planning.
- Enhance its NRDAR partnerships, through improvements in grants, cooperative agreements, and contracting.
- Encourage the use of existing local and regional restoration plans and databases for use in NRDAR.

Continued development and broader use of these and other tools will help ensure cross-bureau consistency and compatibility of information and systems, allowing the program to serve as a model for integrated Departmentwide natural resources management.

The Program continues to enjoy a good relationship with the other Federal agencies involved in NRDAR activities either directly (i.e. NOAA and NPFC) or indirectly (i.e. EPA and DOE). In 2013, the program will continue to reach out to industry by participating in industry symposia and discussion groups on NRDAR issues and policy.

As a cost-saving measure in response to diminished travel budgets, started in 2011 and continuing into 2013 and beyond, the Program will transition from sponsoring an annual national workshop to a biennial schedule. In recent years, this workshop has provided training for over 180 practitioners from across the Department on a variety of topics including project management, damage claim development, restoration methods and other scientific and legal issues. As an indicator of collaborative approach that continues to be pursued by the Department and its co-trustees, over 50 State, Tribal, and Federal co-trustees, as well as representatives from industry and the conservation community also attended the most recent workshop.

Program Support of Bureau, Department, and Government-wide Costs:

Section 405 of the 2011 Interior, Environment and Related Agencies Appropriations Act directs the disclosure of overhead, administrative, and other types of administrative support spending. The provision requires that budgets disclose current amounts and practices with regard to overhead charges, deductions, reserves, or holdbacks from program funding to support government-wide, Departmental, or bureau administrative functions or headquarters, regional, or central office operations. Changes to such estimates trigger reprogramming procedures, in which the Department must provide advance notice to and seek approval from the House and Senate Appropriations Committees.

For 2013, the Restoration Program's costs related to overhead, administration, and central/regional operations are addressed in three components of the budget, all under the heading of External Administrative Costs. These costs include amounts paid to bureaus, the Department, or other Executive Branch agencies to support bureau, Departmental or Government-wide administrative costs.

External Administrative Costs			
(Dollars in Thousands)			
	FY 2011 Actual	FY 2012 Enacted	FY 2013 Estimate
<u>DOI Working Capital Fund</u>			
Centralized Billings	96	99	99
Fee for Services	0	0	0
Direct Billings	187	179	160
Reimbursables	<u>0</u>	<u>0</u>	<u>0</u>
Total, Working Capital Fund	283	278	259
<u>Fish and Wildlife Service</u>			
FWS User-Pay Cost Share	153	540	543
<u>Bureau of Ocean Energy Management</u>			
Personnel / HR Services	25	27	27
<u>U.S. Geological Survey</u>			
Common Services Support	86	126	135
<u>U.S. Department of Justice</u>			
DOJ Sec. 108 3% Offset Authority	43	200	200

Charges related to the Departmental Working Capital Fund (WCF) identified in the preceding table reflect the Restoration Program's share of centralized Departmental expenses for items and expenses such as telecommunications, security, mailroom services, costs associated with audited financial statements, and other WCF charges.

The Fish and Wildlife Service (FWS) levies its User-Pay Cost Share charges on damage assessment and restoration funds provided to the Service from the Restoration Program. Funds collected by FWS are used to offset a range of Service-wide administrative costs. For 2012, User-Pay Cost Share charges to the Restoration Program will be \$539,968. This significant increase from the 2011 actuals is the result of a recent effort by FWS to more fully identify and recover the complete range of indirect costs associated with its damage assessment and restoration activities. Starting in 2010, the FWS initiated a study to review and identify its damage assessment and restoration indirect costs across its field, regional, and headquarters levels. This review led to the development of a new cost documentation tool now being used in FWS to capture all such costs. The amounts identified for FY 2012 and 2013 are estimates based on current workload, and the actual amounts recovered may be more or less, depending upon actual workload, the timing of settlements, and the ability to recover such costs through settlement negotiations. Indirect costs will not be assessed to previous settlements or in cases where FWS indirect costs were not included or recovered in the final settlement. For 2013, FWS estimates those charges payable by the DOI Restoration Program to be \$543,420.

Charges related to the Bureau of Ocean Energy Management (formerly Minerals Management Service) identified in the preceding table reflect the Restoration Program's share of personnel management and human resources (HR) services provided to the Office of the Secretary, covering items such as HR policies and procedures, staffing and delegated examining, employee classification, SES appointments, personnel security, reorganizations, and reductions-in-force.

The U.S. Geological Survey (USGS) applies a seven percent administrative overhead charge to all funds provided to USGS, primarily to the Columbia Environmental Research Center. Funds collected by the Center are used to offset common client administrative and facility expenses. Funds provided to USGS from the Exxon Valdez Oil Spill settlement include a nine percent General administrative assessment.

The Department of Justice applies a three percent offset to some, but not all, civil litigation debt collections made on behalf of the Restoration Program. Authority for these offsets can be found in Section 108 of the Commerce, Justice, and State Appropriations Act for Fiscal Year 1994 (P.L. 103-121, 107 Stat 1164 (1994)). The offset is applicable to collections where the Department is the sole recipient of the funds. Funds subject to the offset authority are credited to the DOJ Working Capital Fund. The DOJ offset authority does not apply to restoration settlements jointly shared with non-Federal co-trustees that are collected by DOJ and deposited into the DOI Restoration Fund.

The Program Management activity, which includes Restoration Program administrative functions and central and regional operations, does not assess or levy any internal program overhead charges, deductions, or holdbacks to support such program operations.

**DEPARTMENT OF THE INTERIOR
NATURAL RESOURCE DAMAGE ASSESSMENT AND RESTORATION
RESTORATION FUND**

Program and Financing (in thousands of dollars)**Identification code 14-1618-0-1-302**

	2011 Actual	2012 Enacted	2013 Request
<u>Obligations by program activity:</u>			
Direct Program:			
0001 Damage Assessments	11,484	8,000	8,000
0002 Prince William Sound Restoration	2,548	2,000	2,000
0003 Other Restoration	29,359	45,000	45,000
0004 Program Management	2,838	3,000	3,000
0900 Total, Direct program	46,229	58,000	58,000
<u>Budgetary resources available for obligation:</u>			
1000 Unobligated balance carried forward, Oct. 1	486,788	499,113	503,315
1010 Unobligated balance transferred to other accounts (Funds Transferred to DOC/NOAA 13-4316)	-17,120	-8,051	-8,200
(Funds Transferred to Forest Service 12-9921)	[-4,360]	[-8,000]	[-8,000]
	[-451]	[-51]	[-200]
1021 Recoveries of prior year unpaid obligations	2,259	0	0
1050 Unobligated balance (total)	471,927	491,062	495,115
<u>Budget Authority</u>			
Appropriations, discretionary			
1100 Appropriation	6,449	6,253	6,263
Appropriations, mandatory			
1201 Appropriation (Special fund)	74,037	70,000	60,000
1220 Appropriation transferred to other accounts (Funds Transferred to DOC/NOAA 13-4316)	-7,071	-6,000	-6,000
(Funds Transferred to Forest Service 12-9921)	[-3,222]	[-6,000]	[-6,000]
	[-31]	[0]	[0]
1260 Appropriations (mandatory) total	66,966	64,000	54,000
1900 Budget Authority (total)	73,415	70,253	60,263
1930 Total budgetary resources available	545,342	561,315	555,378
Memorandum (non-add) entries:			
1941 Unobligated balance carried forward, end of year:	499,113	503,315	497,378
<u>Change in obligated balance:</u>			
Obligated balance, start of year (net):			
3000 Unpaid obligations, brought forward, Oct. 1 (gross)	24,050	20,079	17,917
3030 Obligations incurred, unexpired accounts	46,229	58,000	58,000
3040 Outlays, gross (-)	-47,941	-60,162	-67,323
3080 Recoveries of prior year unpaid obligations (-)	-2,259	0	0
Obligated balance, end of year (net):			
3090 Unpaid obligations, end of year (gross)	20,079	17,917	8,594
3100 Obligated balance, end of year (net)	20,079	17,917	8,594

**DEPARTMENT OF THE INTERIOR
NATURAL RESOURCE DAMAGE ASSESSMENT AND RESTORATION
RESTORATION FUND**

Program and Financing (in thousands of dollars) Identification code 14-1618-0-1-302	2011 Actual	2012 Enacted	2013 Request
<u>Budget authority and outlays, net:</u>			
Discretionary:			
4000 Budget authority, gross	6,449	6,253	6,263
Outlays, gross			
4010 Outlays from new discretionary authority	3,482	4,377	4,384
4011 Outlays from discretionary balances	2,716	1,935	1,876
4020 Outlays, gross (total)	6,198	6,462	6,323
Mandatory:			
4090 Budget authority, gross	66,966	64,000	54,000
Outlays, gross			
4100 Outlays from new mandatory authority	25,080	3,100	3,300
4101 Outlays from mandatory balances	16,663	50,600	57,700
4110 Outlays, gross (total)	41,743	53,700	61,000
<u>Net budget authority and outlays:</u>			
89.00 Budget authority	73,415	70,253	60,263
90.00 Outlays	47,941	60,162	67,323
<u>Investments in U.S. securities</u>			
5000 Total investments, start of year U.S. securities, par value	452,617	443,855	485,000
5001 Total investments, end of year U.S. securities, par value	443,855	485,000	525,000

**DEPARTMENT OF THE INTERIOR
NATURAL RESOURCE DAMAGE ASSESSMENT AND RESTORATION
RESTORATION FUND**

Program and Financing (in thousands of dollars)

Identification code 14-1618-0-1-302	2011 Actual	2012 Enacted	2013 Request
<u>DIRECT OBLIGATIONS</u>			
Personnel compensation:			
11.1 Full-time permanent	979	1,025	1,035
11.3 Other than full-time permanent	66	35	35
11.5 Other personnel compensation	27	10	10
11.9 Total personnel compensation	1,072	1,070	1,080
12.1 Civilian personnel benefits	262	276	289
21.0 Travel and transportation of persons	69	50	40
22.0 Transportation of things	4	2	2
23.1 Rental payments to GSA	105	121	133
23.3 Communications, utilities, & misc. charges	9	6	7
24.0 Printing and reproduction	2	2	2
25.2 Other services	17	12	25
25.3 Purchases of goods & services from other govt. account	270	9,700	9,500
26.0 Supplies and materials	8	10	12
31.0 Equipment	19	10	10
42.0 Insurance claims and indemnities	12,244	12,800	13,000
99.9 Subtotal, direct obligations	14,081	24,059	24,100
<u>ALLOCATION ACCOUNTS</u>			
Personnel compensation:			
11.1 Full-time permanent	4,279	5,750	5,900
11.3 Other than full-time permanent	1,544	1,800	1,850
11.5 Other personnel compensation	393	300	350
11.8 Special personnel services payment	25	0	0
11.9 Total personnel compensation	6,241	7,850	8,100
12.1 Civilian personnel benefits	1,731	1,950	1,990
21.0 Travel and transportation of persons	1,016	800	650
22.0 Transportation of things	49	30	8
23.1 Rental payments to GSA	114	155	160
23.2 Rental payments to others	10	20	20
23.3 Communications, utilities, & misc. charges	90	60	65
24.0 Printing and reproduction	5	6	7
25.1 Advisory and assistance services	31	60	70
25.2 Other services	8,120	9,000	9,050
25.3 Purchases of goods & services from other govt. account	1,775	2,160	2,000
25.4 Operation & maintenance of facilities	179	150	50
25.5 Research and Development Contracts	96	50	50
25.7 Operation & maintenance of equipment	46	50	50
26.0 Supplies and materials	619	600	550
31.0 Equipment	97	200	180
32.0 Land and structures	1,203	2,900	3,000
41.0 Grants	10,726	7,900	7,900
99.0 Subtotal obligations - Allocation Accounts	32,148	33,941	33,900
99.9 Total new obligations	46,229	58,000	58,000

**DEPARTMENT OF THE INTERIOR
NATURAL RESOURCE DAMAGE ASSESSMENT AND RESTORATION
RESTORATION FUND**

Program and Financing (in thousands of dollars)

Identification code 14-1618-0-1-302	2011 Actual	2012 Enacted	2013 Request
Obligations are distributed as follows:			
Natural Resource Damage Assessment Program Office	14,081	24,059	24,100
Bureau of Indian Affairs	788	800	800
Bureau of Land Management	1,087	1,000	975
Bureau of Reclamation	61	200	200
Fish and Wildlife Service	23,685	26,200	26,200
National Park Service	3,670	3,000	3,000
Office of the Secretary	388	325	325
U.S. Geological Survey	2,469	2,416	2,400
99.9 Total new obligations	46,229	58,000	58,000

Personnel Summary

Identification code 14-1618-0-1-302	2011 Actual	2012 Enacted	2013 Request
Direct:			
Total compensable workyears:			
1001 Full-time equivalent employment	10	10	10

**DEPARTMENT OF THE INTERIOR
NATURAL RESOURCE DAMAGE ASSESSMENT AND RESTORATION
EMPLOYEE COUNT BY GRADE**

	2011 Actual	2012 Enacted	2013 Estimate
SES.....	1	1	1
subtotal.....	1	1	1
GS/GM-15	1	1	1
GS/GM-14	2	2	2
GS/GM-13	5	5	5
GS-12	0	0	0
GS-11	0	0	0
GS-10	0	0	0
GS-9	0	0	1
GS-8	0	0	0
GS-7	0	1	0
GS-6	0	0	0
GS-5	0	0	0
GS-4	0	0	0
GS-3	0	0	0
GS-2	0	0	0
subtotal (GS/GM).....	8	9	9
Total employment (actual / projected) at end of fiscal year.....	9	10	10