

# PROPOSED FISCAL YEAR 2004 BUDGET REQUEST FOR THE DEPARTMENT OF THE INTERIOR

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## HEARING BEFORE THE COMMITTEE ON ENERGY AND NATURAL RESOURCES UNITED STATES SENATE ONE HUNDRED EIGHTH CONGRESS

FIRST SESSION

TO RECEIVE TESTIMONY REGARDING THE PRESIDENT'S FY 2004  
BUDGET FOR THE DEPARTMENT OF THE INTERIOR

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FEBRUARY 11, 2003



Printed for the use of the  
Committee on Energy and Natural Resources

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U.S. GOVERNMENT PRINTING OFFICE

86-038 PDF

WASHINGTON : 2003

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# **PROPOSED FISCAL YEAR 2004 BUDGET REQUEST FOR THE DEPARTMENT OF THE INTERIOR**

**TUESDAY, FEBRUARY 11, 2003**

U.S. SENATE,  
COMMITTEE ON ENERGY AND NATURAL RESOURCES,  
*Washington, DC.*

The committee met, pursuant to notice, at 10 a.m., in room SD-366, Dirksen Senate Office Building, Hon. Pete V. Domenici, chairman, presiding.

## **OPENING STATEMENT OF HON. PETE V. DOMENICI, U.S. SENATOR FROM NEW MEXICO**

The CHAIRMAN. The hearing will come to order.

Senator Bingaman will be here momentarily. I have to leave in a couple of minutes. I have to go to The White House for about 20 minutes. That is the wrong time for you, Madame Secretary, But Senator Thomas will be here shortly and will chair the meeting.

I have some opening remarks, which I will go ahead and put in the record. I have a number of questions, and in the event they are not asked, I will ask the staff to submit them en bloc. You may answer them at your convenience. They are pretty thorough from top to bottom in terms of your budget. We do not do that normally, but I thought it might be a good exercise to go through them with you for the record.

I would ask that my remarks be made a part of the record, as if stated. My statement includes general comments about the budget. I have two things I want to ask you about in the few moments before I have to leave.

When we passed the BACA land deal, which you are now familiar with, Senator Bingaman and I included a section in it that had to do with the disposal of surplus land. I do not know that you call it that. You have a fancier name for it. But it provided, essentially, that you could sell surplus property at auction and then you could allocate the money.

Do you recall the provision I am talking about?

Secretary NORTON. Yes, Mr. Chairman.

The CHAIRMAN. I really did not think that any department would follow up with it. It is something that interior departments just do not want to do for some reason. I note that you all are asking for some broader authority to include, within the definition, something more than we did in our bill. Might I suggest that that does not answer the question for me of whether you are doing anything

about surplus property, as defined in the statute. So I am just going to lead with that question and then yield to Senator Bingaman. Are you doing anything about surplus property? Can you proceed without modifying the definition?

Secretary NORTON. Thank you, Mr. Chairman. That is a program that I do support. I think the BACA approach makes sense. What we found was that it was not functioning very well. It was one of those things that was on the books and was not really being taken advantage of.

And so I asked my Department to take a look at it and to come up with some proposals that might allow it to function more effectively. And that is what we have proposed. We have done, I think, about \$3 million last year and about \$25 million for the current year, as proposed. But it is not as much as I think we could effectively do to basically manage our real estate portfolio better.

The CHAIRMAN. So the modification that you are asking for would do what?

Secretary NORTON. It would, first of all, provide some better incentives for the Bureau of Land Management. They are the ones that basically bear all of the burden and got very little of the benefit. And so we are trying to work to make sure that the BLM has some better ability to use this to manage its real estate holdings to get the ones that are the most environmentally and programatically desirable.

Secondly, our problem often tends to be lack of ability to manage our lands and to use—to have funding for on-the-ground kinds of improvements and management of the lands. And we would like to make some of the funding, a small amount of the funding, available for that so that, as we acquire new lands, we have some ability to manage what we are acquiring.

The CHAIRMAN. My last question, before yielding, has to do with a follow-up on BACA, in which both Senator Bingaman and I retain an abiding interest. I would hope that year by year your Department will have a concern sufficient to listen to the board of trustees when they discuss their needs with the Executive Branch.

Clearly, until some time in the future, they are going to need funding every year to manage this very beautiful and large piece of property. For 1 year, almost 2 years, they have had to get by with almost nothing, because the executive budget had minimal funds for them.

I think it is very important that you consider the BACA as sort of a treasure and see if we cannot make this idea of a trust work. We hope that you do not consider, since we put it in a trust, that we are trying to take it away from you. We did hope that a new management style might work, and it helped us get the bill through here.

So I personally want to encourage that you be involved personally at the highest level with their particular needs to make the trust job function and to see that it is operative.

Secretary NORTON. Mr. Chairman, if I understand your point on that, this is something that I do believe in very personally and want to make sure that this is functioning properly.

The CHAIRMAN. I meant very specifically that they need something in the executive budget each year to manage and operate their affairs. I hope that you look at that very carefully.

Secretary NORTON. Thank you.

The CHAIRMAN. Senator Bingaman, before you arrived, I indicated that I have to go pay a visit downtown and that Senator Thomas is going to run the committee.

Senator BINGAMAN. Okay.

The CHAIRMAN. And that we thank the Secretary for coming.

Senator BINGAMAN. Thank you very much, Mr. Chairman.

The CHAIRMAN. Thank you, Senator Bingaman.

[A prepared statement from Senator Bunning follows:]

PREPARED STATEMENT OF HON. JIM BUNNING, U.S. SENATOR FROM KENTUCKY

Thank You, Mr. Chairman.

Today's hearing on the Fiscal Year 2004 Budget for the Department Interior is important for the protection of our country's natural resources. I believe that funding conservation and management of those resources will help benefit communities today and preserve our cultural heritage for future generations.

One particularly important program for the state of Kentucky is the Abandoned Mine Land (AML) Program. Coal mining has been important to Kentucky's economy and has helped keep Kentucky's electricity rates one of the lowest in the nation. AML has helped restore lands and waters impacted by mining but were left inadequately restored. While Kentucky and many other states continue to have a need for this program, I am concerned that its funding has remained stagnant and Kentucky's share has decreased over the past several fiscal years. This program is important for reclaiming sites that pose a danger to health and safety and should continue to receive adequate funding. Despite the work that has been accomplished in Kentucky since the inception of this program, many problems remain. Seasonal rains continue to saturate old mines and new reports of hazardous deep mine shafts continue to be received. I hope that we can restore AML's funding so that Kentucky and other states can make headway in addressing problems that threaten coalfield residents.

I also support the President's wildfire prevention and suppression and Healthy Forest initiatives. Kentucky has worked hard to maintain healthy forests. While I know that western forests have been more affected by forest fires in recent years, I hope that Kentucky's forests are not forgotten and are a part of future forest fire programs.

I know that Congress will have the tough job of practicing some fiscal restraint. Although fiscal year 2004 will be a challenging one, I am confident that we can practice restraint while protecting our nation's resources.

I thank Secretary Norton and her staff for their hard work and her willingness to appear before us today to explain the Department of the Interior's budget in detail.

Thank you, Mr. Chairman.

Senator BINGAMAN. Should I proceed with an opening statement?

Senator THOMAS [PRESIDING]. Yes, please do.

**STATEMENT OF HON. JEFF BINGAMAN, U.S. SENATOR  
FROM NEW MEXICO**

Senator BINGAMAN. Thank you very much for being here, Secretary Norton.

Let me make a few statements about the budget as I see it and raise some concerns with you. At first glance, the budget appears to be fairly routine, sort of flat funding, a slight increase from what the President proposed last year. But when you look more closely, it seems to me there are serious concerns. First, let me just give as an example the administration proposal, the Department's proposal, for the Land and Water Conservation Fund.

Your testimony indicates that the President's budget fully funds the Land and Water Conservation Fund at \$900.7 million. I think the budget materials also reiterate that it is funded at the fully authorized level. But when you look into the details, it seems to me the facts are very different.

The purpose of the Land and Water Conservation Fund—and maybe we have a disagreement here, but maybe we need to clear this up, because this is sort of a problem I have seen the last several years. The purpose of the Land and Water Conservation Fund was very clear. It was Congress's effort to take some of the revenue from the depleting of natural resources, in the case of oil and gas development in the Outer Continental Shelf, to take some of those revenues and use those to acquire other assets that had lasting value.

Section 5 of the Land and Water Conservation Fund is very straightforward. It says that there are two authorized uses for the fund. One is Federal land acquisition. The other is for grants to States for acquisition of lands for open space and recreational purposes. Those are the two authorized uses, as I read section 5 of the Land and Water Conservation Fund.

This is the third consecutive year that the administration has ignored that law, as I read it. Instead, the proposal here is to fund over \$550 million out of the Land and Water Conservation Fund for extraneous purposes. Some are not even authorized programs. Others included in the proposal are important programs, but they are clearly not within the purpose of the Land and Water Conservation Fund.

The actual story of the proposal is, when you look behind the press releases about fully funding the Land and Water Conservation Fund, the story just is very different. It appears to me that the President is proposing \$160 million for the State grant program and proposing \$187 million for the land acquisition part of the Land and Water Conservation Fund. That is \$350 million, 38 percent of full funding. Not 100 percent, 38 percent of full funding.

This is a serious concern. The Federal land part represents a decrease of almost 50 percent from the amount that was appropriated 2 years ago. If you include the Forest Service funding, the President's proposal is to cut Federal land acquisition by 60 percent, not by 50, from 2 years ago.

Clearly, as I say, some of the purposes that you are taking these funds for and using them for are meritorious. I am not saying that they are not meritorious. All I am saying is that they are not authorized for these purposes in the law. So I have a serious problem with that. As I say, it is not just a one-year problem. It seems to get worse each year. And this year I think it is clear that what is represented to be the case is not the case with regard to funding of the purposes of the Land and Water Conservation Fund.

I am also concerned that there seems to be no funding request for rural water projects, which were passed by the Congress, signed by the President. They are the result of very major negotiation between members of Congress and the Department of the Interior. And then when the proposal is coming for funding, there is nothing requested.

I see that there is an assumption that we will once again open ANWR for drilling in 2005.

I am pleased that there is \$200 million requested for PILTs, Payment in Lieu of Taxes. That is more than has been requested in the past. Of course, the \$350 million is the authorized level. I would like to see us go to automatic funding of the authorized level there. And I have proposed that now for several years and hope that we can get administration support for that.

I am also concerned that several of the regulatory items that are not really reflected in the budget, but which have come down recently, are really done without any attempt at consultation, at least with me or with any of my staff and other Democratic members of the Congress. Maybe there is consultation on the Republican side, but certainly not among any of the Democratic members that I am aware of. The RS-2477 right-of-way rule is one example.

I understand that there are some other controversial rules that may be on the way. We usually receive them on Friday afternoons right before a recess or right before Christmas. But they are not the result of consultation in any meaningful way.

So those are questions and concerns that I have, after looking over your budget. But I am anxious to hear your explanation of your budget request.

Secretary NORTON. Thank you.

Senator THOMAS. If it is all right with the rest of you, what we will do is ask the Secretary for her statement. And then we will come back and then each of us will have 5 minutes for a statement or questions as we go.

Madame Secretary, welcome. Go ahead.

Secretary NORTON. Thank you very much.

Senator THOMAS. We are delighted to have you here. If you would proceed, please.

**STATEMENT OF HON. GALE NORTON, SECRETARY OF THE DEPARTMENT OF THE INTERIOR; ACCOMPANIED BY P. LYNN SCARLETT, ASSISTANT SECRETARY, POLICY, MANAGEMENT AND BUDGET, DEPARTMENT OF THE INTERIOR; AND JOHN TREZISE, DIRECTOR, OFFICE OF BUDGET**

Secretary NORTON. Thank you. Good morning. It is a pleasure to be with all of you today to discuss the fiscal year 2004 budget for the Department of the Interior. I have with me Lynn Scarlett, who is our Assistant Secretary for Policy, Management, and Budget, and John Trezise, who is the Department's Budget Director.

Interior takes great pride in our mission to protect and manage the Nation's natural resources and cultural heritage, to provide scientific information about those resources, and to honor our special responsibilities for American Indians, Alaska Natives, and affiliated Island Communities.

Our responsibilities lie at the confluence of people, land, and water. Our programs touch the lives of individuals across the Nation.

Our 2004 budget request lays the foundation for us to build a legacy of healthy lands and thriving communities. Our budget request is \$10.7 billion, the largest presidential request in the Department's history, sustaining a 25-percent increase over the year



2000 budget. On the revenue side, the Department anticipates that it will collect \$7.8 billion in 2004, which is equivalent to 73 percent of Interior's current appropriations request.

Our largest increase is in the area of Indian trust reform initiatives. Fulfilling our trust responsibilities presents a major challenge. The challenge is both retrospective and prospective. We inherited a history of inadequate management of trust accounts. Our budget lays a groundwork for a better future.

Our budget for Indian trust programs includes \$551 million for trust operations and reform. Our budget proposal reflects new management concepts that grew out of consultation efforts, including a reorganization of Indian trust offices to improve the delivery of services.

This budget provides an increase of \$168.5 million for trust programs. It is a 44-percent increase over last year. The 2003 request for the Office of the Special Trustee is \$275 million, an 82-percent increase over last year's request. This is 17 times more than we spent in 1996, when the office was established. That reflects the serious responsibilities of this office.

Within the Office of Special Trustee request is \$130 million for the Office of Historical Trust Accounting, an increase of \$112 million over 2003. These funds will provide a major down payment toward our plan to complete a historical accounting for individual Indian money accounts, which was presented to the District Court in the Cobell litigation on January 6 of this year. Money should eventually resolve the disputes about the managements of trust funds over time and whether the Department's books are off by billions of dollars or the much smaller amounts that we expect.

We hope to improve the management of our Indian trust program by consolidating our portfolio. Fractionated interest in those accounts represent the smaller and smaller bits of land that people own as the interest goes through the process of going from a person on their death to their heirs. We today have interests in a 40- or 80-acre tract of land that are as small as .00002 percent of the land. We have land that we manage where the income is under \$1 a year for the owner.

The fractionated interests continue to expand exponentially. Our budget proposes \$21 million for land consolidation, which is an increase of \$13 million. These funds will enable us to expand pilot efforts to reduce the fractionation of individual land ownership interests in a nationwide program.

Our budget lays the foundation for leaving a legacy of healthy lands. Our request presents a blueprint for fulfilling the President's vision of a new environmentalism of citizen stewards and cooperative conservation. Building partnerships lies at the heart of this effort. Enduring conservation means many helping hands on the landscape. It requires a Nation of citizen stewards.

Last year, we proposed a cooperative conservation initiative. We are again proposing this initiative, but structuring it around our bureau challenge cost share programs and our cooperative conservation grant programs. We have restructured this program based on the feedback that we received from Congress.

It will tap into the tremendous potential that resides in conservation partnership. It will better enable our land managers to join

with Americans across the Nation in caring for the land. Thousands of land owners and organizations remain on waiting lists to participate in our cooperative conservation grant programs.

The 2004 budget includes \$113 million for this program, including an increase of \$9.1 million for the Fish and Wildlife Service Partners for Fish and Wildlife Program. The increase in our partners program, for example, will allow us to partner with 2,500 landowners and restore wetlands, uplands, and riparian habitat through voluntary cooperative agreements.

Interior manages about one in every five acres of land in the United States. That is an awesome responsibility. We need to take care of those lands. We need to take care of the buildings and infrastructure through which we serve millions of visitors to our parks, refuges and BLM recreation sites. We are continuing our commitment to fulfill the President's pledge of addressing the maintenance backlog in our national parks, proposing nearly \$706 million this year toward this effort.

To date, National Park Service accomplishments have been impressive. But we still have more to do. A key focus will be to improve park roads. Here, too, we are reaching out to partners. We have signed a memorandum of agreement with the Federal Highway Administration to help us achieve our road maintenance goals efficiently. And the money for the park roads is in the Department of Transportation budget with the highway bill.

We also need to find ways to manage water carefully and creatively for people, land, and the environment. Through its water infrastructure, the Department provides drinking water to 31 million people and irrigates the lands that provide 60 percent of the Nation's fruits and vegetables. Our budget request includes \$11 million to launch a Bureau of Reclamation water initiative that uses conservation and innovation to make sure every drop of water counts. This initiative will benefit communities currently struggling with increased water demands, drought, and compliance with the Endangered Species Act.

Lands managed by Interior include working landscapes where ranchers, energy partners, and other entrepreneurs help ensure that Americans have food, can warm their homes, and have shelter for their families. Federally managed lands in offshore areas supply about a third of the Nation's oil, natural gas, and coal.

Our 2004 budget provides increases of almost \$1 million to support the development of geothermal energy on public lands, as well as increased wind and solar opportunities. Our renewable energy program budget is four-and-a-half times the 2002 amount. The budget also includes an increase of almost \$1 million to facilitate development of coal bed natural gas reserves, which is an abundant clean source of energy.

What task is more important in all of our communities than educating our children? As we seek to educate them, the President has committed to leave no child behind. At Interior, this commitment centers on the children educated at Bureau of Indian Affairs schools and with bureau assistance. The 2004 school operations request is over \$529 million. Children also deserve safe and functional places to learn. Our budget includes a request to invest \$293

million in funds to replace at least seven decaying and dilapidated school facilities.

Perhaps the closest connection that most Americans have with the Department is through the recreation opportunities they enjoy on federally managed lands. With almost 500 million visits to these lands each year, Interior provides a wide array of recreational opportunities, fishing, hiking, hunting, camping, wildlife viewing, and so forth.

Usually they think about the National Park System as the place where people go. We are seeing a dramatic increase on our Bureau of Land Management lands. And so we are requesting an increase of \$5 million to enable BLM to continue to provide high-quality recreational opportunities.

Our Everglades restoration efforts are an example of the type of partnerships that we want to build. As stewards of about one-half of the remaining Everglades ecosystem, the Department works with a broad team of Federal, State, and local partners. In 2004, our budget includes \$112 million for Everglades activities, which is about \$16 million above last year's budget. Near these Everglades restoration efforts is Pelican Island, the site of the Nation's first national wildlife refuge established 100 years ago. Next month we will be celebrating the centennial of the National Wildlife Refuge System. Our 2004 budget builds on last year's increase with an increase of nearly \$26 million for refuge operations.

The Fish and Wildlife Service fisheries program has played a vital role in conserving and managing fish and other aquatic resources. The budget recognizes this and includes an \$8 million increase for the National Fish Hatchery System.

The natural resource challenge is an important component of the President's commitment to improve natural resource management in our national parks. The budget includes nearly \$9 million to increase this program. This is a cumulative increase of almost \$105 million over the 2001 level.

The Land and Water Conservation Fund State grant program is the cornerstone of our commitment to involve State governments in conservation planning. Our budget requests \$160 million for the traditional LWCF State grant program, which is a \$16 million increase over the 2002 level enacted by Congress. The President's budget includes funding for the Land and Water Conservation Fund at \$900 million through a medley of programs that emphasize LWCF goals being achieved through partnerships.

We have two central resource protection goals. First, we want to leave a legacy of healthy lands by targeting our budget toward caring for the vast lands under our stewardship. The second is to extend our conservation and recreation achievements through partnerships. Through a mix of grant programs, we propose to leverage Federal Land and Water Conservation Fund dollars. These programs engage States, tribes, and other partners. They allow us to achieve conservation and outdoor recreation goals across many lands and with many landowners. Through leveraging, using conservation easements and other agreements, we are able to achieve more conservation than we would through fee acquisition alone.

There are two challenges that we face. One is fire. The other is border protection. Last year over 7 million acres of Federal lands

went up in flames during catastrophic wildfires. The President's health forest initiative will help us reduce decades-long buildups of underbrush and unnaturally dense forests. The budget continues a high level of funding, \$186 million, to reduce the buildup of brush, dead vegetation, and fire-prone invasive species. This allows us to reduce the risk of catastrophic wildfire.

Through stewardship contracting that we hope will be adopted, as well as reductions in the paperwork needed for these fuels treatment programs, we hope to further improve the efficiency and the scope of our operations.

We are also investing in greater security for our monuments and public lands that border Mexico and Canada. The 2004 budget includes \$35 million in increases for improved security to protect our visitors, employees, and resources. More than \$4 million of this increase will be targeted to public lands located along the U.S. borders. Interior has control over lands that include about one-half of the border with Mexico and nearly 800 miles of the U.S.-Canada border.

At the foundation of all of Interior's efforts is scientific information. It is the cornerstone of our resource management activities, providing a basis for decisions about resource protection, resource use, recreation, and community-based programs. The 2004 budget provides a \$3 million increase for USGS to enhance science support to Interior's bureaus to meet their high-priority needs.

I appreciate the opportunity to run through some of the details of our budget. And I thank you for the opportunity to be here today to discuss this with you. As you can see, we are working to better manage our lands and resources through partnerships. Our ability to leave a legacy of healthy lands and thriving communities depends on how well we work together. Our 2004 budget sets the tools through which these partnerships can flourish.

Thank you.

[The prepared statement of Secretary Norton follows:]

PREPARED STATEMENT OF HON. GALE A. NORTON, SECRETARY OF THE  
DEPARTMENT OF THE INTERIOR

I am pleased to be here today before the Committee on Energy and Natural Resources to discuss with you the fiscal year 2004 budget for the Department of the Interior. I appreciate the opportunity to highlight a number of important initiatives and to answer questions that you might have. As an introduction to our 2004 budget request, I'd like to offer some observations about the Department's mission. We take a great deal of pride in our mission to:

- Protect and manage the Nation's natural resources and cultural heritage;
- Provide scientific information about those resources; and
- Honor our special responsibilities to American Indians, Alaska Natives and affiliated Island Communities.

Our responsibilities touch the lives of each individual across the Nation. How well we fulfill our mission influences:

- Whether farmers will have water and people can turn on the tap;
- Whether our children will enjoy America's grand vistas, places, and history;
- Whether we can hike, bird watch, canoe, or hunt and fish in the great American outdoors; and
- Whether our landscapes are healthy and our communities are thriving.

## BUDGET OVERVIEW

Our 2004 \$10.7 billion budget request provides the single clearest statement of how we plan to honor these commitments in the upcoming year. It lays the foundation for us to build a legacy of healthy lands and thriving communities, including:

- **Resource Protection**—Reflecting the Department's multiple missions, the budget proposes \$2.6 billion to fund programs that improve the health of landscapes, sustain biological communities, and protect cultural resources.
- **Serving communities**—The budget proposal includes \$5.0 billion to serve communities through fire protection, generation of scientific information, education investments for American Indians, and through activities to fulfill responsibilities toward American Indians, Alaskan natives, and the Nation's affiliated island communities.
- **Resource Use**—Interior lands include many working landscapes where ranchers, energy partners, and other entrepreneurs help maintain thriving American communities and a dynamic economy. The budget includes \$1.5 billion to provide access for these important uses.
- **Recreation**—\$1.4 billion in FY 2004 budget investments will ensure recreational opportunities for all Americans in the network of public lands, parks and refuges that the Department administers.

In total, the 2004 budget is the largest presidential request in the Department's history. This budget proposal is about 25 percent higher than the 2000 appropriations level of \$8.6 billion, and represents an increase of \$344.1 million, or 3.3 percent, over the amounts called for in the President's 2003 budget request. Permanent funding that becomes available as a result of existing legislation without further action by the Congress will provide an additional \$3.0 billion, for a total 2004 Interior budget of \$13.7 billion. The Department anticipates that it will collect \$7.8 billion in receipts in 2004, equivalent to 73 percent of Interior's current appropriations request.

The 2004 request includes \$9.8 billion for programs funded in the Interior and Related Agencies Appropriations Act, an increase of \$319.0 million or 3.4 percent over the 2003 President's budget.

The budget includes \$916.2 million for programs funded in the Energy and Water Development Appropriations Act, an increase of \$25.1 million, or 2.8 percent above the 2003 President's budget.

## TRUST PROGRAMS

Nearly one-half of our \$344 million increase for 2004 will fund trust reform initiatives. While the overall budget request is approximately 3.3% over the FY 2003 request, our FY 2004 Indian trust budget request is 44% higher than what was requested for FY 2003.

Fulfilling our Trust responsibilities remains one of the Department's greatest challenges. The Department has responsibility for the management of 100,000 leases for individual Indians and Tribes on a land trust that encompasses approximately 56 million acres. Leasing, use permits, sale revenues, and interest of approximately \$226 million per year are collected for approximately 230,000 individual Indian money accounts, and about \$530 million per year are collected for approximately 1,400 tribal accounts per year. In addition, the trust manages approximately \$2.8 billion in tribal funds and \$400 million in individual Indian funds.

Interior faces many challenges in reforming the management of its Indian trust responsibilities. First, the Department has not been well structured to focus on its trust duties. Second, fractionated interests in individual Indian allotted land continue to expand exponentially with each new generation. Today, there are approximately four million owner interests in the 10 million acres of individually owned trust lands. These four million interests could expand to 10 million interests by the 2030 unless an aggressive approach to fractionation is taken. There are now single pieces of property with ownership interests that are less than 0.000002 percent of the whole interest.

Third, there are 230,000 open individual Indian money accounts, the majority of which have balances under \$100 and annual transactions of less than \$1,000. Interior maintains thousands of accounts that contain less than one dollar, and has a responsibility to provide an accounting to all account holders. Unlike most private trusts, the Federal Government bears the entire cost of administering the Indian trust. As a result, the usual incentives found in the commercial sector for reducing the number of accounts do not apply to the Indian trust.

An increase of \$112.5 million for the Office of Historical Trust accounting will support the Department's plan to conduct a historical accounting for individual In-

dian money accounts and to account for funds in Tribal accounts. On January 6, 2003, the Department presented a plan to the District Court in *Cobell v. Norton* for the historical accounting for about 260,000 IIM accounts. The work described in that Plan is expected to take five years to complete and is preliminarily estimated to cost approximately \$335 million. The budget includes \$130.0 million for these historical accounting activities. Funds also will be used to provide for historical accounting activities related to tribal accounts.

The 2004 budget proposes \$21.0 million for Indian land consolidation, an increase of \$13.0 million, to expand pilot efforts to reduce the fractionation of individual land ownership interests into a nation-wide program. During 2003, we will establish a national program office, standardize business practices, and develop a strategic plan to guide expansion to more tribal reservations.

Interior is reorganizing trust functions in BIA and OST. The new organization was developed after detailed analysis of the prior organization and a year-long consultation process with tribal leaders. In one of the most extensive consultation efforts ever undertaken by the senior management level at the Department on any issue relating to Indian Country, over 45 meetings with tribal leaders provided detailed findings and recommendations. The new organization reflects a synthesis of the views heard during the consultation process. It will meet fiduciary trust responsibilities, be more accountable at every level, and operate with people trained in the principles of trust management. The 2004 budget provides an increase of \$15.0 million to support the new organization, which together with base funding available in BIA and OST will provide resources needed for the new organization in 2004.

The proposed \$168.5 million increase for trust management reforms includes funding to help rebuild Bureau of Indian Affairs information technology infrastructure to support trust and non-trust programs. The BIA's information infrastructure and security use outmoded hardware and software that do not meet lifecycle management and systems architecture principles, and do not comply with the security requirements of OMB Circular A-130 and the Government Information Security Results Act. The Department requests IT funding for the significant new investments needed to address these challenges.

The 2004 budget includes increases of \$29.5 million for a ground-up rebuilding of the BIA IT infrastructure to support trust, as well as non-trust programs, and \$2.5 million for Interior-wide IT security. The proposed rebuilding will fit within the enterprise architecture and includes full business cases for proposed investments. The 2004 budget also proposes an increase of \$4.5 million to accelerate a new strategy to administer, manage, search, retrieve, and store trust records. Reform efforts to date have improved records collection and security. However, recent Interior reviews have resulted in a reassessment of the resource requirements needed to establish proper records retention schedules, establish and implement record keeping requirements, safeguard records, implement and maintain training programs, and meet records-retrieval needs in an effective and cost-efficient way.

#### COOPERATIVE CONSERVATION INITIATIVE

The 2004 budget lays the foundation for a legacy of healthy lands, presenting a blueprint for fulfilling the President's vision of a new environmentalism of citizen stewards and cooperative conservation. Building partnerships lies at the heart of this effort. Last year's budget proposed a Cooperative Conservation Initiative. This year, our budget again includes a Cooperative Conservation Initiative, structured around bureau Challenge Cost Share programs and other existing cooperative conservation grant programs.

The Cooperative Conservation Initiative, funded at \$113.2 million, will empower citizen stewards to conserve and protect natural resources, while also achieving important community and economic goals. The Initiative builds on existing conservation partnership programs and will provide new and expanded opportunities for landowners, land managers, and others to participate in projects that foster innovation and create incentives for stewardship. Our budget also provides funds for a public lands volunteers program.

The 2004 CCI request builds upon Interior's long history of working collaboratively with others. It builds on existing conservation partnership programs, including the challenge cost share programs of the Bureau of Land Management, Fish and Wildlife Service, and National Park Service, as well as FWS's Partners for Fish and Wildlife program, Coastal program and Migratory Bird Joint Venture program. This initiative also funds a program of volunteers to increase public awareness of, and appreciation for, natural and cultural resource protection.

The CCI request includes a \$9.1 million increase for the Partners for Fish and Wildlife program, the largest increase ever provided to this program. The Fish and

Wildlife Service will partner with 2,500 additional landowners on the program's waiting list. These new partnerships will restore an additional 19,298 acres of wetlands; 83,601 acres of native grasslands, forest and other uplands; and 241 miles of riparian and in-stream habitat over 2003 levels.

#### CONSERVATION GRANTS

The Private Stewardship grants and the Landowner Incentive Program recognize continuing opportunities for conservation of endangered and threatened species through partnerships with private landowners. The budget request includes \$50.0 million for Private Stewardship grants and the Landowner Incentive program. Interest in the State portion of the program is high, with over 80 grant requests totaling \$61.0 million for the program's first year.

The 2004 budget request includes a comprehensive, partnership approach to meeting the President's commitment for fully funding the Land and Water Conservation Fund. The 2004 LWCF program includes \$662.4 million for the Department. It emphasizes conservation partnerships with States, Tribes, local communities, and private citizens, including a strong State grant program, and reduced Federal land acquisition. This proposal recognizes the costs of adding to the significant land holdings that are already managed by the Department and our commitment to take better care of these lands. It also recognizes the value and cost-effectiveness of partnerships. We can accomplish our conservation goals by conserving endangered and at risk species through conservation easements, working with private landowners to enhance habitat for endangered and at risk species, and other innovative partnership approaches.

#### CONSERVING WILDLIFE AND FISHERIES

March 14, 2003 marks a milestone in the history of wildlife conservation in America—the centennial anniversary of the national wildlife refuge system. Reflecting the importance of this event and the record of conservation established through this unique system of lands and resources, the 2004 budget builds on last year's historic \$56.5 million budget increase for the national wildlife refuge system by requesting a total of \$402.0 million for refuge operations and maintenance, an increase of \$25.5 million over 2003. The total budget request for the Fish and Wildlife Service is \$1.3 billion.

The Fish and Wildlife Service fisheries program has played a vital role in conserving and managing fish and other aquatic resources. The 2004 budget enhances the Federal contribution to aquatic resource conservation partnerships, by providing an \$8.8 million increase for the FWS fisheries program. The request includes an \$8.1 million increase for the national fish hatchery system for priority recovery and restoration tasks and advancing shared applied science. Also included is a \$1.0 million increase to combat aquatic nuisance species, part of the larger, coordinated inter-departmental effort discussed below.

#### OTHER PARTNERSHIPS

As stated earlier, the 2004 budget is based on a vision of partnerships and leaving a legacy of healthy lands and thriving communities resulting from efforts to work together across landscapes and across communities. The 2004 budget sets forth the tools through which these partnerships can flourish and leave a legacy of healthy lands and thriving communities.

The Department's parks, refuges, and public lands host nearly 500 million visitors a year and provide access for economic uses, activities that fuel the economic engines for communities adjacent to our Federal lands. Recognizing that the Department's decisions can greatly impact these gateway communities, the Department is working in partnership with the people who live on the private lands that border these areas and developing collaborative approaches to address local issues.

Everglades—The Everglades restoration effort also affirms the power of partnerships. As stewards of about one-half of the remaining Everglades ecosystem, the Interior Department works with a broad team of Federal, State and local partners. In 2004, the President's budget includes \$111.8 million for Interior Everglades activities, an increase of \$15.7 million above the 2003 request. The request includes \$40.0 million to protect the Big Cypress National Preserve by acquiring the Collier family's mineral right holdings.

Exemplifying the partnership approach to this restoration effort, the Department is building stronger coalitions to implement the restoration program, including:

- Forming an advisory committee for public input to land managers in South Florida on a wide range of issues;

- Providing scientific expertise to the State and the U.S. Army Corps of Engineers to meet the objectives of the Comprehensive Everglades Restoration Plan; and
- Taking steps to ensure that appropriate quantities of water are distributed at the right times and in the right places to restore the unique Everglades ecosystem.

**Invasive Species**—The Department is participating in an interagency performance budget to promote invasive species management that is being coordinated by the National Invasive Species Council. The 2004 budget proposes an additional \$9.0 million for the Department's portion in this interagency effort.

This increase will allow Interior to participate in the control and management of tamarisk and giant salvinia in the southwest; conduct ballast water research; control and eradicate nutria in the Chesapeake Bay and in Louisiana; plan early detection and rapid response to eradicate outbreaks of sudden oak death in eastern hardwood forests of the central Appalachian Mountains; and develop a marine invasive species early detection warning system.

**Abandoned Mine Reclamation and Clean Streams**—Through partnerships the Office of Surface Mining is restoring streams impacted by coal mining. Its Clean Streams program involves State and local groups to enhance miles of riparian areas. The President's budget request includes \$281.2 million for State and Federal programs to protect the environment during coal mining, assure prompt reclamation after mining, and clean up abandoned mine lands. This is \$1.8 million more than is budgeted for 2003. The request will enable OSM to continue directly administering Federal regulatory and reclamation programs in States that do not operate their own surface mining programs as well as on Federal and Indian lands, and to reclaim 6,900 acres of disturbed land and other hazards that threaten human health and welfare and environmental quality.

**Payment of Lieu of Taxes**—The President's proposal calls for \$200.0 million for Payments in Lieu of Taxes, to compensate States for Federal lands that cannot be taxed by local governments, an increase of \$35.0 million over the proposed 2003 budget. The 2004 budget proposes to move the program from the Bureau of Land Management to the Departmental Management account to reflect the breadth of this program. The lands on which the payments are made are administered by the NPS, FWS, and USDA Forest Service, as well as by the Bureau of Land Management.

#### WILDLAND FIRE AND HEALTHY FORESTS

Building a legacy of healthy lands and thriving communities means applying a healing hand to the landscape. The Department is advancing the President's Healthy Forests Initiative to reduce decades-long build-ups of underbrush and unnaturally dense forests.

The budget proposes \$698.7 million for wildfire prevention and suppression and Healthy Forest initiatives in fiscal year 2004. This is a \$45.0 million, or 7 percent increase over last year's budget proposal. The request includes continued funding for a robust fuels treatment program at \$186.2 million, 400 percent above spending in 2000. At this funding level, the Department will treat 307,000 high priority acres in the wildland-urban interface and an additional 768,000 acres that are not in the wildland-urban interface.

The Department is also taking a number of steps to improve the productivity and performance of the fuels program that will help the Department's firefighting bureaus take maximum advantage of the opportunity for fuels treatment projects at the beginning of the fiscal year when weather and workload conditions for fuels treatments are optimal. The Department is accelerating project planning and selection, issuing policy guidance and proposed legislative language designed to facilitate and expand contracting in the fuels program, and issuing policy guidance to expedite the budget allocation process for the fuels program and individual projects.

The fuels treatment program is key to restoring forests and rangelands to long-term health and preventing damage caused by catastrophic wildfires. One approach to improving forest health that holds promise is stewardship contracting. Stewardship contracts allow the private sector, non-profit organizations, and local communities to productively use materials generated from forest thinning.

The 2004 budget proposal also calls for \$282.7 million for fire preparedness, including an increase of \$5.0 million for aviation contract costs. The fire suppression request of \$195.3 million reflects a \$35.0 million increase to fund suppression operations at the revised 10-year average. This funding level will provide resources to respond to an "average" fire year without having to rely on emergency borrowing that can be disruptive to other Interior programs. The Department is also working to develop new and improved current cost control strategies for suppression. The



budget also includes \$24.5 million for rehabilitating burned areas. Timely stabilization and rehabilitation of severely burned areas are critical to prevent further damage due to erosion, loss of soil nutrients, and the introduction and spread of invasive species. The budget also continues funding for Rural Fire Assistance at \$10.0 million. Frequently, local firefighting departments are the first responders to wildland fires on public lands and play a vital role in preventing fires from escaping initial attack and becoming exponentially more expensive to suppress. In 2002, the Department assisted 5,349 rural and volunteer fire departments through grants, technical assistance, training, supplies, equipment, and public education support.

#### HELPING TO MEET THE NATION'S ENERGY NEEDS

Interior plays a central role in meeting the Nation's energy needs. Conservation, renewable energy, and traditional energy sources all play an intertwined role in helping the Nation meet these needs. The budget supports the President's and the Department's goal for increasing domestic energy supplies from a variety of sources, in an environmentally acceptable manner, with a special emphasis on developing renewable energy sources on Federal lands.

The 2004 budget request includes a net increase of \$3.6 million for BLM energy-related programs, including expanded energy development on the Alaska North Slope and an expanded renewable energy program. The budget proposal includes an increase of \$425,000 for activities on the North Slope, for a total of \$8.4 million. Funding will support planning for sales in the National Petroleum Reserve-Alaska, and, if authorized, the Arctic National Wildlife Refuge. Congressional authorization will be required for a lease sale to be conducted in ANWR.

The budget requests an increase of \$2.0 million for BLM to strengthen inspection and enforcement activities, targeted primarily to the Powder River and San Juan basins. The budget also proposes a \$500,000 increase to expand resource monitoring to improve assessment of the cumulative impacts of oil and gas development, especially on cultural resources and species at risk.

The 2004 budget includes \$2.0 million for renewable energy resources. This includes an increase of \$850,000, or nearly 77 percent, over the 2003 budget to support the development of geothermal energy on public lands, as well as increasing wind and solar energy opportunities.

The Outer Continental Shelf is projected to produce over 25 percent of both the Nation's oil and natural gas in 2003. The Minerals Management Service is the primary steward of the mineral resources on the OCS. The MMS budget of \$171.3 million includes an increase of \$1.6 million to meet increased workload brought about by the demand for Outer Continental Shelf program services in the Gulf of Mexico. The 2004 budget includes a total of \$11.6 million, an increase of \$2.9 million over 2003 funding levels, for MMS to employ innovative business processes and advances in electronic technology in the offshore program, and an increase of \$300,000 to investigate the energy resource potential found in methane hydrate formations. The MMS will also invest an additional \$3.0 million to operate and maintain its minerals revenue management and royalty-in-kind systems.

The 2004 BIA request includes a \$2.0 million increase for grants to Tribes to evaluate mineral resource potential on tribal trust and restricted lands. The request also includes \$1.0 million to help Tribes expedite the development of tribal regulations governing mineral leasing and permitting, and rights-of-way of tribal lands required under the Energy Policy Act, 2002.

#### TAKING CARE OF PARKS

Complementing the Department's cooperative conservation commitments is a continued investment in taking care of National Parks. The President's budget proposes a \$2.4 billion budget for the National Park Service, an increase of \$8.3 million above the President's 2003 proposal.

This budget continues the Department's commitment to fulfill the President's pledge of addressing the maintenance backlog in National Parks, proposing \$705.8 million this year toward this effort, a \$44.7 million or seven percent increase over 2003. The budget includes an increase of \$9.0 million for cyclic maintenance. This increase will provide additional funds for regular maintenance activities and will help the NPS keep pace with its maintenance needs and prevent additional projects from becoming deferred. It also includes an additional \$8.2 million for the repair and rehabilitation program, including a \$2.6 million increase for comprehensive condition assessments at parks. Data collected through the condition assessments will be used in 2004 to evaluate progress in eliminating the deferred maintenance backlog, as measured by a facility condition index.

To date, our accomplishments are impressive. For example, the Many Glacier Hotel at Glacier National Park was built in 1914. A highly recognized National Landmark, this facility signifies an important period in the development of the National Park Service. Due to the harsh climate and insufficient maintenance in the past, this important landmark had deteriorated to a stage where emergency stabilization was necessary. The Department is in the process of stabilizing this important facility.

But we still have more work to do. A key focus in the 2004 budget will be to improve park roads. Here, too, the Department is reaching out to partners. A signed memorandum of agreement with the Federal Highway Administration will help us achieve our road maintenance goals efficiently. The Department of Transportation's 2004 budget proposes \$300.0 million in 2004 for Park road repair as part of the reauthorization of TEA-21, bringing the total park maintenance budget to over \$1 billion.

In the National Park Service, the Natural Resource Challenge helps Park managers improve resource management by strengthening the scientific base of knowledge about park resources. Our budget proposes \$76.1 million, an \$8.5 million increase over 2003, for the program. This increase will provide a three-year cumulative total increase of over \$104 million above the 2001 level. The Natural Resource Challenge is an integral component of President Bush's ongoing commitment to improving natural resource management in Parks.

#### WATER INITIATIVE

The 2004 budget also proposes ways to manage water carefully and creatively for people, land, and the environment. The poet Thomas Hornsby Ferris, wrote about the West: "Here is a land where life is written in water."

What was true 100 years ago remains true today. Managing water wisely lies at the heart of maintaining healthy lands and thriving communities. The budget request includes \$11.0 million to launch a Bureau of Reclamation Water Initiative that uses collaboration, conservation, and innovation to make sure every drop of water counts. This initiative is expected to benefit communities currently struggling with increased water demands, drought, and compliance with the Endangered Species Act. The funding increase will be used to: develop pilot projects that demonstrate how to prevent crises-level water conflicts in the West; expand the use of science to improve desalination technology, promote adaptive management of watersheds, and fund peer review of Endangered Species Act consultations; design water management programs that address environmental needs on a basin-scale; and train Reclamation employees to help them better carry out the ESA as it relates to Federal actions.

Including the \$11.0 million water initiative, the 2004 budget proposes \$878.0 million for the Bureau of Reclamation. The request also includes \$58.0 million for the Animas-La Plata Project; \$170.1 million for the Central Valley Project; \$20.8 million for the Klamath Project; \$34.1 million for Central Arizona Project; \$17.4 million for the Middle Rio Grande Project; and \$15.0 million for the California Bay-Delta Restoration Project.

#### INDIAN EDUCATION

No task is more important to the American community than educating its children. In education, the President has committed to "leave no child behind." At Interior, this commitment centers on the 48,000 children educated at schools operated by the Bureau of Indian Affairs or by Tribes under BIA grants or contracts.

The budget request for Indian education continues the President's commitment with a robust \$528.5 million school operations budget request, including funding for teacher pay increases. The budget includes \$3.0 million to establish a separate fund for new administrative cost grants to encourage more Tribes to exercise their authority to operate BIA schools by providing full funding for start-up costs for the first year of tribal operation of bureau-operated schools.

Children deserve safe, functional places to learn. The 2004 budget invests \$292.6 million in school facilities, including funds to replace at least seven high priority school facilities and to repair schools identified in the Indian school maintenance backlog. The President's goal is to eliminate the backlog by 2006.

#### RECREATION

With almost 500 million visits each year to the Department's lands, Interior provides a wide array of recreational opportunities, including fishing, hiking, hunting, camping, and wildlife viewing. Public lands managed by the Bureau of Land Man-

agement provide recreational venues for a growing population in the West, hosting over 60 million visitors annually.

The 2004 budget requests an increase of \$5.2 million to enable the Bureau of Land Management to continue to provide quality recreational opportunities. BLM will address transportation and access needs and challenges, expand interpretive and other visitor services, and support greater outreach and consultation efforts to help resolve user conflicts in the face of growing visitation.

In recreation as in conservation, partnering is central to achieve our recreation goals. The Department depends on the contributions of 200,000 volunteers, almost three times Interior's Federal workforce, to help address resource protection and public recreation needs. Over 126,000 volunteers work in parks, the rest work in refuges, public lands, and other Interior sites across the country. In 2004 volunteers will assist NPS staff with important park projects including the Lewis and Clark bicentennial, the Powered Flight centennial, and the Jamestown 400th anniversary. The budget request proposes to increase funding by \$1.5 million for partnership efforts and volunteer recruitment and training. A \$1.0 million increase is aimed at bolstering volunteer participation and improving park capacity to supervise, train, and reward volunteers. An increase of \$500,000 will allow NPS to establish full time volunteer coordinators to manage an expanding program.

The Department's partnerships include working with States. Today, the LWCF State grant program is a cornerstone of the Secretary's commitment to involve State governments in conservation and recreation activities. This program, enacted in 1965, helps States develop and maintain high quality recreation areas and stimulate non-Federal investments in the protection and maintenance of recreation resources across the United States. Reflecting the President's goals, the Interior LWCF program seeks to promote cooperative alliances, leave land on State tax roles, and achieve conservation goals by emphasizing innovative alternatives to fee simple title purchases, such as conservation easements and land exchanges. This emphasis also enables Interior land management agencies to focus more funds on caring for lands already under their management.

The President's budget fully funds the Land and Water Conservation Fund at \$900.7 million. The LWCF proposal calls for \$160.0 million in State grants, an increase of \$10.0 million over FY 2003 budget proposal, and a \$16.1 million increase over the 2002 level enacted by the Congress.

#### LAW ENFORCEMENT AND SECURITY

The budget calls for increases of \$34.7 million for Interior's law enforcement and security programs. The money would be used to hire additional personnel, provide more training, and improve security operations. This includes an increase of \$28.7 million that is earmarked for strengthening law enforcement and security operations at key Interior visitor sites and \$6.0 million to increase protection and law enforcement at Interior refuges, public lands, and parks along U.S. borders with Mexico and Canada. Of this increase \$26.8 million is slated for security improvements at the Jefferson National Expansion Area in St. Louis, Missouri; Independence National Historical Park in Philadelphia, Pennsylvania; and the Washington Monument in Washington, D.C.

#### SCIENCE

All of the Department's efforts require good information. Scientific information is the cornerstone for Interior's natural resource management activities, providing a basis for making decisions about resource protection, resource use, recreation, and community-based programs. The USGS has the principle responsibility within Interior to provide its bureaus the earth and natural science information and research necessary to manage the Nation's natural resources.

The President's 2004 budget proposes \$895.5 million for the USGS, a net increase of \$28.2 million over the FY 2003 request. This includes a \$4.0 million increase to expand invasive species research and develop a model for a national early warning invasive species detection network for land managers. It also includes \$3.0 million increase for the Science on the DOI Landscape initiative to provide dedicated funds for enhanced science support to Interior's bureaus to meet their high-priority science needs.

#### CONCLUSION

The Interior Department's responsibilities lie at the confluence of people, land, and water. The 2004 budget funds programs that support our broad and multiple missions. Leaving a legacy of healthy lands and thriving communities requires re-

sources, creativity, and, above all, collaboration. The 2004 budget supports this vision of forging partnerships.

This concludes my overview of the 2004 budget proposal for the Department of the Interior and my written statement. I will be happy to answer any questions that you may have.

Senator THOMAS. Thank you, Madame Secretary. Appreciate your statement.

What we plan to do here is: the chairman, before he left, and Senator Bingaman have made opening statements. Now I think we will go around in the order that you arrived and have 5 minutes for questions or statements, whatever you would choose to do. So I will begin with that.

Thank you again for your being here. Thank you for your efforts at the Department. I think you have done very well over time. Certainly you have lots of priorities to deal with, with a certain amount of fiscal discipline that has to go with that. And we are all faced with that, of course. It is a big job, and we can do it.

You mentioned the healthy forest thing. I have been seeing, on the TV, some ads that indicate that the healthy forest is simply a way of allowing the lumbering people, the logging people, to have unlimited access. How do you react to that?

Secretary NORTON. First of all, when we look at most of the areas for which the Department of the Interior has responsibilities, these are not areas where anybody has great designs for timber production. These are areas where we have to entice people to come in and do the care that the forest needs.

For example, some of our fields treatment projects deal with tamarisk, otherwise known as salt cedar. It is basically a shrub that grows along riverbanks. It is an invasive species. So we are dealing with that.

We are dealing with areas where the forests are 10 times or 15 times as dense as they were in 1900. And so most of the trees, rather than being giant, healthy trees, are scrawny and small, because they are too closely crowded together. If we thin out those forests, we not only minimize fire danger, we improve the health of those forests.

Senator THOMAS. I hope we can get a little of that information out and in the public, because I certainly agree with you.

One of the specifics is: The administration is recommending an extension of AML fees through 2013. As you know, this program has been in place for a number of years. It was designed to collect a certain amount of money from the mines, both open pit mines and underground mines. The money was to come to the Government, the Federal Government, half of it to be returned to the States. That has not been the case. The States have not gotten their share. As a matter of fact, there is owed about \$900 million to the various States and Indian reservations.

If this is renewed, do you have some efforts to comply with the law, as it has been, or do you expect to change the law? What is the financial arrangement with that?

Secretary NORTON. We will certainly be working with all of you on going forward with reauthorization of this program. As you know, there are a number of demands on that, including paying for mineworker benefits from the interest on the funds that are on hold. I think we need to address the really serious problems that

still exist from abandoned mines, that in some parts of the country are true health and safety problems. And so that is our highest priority. We want to work with you to make sure that is addressed.

Senator THOMAS. Well, I hope if we renew it, renew it as it is, that then we comply with the law, which is to return 50 percent of that to the State that made the contribution. And we will be pressing for that.

Very quickly, energy, of course, production and so on, we want to do in a fashion that protects the environment and this and that. And yet, we want to continue to do it. Is there an effort here, particularly among the BLM, to be able to produce permitting more quickly? That seems to be one of the difficulties in terms of production in the West.

Secretary NORTON. We can get you the exact amount, but we do have funding for both increased permitting and also increased oversight and monitoring of activities. And so we are carrying forward with the environmental planning and with permitting.

Senator THOMAS. Very quickly, you mentioned the Homeland Defense aspect of the national parks, for instance, that are on the border of both Canada and Mexico. How do you intend to increase the security there? And do you do it as Park Service people, or does that then become a responsibility of Homeland Security? How do you see that happening?

Secretary NORTON. We have responsibility, through the Park Service and Fish and Wildlife Service, BIA, and BLM lands that are on the border, to provide law enforcement for our lands. The border patrol has the primary responsibility for dealing with the influx of illegal immigrants and with the drug trafficking and so forth. So we are trying to work in partnership with them. It is my understanding that they have a significant increase in their budgets for the coming year as well.

Senator THOMAS. It is my understanding, however, they have not been on the scene in the parks.

Secretary NORTON. Their primary focus has been on the portals, the specific areas where people come through, and on the urban areas. Ours are way off far from those urban areas. So we are looking at the Organ Pipe in Arizona, for example, at a vehicle barrier along the border, as one way of trying to stem that flow.

Senator THOMAS. I see.

Senator Bingaman.

Senator BINGAMAN. Thank you very much.

Let me ask on the oil and gas—this is something of a follow-up to Senator Thomas's question—I wrote a letter in September of last year to Kathleen Clark. And she responded to me about the number of inspectors for the I&E activities that the BLM is engaged in in the San Juan Basin. She indicated that they were committed to hiring an additional 13 inspectors. This is because of the increased activity there, coal bed methane activity, but also disputes between coal lease owners and methane operators.

Do you know if those inspectors are going to be hired this fiscal year?

Secretary NORTON. It is my understanding that that is on track.

Senator BINGAMAN. Okay. That is good. Let me also ask one other New Mexico-specific issue. We have a group called the Rio

Puerco Watershed Management Committee, which we set up many years ago. And it is a model for collaborative decision making to try to rehabilitate a degraded watershed. Do you know if the BLM is requesting funds for that group?

Secretary NORTON. Let me ask John Trezise to respond.

Mr. TREZISE. Senator Bingaman, yes, we are. I believe it is \$400,000. But we will confirm that with your staff.

Senator BINGAMAN. If you could give us specifics on that, I would appreciate it.

On rural water issues, I know, as I indicated in my opening statement, there is no request to fund some of the rural water projects. I wondered if you could explain why you did not seek any funding for those.

Secretary NORTON. There are two aspects of that. The first is that for many of our programs we had to weigh things against Indian trust allocation, because that was our highest priority with a \$160 million increase. We have had to look very closely at other programs.

As we looked at the rural water program, OMB did something called a program assessment rating that looked at that program's effectiveness. This was a program that they found was not effective, had poorly defined goals and criteria. It did not compare well with programs at USDA and EPA that had similar goals.

Our program serves about 350 people for every \$1 million that we spend. USDA and EPA serve about 1,600 to 1,700 people. So they are able to serve about 5 times as many people. And so we want to see how our program can be made more effective and work with you all on some overall approach and goal setting for the program.

Senator BINGAMAN. Then you would be willing to work with us on some comprehensive legislation related to rural water projects in this Congress.

Secretary NORTON. Yes, sir. That is exactly what we would like to work on.

Senator BINGAMAN. Okay. There was something in the paper about the Department intending to outsource the science program at the National Park Service. Can you explain what you are intending to do there, and any other outsourcing that you anticipate in the Park Service?

Secretary NORTON. Senator, that was one of those things that was sort of so far off track it is hard to begin to explain. In essence, we were going through the legislation that was adopted, called the Fair Act, that requires us to look at programs to see if they are appropriately outsourced. We are meeting the goals established through the President's management agenda of examining programs. But that in no way means that we are outsourcing all of those programs. We are simply examining them to see if it is appropriate.

The current approach has been, in examining programs, to look at positions to outsource basically where no one will lose a job. We have a huge turnover coming up with people who are eligible for retirement. In some of our programs, about 60 percent of our people will be eligible for retirement in a few years.

In those areas, we are looking at outsourcing and to provide areas for people to move into if we do decide to outsource some things. With a Department that is facing a huge turnover of employees in coming years, we are looking at what makes sense to be done internally and what should be outsourced.

We have been working closely with our employee unions, trying to do something in a comprehensive way, and right now we are the only department, as far as I know, that has an agreement with the employee union on going forward with this.

Senator BINGAMAN. Do I still have some time?

Senator THOMAS. That little red light there.

Senator BINGAMAN. That means stop?

Senator THOMAS. Yes, sir.

[Laughter.]

Senator BINGAMAN. All right. I will stop.

Senator THOMAS. Thank you.

Senator Alexander.

Senator ALEXANDER. Mr. Chairman, Secretary Norton, thank you for being here.

A couple of years ago, a \$16 million rider was attached to a Department of Transportation appropriations bill authorizing the building of a road along the north shore of Fontana Lake in Swain County, North Carolina. The road goes through some of the most pristine wilderness areas in the Great Smokey Mountain National Park.

Is the administration for or against building this road?

Secretary NORTON. I had the opportunity to visit the Great Smokeys a few months ago, and so I am familiar with the road that you are talking about. We are going through an environmental assessment or—excuse me—environmental impact statement process right now. We are just at the very beginning phase of that. And we do not have a position on that. We will look to see what the environmental review tells us.

Senator ALEXANDER. Well, I hope you will keep me and the committee informed of what you find. And this is, if I may say, a spectacularly bad idea, that I would hope all the members of the committee would be aware of. The Great Smokey Mountain National Park has about 10 million visitors a year. It is our most visited national park by three times more visitors than Yellowstone. It is managed as a wilderness area. And it has one road through it.

And this road is really a road to nowhere. In 1984, when I was governor, I came to this committee and testified before it. And if I could read just a couple of sentences from my testimony on March 27, 1984.

There is a lot of talk about a road from Bryson City to the Hazel Creek embankment. But it does not go anywhere else. It just goes there and back. And it is the most rigid, pristine park of the Great Smokey Mountain National Park. It does not go from one city to another. That road has already been built. So the people who need to go from Bryson City to Fontana can get there. This is just into the park.

I hike that trail. It is a very narrow trail. It would be huge environmental problems. Now I recognize that the Federal Government has a commitment to the people of Swain County. And there have

been many suggestions made over time that that might be satisfied in a lump sum. And I would like to work with the administration or members of the House or members of the Senate in working something out. But I hope that I can place as big a red flag as possible on this road to nowhere and hope that it is never built.

Senator Bingaman asked a little while ago about funding for the Land and Water Conservation Fund. What would the administration's attitude be if the so-called ANWR legislation were to pass authorizing the drilling for oil in Alaska, of taking a significant amount of those revenues and using that money to fill up the Land and Water Conservation Fund for the building of neighborhood parks and other such environmental assets?

Secretary NORTON. Well, as the energy bill has progressed, there have been various proposals for how to use the funding that would come from ANWR. Using some of that funding for conservation purposes is something that is part of the administration's original conception, and so we are receptive to that.

Senator ALEXANDER. And on one last question, if I may: I appreciate your mentioning the larger amount of dollars in the administration's budget for road maintenance in the park, in the Smokeys, as an example. About half the maintenance work in the park is done by volunteers, which is both a good thing and a bad thing. We need more money, as well as the volunteers.

And I would hope that the administration would hang tough in the discussions in another committee and in the Congress as the road building plans go through Congress and make sure that in the highway transportation bill, money is allocated from there to do maintenance on existing roads in our National Park System because that by itself would probably—well, let me ask you this: What part of the national park maintenance backlog is maintenance on existing roads?

Secretary NORTON. It is about half of the backlog. We have funding to put this on track toward dealing with that. We are also working to make that program more efficient. There are a number of things, as we talk with the Federal Highway Administration, where they could help us more efficiently address that backlog.

Senator ALEXANDER. So new dollars from a transportation bill that put revenues into existing roads could reduce the national park maintenance backlog by half. And then we could take appropriation dollars and go to work on other needed maintenance problems.

Secretary NORTON. Yes.

Senator ALEXANDER. Thank you, Mr. Chairman.

Senator THOMAS. Thank you.

Just clarification, the park now receives some direct highway dollars.

Secretary NORTON. That is correct. We right now are getting, I believe, \$175 million, \$165 million. In the Department of Transportation budget, it is \$300 million for park roads.

Senator THOMAS. I just wanted to make that clear.

Senator ALEXANDER. Yes. Thank you, Mr. Chairman.

Senator THOMAS. Senator Campbell.



**STATEMENT OF HON. BEN NIGHTHORSE CAMPBELL,  
U.S. SENATOR FROM COLORADO**

Senator CAMPBELL. Thank you, Mr. Chairman.

And welcome to Secretary Norton, who has done such a great job for our country. And of course coming from Colorado, as she has, we are just very honored to have her in the administration. Before she was in her present offices, you know, Mr. Chairman, she was the Attorney General of Colorado. And I thought she brought a terrific amount of knowledge on public lands issues to the Federal Government.

So, welcome.

Secretary NORTON. Thank you.

Senator CAMPBELL. And to Lynn Scarlett, who represented you so well last summer in the Chairman's State of Wyoming at the Grand Teton meeting we had with the Continental Divide trails, welcome also.

By the way, next year's is going to be Glacier, as I understand it, if you can get it on your calendar early. That is a very important thing to me.

I am not going to ask Colorado-specific questions. I have several, but I think I will just submit those in writing. And I will, rather, just kind rebound in my limited time off of some of the comments you made and just kind of go down the list from my scribbled notes here.

You mentioned the trust fund problem, which is huge. You know as well as I do, Madame Secretary, there are Indian people dying, waiting for their money. It is just wrong to not clear that up as quickly as we can. It is my understanding that the attorneys, by the way, in the Cobell litigation have made over \$1 million in attorney's fees. And yet there are still Indians out there that have not gotten one cent.

One of the things I proposed last year that I would like you to look at, and I am sure you are aware of it, is an opportunity for individual people to opt out of that class action lawsuit to settle with the Federal Government. Now we floated that with the National Congress of American Indians. And they think it has some real merits, as do many individual tribes. And the people that we dealt with in the administration last year, they thought so, too. We did not move forward with it, because the only people that are opposed to it, as near as I can tell, are the attorneys, for obvious reasons. But I would hope that you would look at that and support that as we move along.

Second, you mentioned the fractionization of land and the land consolidation. We are spending sometimes hundreds of dollars to send a person a check for 15 cents. That does not make any sense either. I mean, we have to do better.

We did a demonstration project, a bill, a few years ago that allowed three tribes to consolidate land. It worked terrific. And we tried to expand that to be Indian tribes-wide, nationwide, but we could not get that through last year. I would hope you would look at that and perhaps support that, too.

Third, you did mention the amount of money that the Interior is putting into Indian schools, \$529 million of operating budget and \$293 million for building construction. Frankly, I do not know if

that is enough. We always seem to be behind the curve. And I would like to remind you that Indian tribes have absolutely no other resources to build their schools or for funds, except the Federal Government. That is our responsibility. They have no tax base. They cannot raise the mill levy. They cannot do anything. The funding is totally our responsibility.

And I do not know for sure, but I know of the growth of the Indian kids that are in need. Frankly, I am not sure that is going to be adequate.

You also mentioned energy. And I think that is on everybody's mind now with the increase of gas prices going up day by day and the potential of disastrous problems in Iraq, if the oil fields are burned, if we ended up in a war, and what is happening in South America, too. We know that we are in deep trouble.

There was a section that some of us worked on very hard in the energy bill last year. There was an Indian section. There are still, I mean literally, untold reserves of coal and natural gas, as well as, you know, things like wind and solar, on Indian reservations. And I thought that that section in the energy bill was going to do an awful lot to help reduce our dependency on foreign energy and certainly help people that need the jobs and need the money.

That bill got stuck. We never got the thing out of conference. I understand it is Chairman Domenici's intent to revive that and start with another one. And I am hoping that we will be able to get from the start an Indian section. And I would hope that the administration would look at that and support it, too.

You also mentioned border security. Last year, it is my understanding, was the first time a Park Service employee was killed in the line of duty, first time. There is no doubt between the parks and the Indian land basis, too, that we are going to have a major problem. And I know that a lot of the negotiating and the security will be done between tribes and with the new Homeland Defense Department. But certainly your department is going to be involved in that, too, because of your responsibilities through the Bureau of Indian Affairs to Indian reservations. And I hope that we are going to be able to make sure that that is not a hole in the network of security for America, along those public lands.

And last, I do not have to tell you, coming from Colorado, that fires in the West just devastated us last year. All indications are it is going to do it again. And I know much of the budgets for fire-fighting are going to come through the Forest Service. But certainly fires, they do not know Forest Service from BLM. Once they start, they just burn everything in sight and keep going. And you are aware of that, too, coming from the West.

I would hope that when the time comes, if we need more help, or if you do, if you transfer some funds and do not have enough, you will come to us early to talk to us about it, if we are going to need some emergency money to fight those devastating fires.

And with that, Mr. Chairman, thank you for the time. And I will just submit questions that are Colorado specific.

Thank you.

Senator THOMAS. Thank you, Senator.

Senator Murkowski.

Senator MURKOWSKI. Thank you, Mr. Chairman.

Thank you for being here, Secretary Norton. And my questions will be more Alaska-specific. As you know, you spend an awful lot of your time working on issues that are very close to us. Up in the north, I would like to thank you, first of all, for your assistance with the Trans-Alaska pipeline reauthorization for the next 30 years. That was a big hurdle for us. And in terms of being able to supply gas or—excuse me—oil from the north slope, that reauthorization was very important to us. So thank you.

Thank you, also, for including ANWR in the budget that has been presented. That will be a very key issue for us, not only in terms of the opportunity to hopefully reduce our reliance on outside foreign sources of oil, but it is a very significant jobs issue for us, not only in the State but throughout the country.

I know that you have been up there to visit. I would extend the opportunity again. I know that when you came to Alaska, came to the north slope, you had a pretty bitter trip. And I am told that—

Secretary NORTON. Just bitter cold.

Senator MURKOWSKI. Bitter cold. And I am told that there is a pineapple express in Alaska now. So if you come up now, you will have some warmer weather.

I would like to ask you, Secretary Norton, about the MPRA leasing, the activities that are on schedule for 2005. I would hope that the Department's activities are on track, as far as those leasing activities are. And I just would like a comment to that regard.

Secretary NORTON. Yes. We are going forward with leasing in the National Petroleum Reserve. That is basically on track. We do have funding in this budget for further activities in the Petroleum Reserve.

Senator MURKOWSKI. Okay. And then as the wilderness issues come up, as you know, in the State of Alaska we have more wilderness in the State than in any other State. And there has certainly been a request to your department to study the wilderness issues as they relate to Alaska, recognizing the no-more clause that was included in the ANILCA provisions and a request to thoroughly review that.

We would like to think that when we say that there is not going to be any more wilderness created in the State, that that promise would be kept. I know that the delegation has been very consistent with this. I understand that there will be another letter coming to you this year on that issue. But again, that is something that is very, very critical to our State, and we would like to think that we would have some ongoing conversations on that.

And just in terms of those promises that have been made to the State since statehood under Statehood Act, as they relate to, for instance, the submerged lands, there is a lot out there that the State of Alaska is still waiting for a title to, our lands. As we proceed through this next year, we would hope for the cooperation from the Department on these very important issues.

Secretary NORTON. We do hope that our new recordable disclaimer process should be helpful in dealing with submerged lands issues and so look forward to working with you and the State on resolving some of those things that have been long-standing disputes.

Senator MURKOWSKI. Okay. Thank you.

Thank you, Mr. Chairman.

Senator THOMAS. Thank you.

Senator Akaka.

Senator AKAKA. Thank you very much, Mr. Chairman.

Madame Secretary, it is good to see you again and to have you before our committee—

Secretary NORTON. Thank you.

Senator AKAKA [continuing]. And to welcome you and Assistant Secretary Lynn Scarlett and also John.

Madame Secretary, I have several questions. Actually, I have about six. And I will stay within my time. And I will probably submit some of them for your responses. Thank you very much.

One of the pressing problems, as you know, facing Hawaii is the identification of extensive areas of critical habitat for endangered species. And that is done by the U.S. Fish and Wildlife Service. These actions are currently taking place in Hawaii under court order, but nonetheless Hawaii has the highest number of endangered species in the United States and faces daunting responsibilities to protect the species and to work with the public and conservation efforts. Our State agencies are facing overwhelming challenges and lack the appropriate funds to address those needs.

In fiscal year 2003, the budget request for the cooperative endangered species fund was reduced by \$5.2 million from the fiscal year 2002 enacted level. And this year, the fiscal year 2004 budget is reduced by \$2.28 million from last year's level.

My question to you is: Given the reduction in funding in this program, how do you propose to help States, such as Hawaii, with ever-increasing burdens to protect and restore endangered species?

Secretary NORTON. We do understand the situation that Hawaii faces. Part of our approach is trying to work more closely with the States and with the State wildlife agencies on trying to deal with these issues cooperatively. The approaches that we think will be helpful are included in the landowner incentive program and the private stewardship grant program.

Both of those provide competitive grants for endangered species enhancement on private lands that can have benefits in the overall endangered species program.

Lynn, can you—

Ms. SCARLETT. As it relates to the listing, we do have an increase for the listing of species. But, of course, as you mentioned yourself, many of the listings that we are now doing are under court order. And we still will be challenged to move beyond the court order listings. We do believe we have an adequate budget with our increase, though, to address our most immediate needs on the listing program.

Secretary NORTON. I will also note that the cooperative endangered species program remains at more than three times its historic levels.

Senator AKAKA. Madame Secretary, the budget includes \$15 million for—and I am switching to Compact Impact Aid. And that is to be divided among Hawaii, Guam, and the Commonwealth of the Northern Mariana Islands. In 2001, the number of Compact migrants in Hawaii's primary and secondary public schools increased

by about 28 percent, resulting in costs over \$13 million to the State of Hawaii for the academic year, bringing the total cost in education for citizens from the Freely Associated States for the State of Hawaii to \$78 million since 1988.

In addition, in 2001, Hawaii spent over \$3.4 million to provide medical and social services to Compact migrants. Despite the fact that the Compact authorizes appropriations as necessary to address the impact of the Compact on affected areas such as Hawaii, the State has only received \$4 million since the Compact was enacted in 1986.

My question is: How does the Department intend to distribute Compact impact aid funding during fiscal year 2004? What changes can we expect to receive the legislative proposal codifying the negotiations between the United States and the Federated States of Micronesia and the Republic of Marshall Islands regarding Compact Impact aid for affected areas?

And another part is: Are there any plans for other Federal agencies to pick up some of the Compact impact costs in their areas? For example, the Department of Education and the Department of Health and Human Services?

Secretary NORTON. Those issues are still part of negotiations as those Compacts are being finalized and will be presented to Congress as the Compacts come up for reauthorization. That is something that we are looking at right now, but have not finalized a position.

Senator AKAKA. Mr. Chairman, my time is up.

Senator THOMAS. Thank you, Senator.

Senator Landrieu.

**STATEMENT OF HON. MARY L. LANDRIEU, U.S. SENATOR  
FROM LOUISIANA**

Senator LANDRIEU. Thank you. Welcome, Madame Secretary. Just a few comments—I will have a statement for the record and a couple of questions. And I will try to get it all in in 5 minutes.

But first of all, as I have reviewed some portions of this budget that you are submitting, particularly the Land and Water Conservation Fund and a few issues that the Senator from Tennessee brought up regarding our State parks and the Senator from Hawaii regarding the lack of funding for the preservation of Hawaii and the islands and some of the coastal regions, I have to just comment for the record that this budget may be a stark example of some of the poorest stewardship policies that I have seen in my few years here, but that I am aware have gone on in the years past.

The reason I say that is because we are in the midst of a great celebration in Louisiana and in this Nation, celebrating the 200th anniversary of the Louisiana Purchase, where there was a president probably with equal to or greater calls on the Federal budget in 1803, a Nation struggling to begin itself. You can imagine the pulls on the budget that were before President Jefferson's eyes.

Yet he, with great foresight and great leadership and an extraordinary act, borrowed \$15 million to purchase 825 square miles that helped this country to begin itself, to stand itself up, and to begin an extraordinary legacy that we enjoy today. At 3 cents an acre, he bought that. He borrowed the money.

We cannot seem to scrape together enough pennies, we are asking for here, to preserve the 50 States, the parks, the conservation, the urban parks, the rural parks, the coastal lines. And this budget is really—it is reckless in its presentation.

Now, if we were not generating additional money for the budget, I would say that, you know, we all have to make sacrifices. But the Land and Water Conservation Fund, as you know, which was one of the greatest environmental efforts brought before this Congress and has funded almost every park, whether for a governor or for a mayor or for Congress or for the public generally, is funded out of offshore oil and gas revenues primarily. Now I know something about that, since my State produces 80 percent.

So for the record, I just want to say and submit for this committee that in 1991 we produced \$2.7 billion in offshore oil and gas revenues, of which a portion was taken out to fund these, to try to build on. We will never match the legacy of President Jefferson, but we could try to get somewhere close.

Then in 1996 that number jumped to \$4.2 billion. Last year—in 2001, 2 years ago, it jumped to \$7.5 billion. Why? Because Louisiana, Texas, and Mississippi are happy to host the offshore oil and gas, you know, exploration for this Nation, because of new technologies and environmentally sensitive technologies and pressing the envelope. We can drill deeper and generate additional funding.

You would think that an administration would have the foresight to take some of that money, restore the cuts that have been made over the years, like, for instance, to the Land and Water Conservation Fund. This year in this budget, it has been on the Federal side this year, 2002—I mean last year, 2002—\$429 million. Next year, President Bush is proposing \$187 million, the lowest level of funding for the Federal side of Land and Water maybe in 25 years.

Secretary NORTON. Senator, I think it is very important to realize that we have a responsibility to take care of the one out of every five acres of land in this country that we currently have—

Senator LANDRIEU. Okay. I would like to finish, if I could.

Secretary NORTON [continuing]. And we were in a position—

Senator LANDRIEU. Just a minute. I would like to finish, if I could.

Secretary NORTON [continuing]. Where we have the responsibility to take care of that land. It is irresponsible for us to be spending more to keep buying land that we cannot take care of.

Senator LANDRIEU. I would like to finish. That is just on the top of my list. And I appreciate that. I appreciate it is important to take care of the land that we already own.

BLM went from 50 to 23. Fish and Wildlife Service went from 99 to 40. National Park Service went from 130 to 78. Fish and Wildlife went from 150 to 44. And the State side of Land and Water, which I most certainly support and every member of this committee does, basically stays flat, 144 to 150, a slight increase. Wildlife goes down to 60. And UPAR is zeroed out, zero for urban parks in the Nation.

And in addition, Louisiana, after 10 years of drilling, when other States have put moratoria down—our State continues to drill. We are not a rich State. We are rich in natural resources. But we could

use a lot of help—get not one penny from the drilling, as you know, which is something that we need to try to fix.

But \$40 billion has been generated—I just want this committee to know, in 10 years \$40 billion has been generated in offshore oil and gas revenues. You would think that we would have the foresight, the fortitude, the gumption, the guts, the courage to take a portion of this money and fund something so important as conservation for this Nation. And, let me say, the restoration of the coast of Louisiana, Texas, and Mississippi, which represents 80 percent of the coastline in this Nation, that is disappearing at a rate of 37 square miles a year.

If the Rockies were eroding 10 feet or 15 feet a year or 20 feet or 30 feet or whatever it would be, the country would be in an uproar if our mountain peaks were disappearing. Our coastline is disappearing. But this President has turned a blind eye, a blind eye.

Senator THOMAS. The Senator's time has expired.

Senator LANDRIEU. And I know my time has expired. I am going to put a statement in the record. And I want to let my colleagues on this committee know, I am going to fight like a tiger to try to help turn this policy around. We had an idea and a plan. We can come back and modify it. But this is absolutely for our grandchildren not what we need to be in Congress to do.

Secretary NORTON. If I can point out, during the previous administration, the full funding for the Land and Water Conservation Fund, both Federal and State side together, was in the neighborhood of \$150 million a year. We are vastly exceeding that amount. And we are putting that money into the kinds of programs that we think are going to be very—

Senator LANDRIEU. That is not true. That is absolutely, blatantly not true.

Senator THOMAS. Senator, I believe we are going to go on to the—

Senator LANDRIEU. Thank you. And I will submit this for the record.

[The prepared statement of Senator Landrieu follows:]

PREPARED STATEMENT OF HON. MARY L. LANDRIEU, U.S. SENATOR  
FROM LOUISIANA

The Interior Department is a welcomed and needed partner in the ongoing effort to restore the Florida Everglades. In fact, in the budget before us, almost \$112 million is allocated for restoration activities. Those of us from Louisiana have been supportive and have followed this project with great interest. Our wetlands in Louisiana, which we refer to as America's Wetlands, are being lost at a rate of 35 square miles a year, which represents more than 80% of all coastal wetland loss in the entire continental United States.

This wetland area in Louisiana is of world ecological significance and its loss has enormous environmental consequences, as the area is now an intricate ecosystem on the verge of collapse. It is also a working wetland, hosting production and distribution of more than 80% of the offshore oil and gas supply for America (which also provides the OCS revenues to fund a number of the programs in this bill). More than 25% of all oil and gas consumed in this nation comes across Louisiana's shore by tanker, barge or pipeline. The Louisiana Offshore Oil Port (LOOP), which is the only offshore oil terminal in the United States, handles 13% of the United States' imported crude oil and As the protective wetlands become open Gulf, more than 20,000 miles of pipelines and other critical energy infrastructure become vulnerable to environmental catastrophe and put the nation's economic and energy security at risk. It is from these wetlands that distribution of oil and gas supplies to the entire

eastern U.S. begins. If interrupted, the consequences are costly, with supplies put in jeopardy, and the environmental damage is unthinkable.

These wetlands serve as protection from hurricanes and storm surges for more than two million people living in the coastal zone, including the city of New Orleans, and act as a buffer for the number one port system in the United States that moves the nation's goods from middle America to world markets.

They accept the drainage of two-thirds of the United States through the Mississippi River, and as a result, the largest dead zone in the world has been created at the mouth of the river in the Gulf of Mexico.

More than 30% of the nation's fisheries catch comes from offshore Louisiana and it is the natural nursery ground for much of the nation's seafood, with 95% of all marine life in the Gulf of Mexico spending part of its life cycle in these coastal wetlands.

America's Wetland is home to the nation's largest flyway, serving as habitat for more than five million birds and many endangered species. As the wetlands wash away, this habitat is lost.

Is this Administration aware of what is taking place with respect to these wetlands, and their significance to the rest of the country? What role can I tell people in Louisiana it might play in restoring them?

Table 2.—OIL AND GAS REVENUES FROM FEDERAL OFFSHORE LEASES,  
FISCAL YEARS 1991-2001

(\$ millions)

Year	Offshore			Total offshore	Total revenues (onshore & offshore)
	Bonuses	Royalties	Rents		
1991	338.9	2,283.5	78.1	2,793.2	3,926.4
1992	84.8	2,301.8	59.7	2,561.4	3,869.3
1993	126.5	2,476.9	39.8	2,856.9	4,072.3
1994	331.4	2,334.0	39.9	2,915.3	4,222.4
1995	414.0	2,125.4	87.3	2,723.7	3,829.7
1996	878.2	3,085.4	158.7	4,253.6	5,494.0
1997	1,410.7	3,444.6	228.4	5,259.2	6,721.8
1998	1,320.3	2,704.0	258.5	4,322.6	5,608.4
1999	249.3	2,611.7	208.5	3,188.4	4,560.2
2000	441.8	4,094.6	207.8	5,209.7	7,123.8
2001	632.5	6,047.3	188.5	7,500.4	10,008.7

Source: Mineral Revenues, 2001.

INTERIOR APPROPRIATIONS FUNDING  
CONSERVATION SPENDING CATEGORY PROGRAMS

Program	Enacted FY '02	Omnibus '03	President '04
Federal LWCF .....	\$429 million	\$309 million	\$187.2 million
—BLM .....	\$50 million	\$36 million	\$23.6 million
—FWS .....	\$99 million	\$78 million	\$40.7 million
—NPS .....	\$130 million	\$87 million	\$78.6 million
—FS .....	\$150 million	\$135 million	\$44 million
State LWCF .....	\$144 million	\$98 million	\$160 million
State Wildlife Grants .....	\$85 million	\$65 million	\$60 million
UPARR .....	\$30 million	\$15 million	0

Senator THOMAS. Senator Dorgan, please.

Senator DORGAN. Mr. Chairman, thank you very much.



Madame Secretary, I am going to show you a couple of bottles of water. This is water from Keith and Ann Anderson's farm in Scranton, North Dakota. It looks a little like weak coffee. This is water from the Senig Station in New Leipzig, North Dakota. It looks like tea. And finally, this is water from that region as a result of the rural water system called the Southwest Pipeline.

Now, I do not know whether OMB has been drinking some of this water. But you talked about the program assessment rating tool. We have a rural water system in North Dakota that has been zeroed out called the NAWS project, or the Northwest Area Water Supply project. It was authorized 17 years ago. The groundbreaking was last year, and now it is zeroed out.

Can you explain that?

Secretary NORTON. The program, as I said, found that the Department of the Interior program was not as effective as programs in USDA and EPA that serve about five times as many people for the Federal money expended. The feeling was also that our program did not have criteria for eligibility, for cost sharing; that it did not look at ability to pay as a part of the reimbursement requirements. There were a number of things like that that were identified as lack of having a strong program in place.

We also want to work to have new legislation submitted that would provide that kind of overall programmatic look at these rural water projects, we want to look at the overall approach to it and to evaluate how it is done across the board.

Senator DORGAN. Well, I am not asking an overall question at the moment. I am asking a question about the people in Minot, North Dakota, and the people in northwestern North Dakota, who are concerned about water quality and were promised this project through an authorization 17 years ago and groundbreaking last year. We now see a recommendation that we ought to cut this funding.

In fact, on page BH-34 of the Interior budget and brief, the brief says, that the PART, or Program Assessment Rating Tool, was used. "Overall, the programs are effectively managed." Now, it is referring to rural water programs, and stating "Overall, the programs are effectively managed."

Is this the case with the Northwest Area Water Supply project in North Dakota, do you think?

Secretary NORTON. The assessment was that the Department of the Interior's handling of the program was good. The deficiency identified was in the criteria legislatively established for the program, or the lack of essentially overall legislation, the lack of a program in that sense.

Senator DORGAN. So what should the people of Minot, North Dakota, and the people of northwestern North Dakota, who face struggles with water quality, what should they take from your answer here? Should they assume that you like their project, that you are going to fund their project, and that you want to stop it for a while? Or should they assume that this is out of your hands, and it is actually the decision of the OMB?

Incidentally, I have done a program assessment rating tool on OMB, and I recommend we zero funding for OMB at this point. But my guess is my colleagues will not support that.

But tell me, what should they take from this? What should the people who have had a groundbreaking, or a project that is underway, take from the administration's recommendation for zero funding?

Secretary NORTON. There are two things. First that we will work with you on trying to establish an overall program and on legislation that would deal with that. Secondly, that——

Senator DORGAN. Can you tell me when you would do that? No one gave us——

Secretary NORTON. We anticipate submitting legislation in the fairly near future.

Senator DORGAN. Was there consultation on the issue of zeroing out rural water systems? No one consulted with me or anyone else. I am trying to understand what they should think about this matter in northwestern North Dakota. Do you like their program? Do you dislike their program? Are you going to fund it next year, or the year after? What should we tell them?

Secretary NORTON. The overall philosophy has been to fund those programs that work most effectively. And this program was found to be one that did not have a programmatic effectiveness to it.

Senator DORGAN. So you are saying this program is a problem. Are you talking about rural water, or are you talking about the NAWS program in North Dakota?

Secretary NORTON. The rural water overall.

Senator DORGAN. So you are not upset about the NAWS program because you have not studied it?

Secretary NORTON. All of these were studied together, in essence. This was an evaluation that dealt across the board with all of the rural water programs.

Senator DORGAN. So it is nothing personal. It is just that we are going to zero out all of them, even if some are excellent, and some have had a groundbreaking and are underway. We are just going to say "Stop them all for a while."

Secretary NORTON. The problem that was identified was, in essence, there were no criteria against which to measure; there was nothing that said the Federal share is 70 percent, the State share is 30 percent, or those kinds of——

Senator DORGAN. Yes. But how about——

Secretary NORTON [continuing]. Things for the overall program.

Senator DORGAN. How about this criteria? Is that a measurement? (holding up the water)

Secretary NORTON. I certainly sympathize with the concerns about lack of water quality. We are trying to work towards dealing with water quality issues facing the West across the board because there are going to be water supply problems facing many areas of the West in the future.

Senator DORGAN. But let me tell you——

Secretary NORTON. So we are trying to be creative in our ways of dealing with those.

Senator DORGAN. Madame Secretary, I am sick and tired of waiting. This goes back to 1945 with the Pick Sloan plan, the 1965 Act, the 1985 Act, and the reform. We have run out of patience. Now that we have had a groundbreaking, we think, "Well, we have the shovels at least. We have all the people gathered." Your folks even

came. Then months later, we hear, "Oh, we do not want to fund it anymore. We want to zero it out."

Why? Because there is something wrong with this project? No, there is nothing wrong with this project, apparently. It is some generic world view.

So I think this is nuts. With all due respect, we have real water problems, real water quality issues. I would like to know at some point whether we are going to see funding for something that is very important, for which construction has already begun. We have done the groundbreaking. We authorized it 17 years ago. If I sound upset, I am. I mean, these things—

Senator THOMAS. The Senator's time has expired.

Senator DORGAN. Are we going to have a second round?

Senator THOMAS. Yes.

Senator DORGAN. Because I want to ask her about an Indian school that they have decided not to fund as well.

Senator THOMAS. We will have a second round.

Senator DORGAN. All right.

Senator THOMAS. Okay. Thank you.

Senator Bingaman.

Senator BINGAMAN. Thank you, Mr. Chairman.

Let me ask about the recordable disclaimer process. The Department recently finalized so-called disclaimer of interest regulations, which I understand is a mechanism to use to disclaim Federal interests in these RS-2477 right-of-ways across Federal lands. I believe there is a Federal moratorium that prohibits any final rule, and the language is, any final rule "pertaining to the recognition, validity, or management of an RS-2477 right-of-way unless approved by an act of Congress."

Is this disclaimer of interest regulation to be used to address RS-2477 claims? And, if so, why are these regulations not in violation of that congressional moratorium?

Secretary NORTON. The recordable disclaimer is something like a quit-claim deed.

Senator BINGAMAN. Right.

Secretary NORTON. It is, in essence, the way the Federal Government accomplishes that same kind of purpose. And it can be used in a variety of different categories as a quit-claim deed could be used. As I mentioned to Senator Murkowski, that would apply, for example, in resolving claims to submerged lands, so that we could work with the States to resolve some of those issues outside a courtroom complex, or courtroom context.

Ordinarily, the way that we have dealt with those things in the past, with Alaska as an example of submerged lands, is going to court and fighting it out in court and then going through the quiet title process. This basically is something that provides a mechanism for resolving those issues.

Senator BINGAMAN. You do not see this prohibition that exists today in Federal law against any final rule that pertains to recognition, validity, or management of these RS-2477 rights-of-way, you do not see that as limiting how you use this recordable disclaimer.

Secretary NORTON. No, I do not, because it is something that has a broader application than that.

Senator BINGAMAN. Okay. So your view is that if the Department of the Interior determines to, essentially, file quit-claim deeds to these rights-of-way, these RS-477 rights-of-way, it is perfectly within the law in doing that.

Secretary NORTON. What I found when I came to the Department of the Interior was that we have lots and lots of issues that are unresolved and have been unresolved for decades, conflicts we have with States and with local governments and so forth. And I would like to see some of those things resolved.

Essentially, they are questions of ownerships, who owns the various kinds of rights, whether it is submerged lands, RS-2477, boundary disputes, whatever those kinds of things are. In essence, we need to do some housecleaning to figure out who owns what.

And that is something I would like to see us work with the States to resolve. I know that there have been States and local governments that have filed suit or threatened suit. Alaska has been to the U.S. Supreme Court several times trying to get these disputes sorted out. So I think it makes sense to sort those things out.

We do not yet have a comprehensive program for dealing with those things across the board.

Senator BINGAMAN. My concern is that a lot of the lands involved here involve wildlife refuges, wilderness areas, and other sensitive areas. There are claimed rights-of-way to have roads across these areas. You are right, they have been in dispute for some time. But, in our zeal to houseclean and clear these things up, the solution you have come up with is, "Let us go ahead and disclaim the Federal interest and essentially agree with the State or with the"—

Secretary NORTON. Not necessarily. Not at all. I mean, for example, in the Alaska context, what we would like to do is sit down and discuss rationally what those claims would be. We have some in Glacier Bay, for example. We are litigating because we have not been able to reach an agreement on what those claims are.

Senator BINGAMAN. Would you anticipate resisting State and local claims where that would interfere with your responsibility to protect these areas?

Secretary NORTON. It is a question of legitimate ownership. I mean, if we have a State with a dead-to-rights claim that they own something, then we ought to recognize that. On the other hand, if we have a claim that seems spurious, we ought to resist that. And so I think it makes sense for us to try to resolve those issues that, you know, on either end are fairly clear.

Senator BINGAMAN. Let me just ask one other question. Then I will not do another round, Mr. Chairman.

Your view is that you could make a decision about the validity of an RS02477 claim without violating the moratorium that exists in current law today?

Secretary NORTON. That has always been the case.

Senator BINGAMAN. Thank you, Mr. Chairman.

Senator THOMAS. Okay. Thank you, sir.

Just a couple of items here: All the members know that additional questions may be submitted, if there is not time to do them here. And then I would like to ask that this statement from Senator Craig be included in the hearing, if there is no objection.

[The prepared statement of Senator Craig follows:]

## PREPARED STATEMENT OF HON. LARRY E. CRAIG, U.S. SENATOR FROM IDAHO

In reviewing the DOI budget, it appears to continue to reflect the Secretary's goals of promoting the Four C's: conservation through consultation, cooperation, and communication. I look forward to working with the Secretary and the Department on further developing these concepts in our public lands communities.

*Recreation Fee Program*

I am aware that authorization for the Demonstration Program expires at the end of this Congress. While the program has been successful in some states, I hope that as the Administration drafts their proposal they will provide flexibility for those states in which the program has not been successful. In Idaho, I believe it is fair to say that the implementation of the program got off on a rocky start and the people of Idaho have never fully accepted the program.

*PILT*

I appreciate the Administration's efforts to increase PILT funding. This funding is vital to our public lands counties and their efforts to recognize this are commendable. I will work with my colleagues on the Appropriations Committee to see that this budget request is fulfilled for the counties.

*National Fire Plan*

I also appreciate the Administration's efforts to address needed increases in the National Fire Plan. While I realize these increases do not cover all of the need, the attempt by the Administration to increase the budgets in a difficult spending year shows their desire to address this priority.

Senator THOMAS. Madame Secretary, the Land and Water Conservation Fund seems to have been something of the focus here today. I must tell you that I am pleased that we are not focusing on additional purchases in most of our States. We have a good deal of Federal land. And the addition of Federal land is not really my goal, but to help and make the land we have better.

In this fund, it is funded at \$900 million. But they go different places. Would you comment a little on how you intend to use this land and water conservation money?

Secretary NORTON. Okay. We have used a number of existing programs through which to provide conservation approaches. First of all, we used the traditional Federal and State land acquisition programs. Then we utilized the challenge cost shares, which are basically amounts that are made available for park superintendents or refuge managers to be able to cost share with local communities for on-the-ground conservation projects. It might be wetland enhancement or something like that.

We also have State and tribal wildlife grants, cooperative endangered species funds, neotropical migratory bird conservation, and then landowner incentive programs and stewardship programs dealing with at-risk or endangered species, as well as the Fish and Wildlife Service coastal program and migratory bird joint ventures program.

So all of those are ways in which we build cooperation with a private sector or local governments or other kinds of partners in order to further conservation initiatives. We think that with this group of programs we will better able to show some real conservation results.

Senator THOMAS. So this is implementing the partnership program that you and the President have talked about.

Secretary NORTON. Yes, Senator.

Senator THOMAS. Okay. I will not ask any more. We need to keep on moving. I would just comment that I hope in the course of our work in this committee we take a look at the heritage. And herit-

age areas are a good thing. But we have not described them. We have not given any qualifications to them. We have not really decided what the amount of money and sharing ought to be. So I hope we will take a look at that and use it. But it has now become kind of a runaway program, in my view. And we need to have some containment and some definition, I think, of heritage programs.

Senator Murkowski.

Senator Smith, we are going around. We will be back to you in just a moment.

Senator MURKOWSKI. Nothing further, Mr. Chairman.

Senator THOMAS. Thank you.

Senator Akaka.

Senator AKAKA. Thank you very much, Mr. Chairman. I will take your advice and submit my other questions.

But let me ask this one, Madame Secretary: As mentioned in my previous question, negotiations between the United States and the FSM and RMI on title II, Economic Relations, of the Compact of Free Association, are being finalized, as you mentioned. These provisions expire on September 30, 2003. And we are hoping that Congress will be able to take action by that time.

I chaired a hearing on this issue in December 2001. And at that time, I was assured that we would receive the proposal in fall of 2002. While I understand that the State Department is in charge of the negotiation, the Department of the Interior handles its implementation.

My question to you is: When do you anticipate that the legislative proposal will be sent to Congress?

Secretary NORTON. That program, from my perspective, is being handled by David Cohen, who is part of Lynn Scarlett's operation. So let me defer to Lynn.

Ms. SCARLETT. Yes, Senator. I spoke with David Cohen yesterday about the progress on this. And as far as the Department of the Interior is concerned, we have advanced all of the elements for which we have responsible, and much of that has been resolved. But we are still waiting for some final negotiations that are in the State Department's hands relating to immigration and other issues. We are hopeful that that will be concluded relatively soon.

Senator AKAKA. Thank you very much.

Mr. Chairman, I will submit my other questions.

Senator THOMAS. Thank you, Senator.

Senator Dorgan.

Senator DORGAN. Mr. Chairman, thank you very much.

Let me ask you about the United Tribes Technical College. And Madame Secretary, I seldom ever get irritated before noon. So let me do it all over again, if it is all right with you.

I know it is parochial to talk about the NAWA project and the United Tribes Technical College. But, frankly, zeroing out both of them is very troublesome. You visited the United Tribes Technical College last year at my request. This is a college with 415 students. It is the only inter-tribally controlled, post-secondary vocational college in the country. It has been operating for 33 years, and had always been funded, except last year when the administration proposed that it be zeroed out.

I added money in the Appropriations Committee that was in the omnibus appropriations bill. So it is still open. I asked you and Mr. Caleb, I believe it was, to stop there. You were in Bismarck giving a speech, and you were good enough to go stop there last year. In fact, I was just looking at the news story. It says, "Secretary of the Interior expresses support for tribal college." But that is the news story. I understand how headlines develop.

So you have been there, and you understand the circumstances with American Indians. This is a wonderful, wonderful college. It has been there 33 years. All of a sudden, we have these recommendations from the administration to zero out, the \$3 million in funding. Why?

Secretary NORTON. I was impressed by the college and by its program. And I felt that it was a good program. We are working to try to bring that under the umbrella of some of our other existing programs. That is one aspect of this.

The other problem is in making the difficult choices to fund the Indian trust program. This was one of those difficult choices that we had to make in order to fund the historical accounting and other aspects of Indian trust.

Senator DORGAN. I understand that. But as I look at a broader context of critical choices and judgments, those choices including exempting dividends from taxation, and closing an Indian school, somehow it does not all match to me, to have an administration that says, "We have to make tough choices. Let us give an \$80,000 tax cut to an average person with \$1 million a year in income. But then let us say that we cannot afford to keep United Tribes Technical College open."

The first point was that you were looking at this under the umbrella of other programs. What can I take from that? Does the administration believe that United Tribes Technical College should be closed? Does the administration believe it should remain open, and that you would like to fund it in some other way?

Secretary NORTON. We currently fund about 25 other college and junior college-type programs. This is the only one that has its separate line item. We would like to bring that in with our other—

Senator DORGAN. Actually, there are two, this and Summit Point.

Secretary NORTON. You are right.

Senator DORGAN. There are two.

Secretary NORTON. There are two others. We would like to bring them in as part of our overall program.

Senator DORGAN. But is it the administration's position, having visited the school, that this college should remain open, or should it be closed?

Secretary NORTON. I think it seems like a good program. It has been funded outside of Federal funding in the past. I know that our Federal share is a portion of the operating budget. But it is my understanding that is not the entire operating budget.

Senator DORGAN. But the school will close without Federal funding support. We have supported it for 33 years. Because you have recommended zero funding, my question for not only the Indian tribes in some 40 States who are sending kids there, but also for the people in Bismarck and others who have hosted this wonderful college, which I visited often, is should it remain open? If so, is this

just a case of trying to find the money and put it in the right line, or does the administration believe this college should not remain open?

Secretary NORTON. I am very supportive of Indian education. Our approach has been to focus more of our resources on the elementary and secondary school programs. As we have had to make tough choices, that is where we have put our funding, as well as, as I said, trying to fund the Indian trust programs.

Senator DORGAN. I did not understand that answer to my question.

Secretary NORTON. It is a great school.

Senator DORGAN. Do you think the Federal Government ought to continue to support this school?

Secretary NORTON. We do not have the funding available to do that for this fiscal year within our budget. It is a tough choice. Just because something is a good program does not mean we have funding available for every program.

Senator DORGAN. But, do you understand how I see things? While we might disagree, do you understand that I see that there is this incessant push for exempting dividends from taxation or doing other things, some of which seem to be low priority to me, and then we are told that this school, which is so critical to particularly Native Americans has to be closed. Incidentally, the kids attending that school come from areas with a 71-percent average jobless rate. There is 71-percent unemployment in the regions that attract kids to this school.

I happen to think that is a high priority, especially if it is a good school. The United Tribes Technical College is fully accredited. Everybody says this is a great school. These kids are coming from areas of very high unemployment, the highest in the Nation. How can anyone say this does not represent a priority, that it is not a top choice? How can anyone say that?

Secretary NORTON. I think I have already answered the difficult choices we have had to make. We will continue to try and bring that under the umbrella of some of our existing programs.

Senator THOMAS. Time. Your time has expired, Senator.

Senator DORGAN. I did not ask some larger questions about policy. I will submit some of those in writing.

I appreciate your answering the questions about the two areas. We, of course, will try to fund both of them here with respect to our priorities in Congress. I do not know whether we will be successful. But, I disagree with the notion of what the right choices are here.

Madame Secretary, thanks for appearing before the committee.

Senator THOMAS. I understand the Senator's concern. I would have to say that some of us have reservations that do not have federally funded colleges, just for whatever that is worth.

Senator DORGAN. I do not understand the point.

Senator THOMAS. My point is we do not all share the same kind of resources that you are talking about.

Senator DORGAN. This college is not on a reservation.

Senator THOMAS. No, but it is primarily for that, is it not?

Senator DORGAN. Well, we have a network of tribal colleges, as you know, in this country.



Senator THOMAS. No. We do not have any.

Senator DORGAN. I understand that. And those are the ones that are on reservations. I thought that was the point you were making.

Senator THOMAS. I guess I should not have made my point. I am just saying that is not uniformly the case throughout all the reservations.

Senator from Oregon.

Senator SMITH. Thank you, Mr. Chairman.

Madame Secretary, it is a pleasure to have you here. Thank you for coming and testifying about the budget. I want to express to you also my appreciation for your attention to the situation in Klamath Falls. I happened to have been reading my news clips last night. And I noticed several articles from different newspapers about the enormous returns of coho salmon to the coastal rivers of the State of Oregon. And I think that is really, really good news.

And notwithstanding the problem during that one period of time when some salmon perished because of a virus, I think we ought to focus on the fact that there is also a lot of good news about salmon recovery. And so it does seem to me that some of the efforts that have been made are helping. And also, hopefully we are learning what are the conditions that are resulting in this enormous return of salmon to the Pacific Northwest.

I am sure that—I hope the science is being collected. We are talking about real science, not political science, as we talk about this.

I am also interested in if you have any sense of the state of the sucker fish that we are trying to protect in the Upper Klamath, because my understanding from people there is that the populations of the sucker fish are very solid right now. Is that your understanding?

Secretary NORTON. I am hearing generally good things. But I understand that we are still getting some more final scientific information.

Senator SMITH. I would love to hear it as soon as you know what the real facts are. Because my understanding is that they are to be celebrated, not to be criticized, that we are making some real progress. And some of that may be the budget that the administration is putting towards the Klamath. I want to thank you for the \$20 million you have put forward for the 2004 budget. And I pledge my best effort to make sure that it turns into reality.

But also, I want to point out that for several years now, we have been fighting, Senator Wyden and I, to get \$10 million in there for fish screening. And that is a project that will be completed April 1. And it is a good thing. And it apparently is working. And I am wondering if you anticipate any improved flexibility from the U.S. Fish and Wildlife in the operation of this, because these screens are now to be in place. Is there going to be any operational plan because of these new assets?

Secretary NORTON. Well, obviously we have to work with the biologists to make sure that we are operating appropriately. But the general approach is to get the fish screens in there to give us more of an enhanced fish population so that we do eventually have more flexibility. We are also working to get an environmental water bank put together, so that we can make sure that water is avail-

able for release appropriately for fish. That is something we are currently trying to work on with the farmers in that area, to sign them up for that, and would appreciate working with you and Senator Wyden to get the farmers to participate in that.

Senator SMITH. Yes. Okay. I heard a rumor the other day that there is an impression that the farmers are only asking and not giving anything. And I want to dispel that, because I think one of the complaints I continue to hear from the farmers is they give and they give and they give and they never get any credit for how much that they are giving to this whole project to make sure the water is there for the fish. And my plea is only that they be included for some water at the end of the day, because they certainly, in my view, can demonstrate they are giving an awful lot of what they have historically had to the benefit of the environment there. And I hope they are not left out in the final allocation.

Do you have a sense, under the BLM whether there will be any timber in Oregon identified under the northwest forest plan in the coming year?

Secretary NORTON. I do not know specifically about particular areas identified. We are looking at the northwest forest plan and settlements of some litigation in that area. It is currently under discussion.

Senator SMITH. I would like to bring to your attention the priority that ought to be given to the Lewis and Clark bicentennial that is coming up in 2004/2005. When you and I were there, you were new on the job. And we went out to Fort Clatsop and talked about what they had there and what they are proposing to have available for this bicentennial celebration. One of the things was a hiking trail from the fort to the Pacific Ocean where Lewis and Clark and their party often went in order to see the ocean and obviously to fish there and hunt as well.

The proposal is to rebuild it, and yet there is no money in it. And I just would like to focus the Department, if it can, on this very historic event in our region and, frankly, for our country and make it a little bit more of a priority, as we ramp up for what is not just history but a real economic opportunity to—a lot of tourism will flow through there. And I do not know that we are ready for it yet.

Secretary NORTON. There might be some things in our cooperative conservation initiatives that might be helpful in that project. We would be happy to look at those things with your staff.

Senator SMITH. Thank you, Mr. Chairman.

Thank you, Madame Secretary.

Senator THOMAS. Thank you, sir.

Senator Wyden.

Senator WYDEN. Thank you, Mr. Chairman.

Welcome, Secretary Norton. Let me begin on forestry issue. As you know, we had severe fire problems throughout Oregon last year. We appreciated you visiting the Biscuit fire. Senator Smith has already touched on some of our concerns. Let me start, if I might, with the question of how you all are allocating money to deal with issues related to the wildland urban interface and the non-wildland urban interface.

Previously, I have gone out on a considerable political limb to say that it is important to have a significant forest health initiative outside the urban interface. I think it needs to be done.

But the fact that you devote two-thirds of your fuels reduction efforts to non-wildland urban interface lands is causing some in the West to say this is not a balanced approach; this is an approach that basically says that under the guise of fuel reduction, you are just going to go ahead with your forestry agenda.

What can we do to get a more balanced approach, and make sure particularly that we focus the fuels reduction to that urban interface area? Senator Smith and I saw how acute the problem was, for example, in places like Ashland and more populated areas. I want us to get a bill this year. We were very, very close last year, working with Senator Smith, myself, Mark Rey, yourself, and others. I want us to get a bill.

I think to get it we are going to have to have a balanced approach in terms of fuels reduction in the urban interface and the non-urban interface. There is a lot of criticism out there that too much of it is going outside the urban interface.

We want to work with you. We want to have a bipartisan bill. And we have to do it quickly. Senator Smith and I do not want to see these communities become sacrifice zones, and that is what is going to happen if we do not have a fuels reduction effort that is ongoing. We are going to have these fires year after year after year. And just as sure as the night follows the day, we will have them again this upcoming summer. I want us to move forward.

Tell me your thoughts on how we can achieve balance and give ourselves a chance to get a program through.

Secretary NORTON. I just issued guidance to my staff a month or so ago that sets the priorities for their decisions on which areas are going to have fuels treatment and how those funds are prioritized. This gives the highest priority to the wild land urban interface.

About two-thirds of that money, of the upcoming money, should be going to those kinds of projects. Now obviously, when you have things like Fish and Wildlife Service lands, you know, their focus is really on habitat and enhancement of habitat. They do not always fit within that wild land urban interface kind of context. But we are putting a very high priority on that.

Senator WYDEN. I think we are making some headway. Let me just state, though, that I want to make sure that it is both money and acreage, that we are concentrating in the wildland urban interface, so that we can go out to our part of the country and say "We have a balanced program." Certainly, there are a lot of environmental groups who want us to devote every dime to just the urban interface. I have said we have to have a significant effort outside the urban interface.

Secretary NORTON. And that is true. I mean, we need to——

Senator WYDEN. But the cost——

Secretary NORTON. We need to protect wildlife habitats. There are a couple of factors. One is that it is just more expensive to do the wild land urban interface areas because we cannot use prescribed burns in the same way that you can in some other areas.

We also have areas in the south especially, where they have not had the same kind of fire suppression policies over time that we

have had in some of the West where they have used prescribed burns more regularly. Keeping those in their current state of having regular treatments is something that makes sense. I have discovered that this is a lot more complex than I initially thought that it was.

Senator WYDEN. Well, you are certainly right about that. Senator Smith and I have seen that repeatedly. I would just urge, though, that in the name of really getting this done now and having a balanced, environmentally sound program that is also sensitive to the needs of these communities, we need to figure out a way to balance money and acreage between the urban interface and other kinds of areas.

At least at this point I am getting a lot of flack that not enough is going to the urban interface area. Suffice it to say, another way to do this is to simply get more money into the accounts, which I am anxious to do, given how serious the problem is. I just want you to know that our region feels strongly about that.

Secretary NORTON. We also hope to work on stewardship contracting with local communities to help deal with some of those wild land urban interface areas.

Senator WYDEN. It is a constructive——

Senator THOMAS. Your time has expired, Senator.

Senator WYDEN. Could I ask one other additional question, Mr. Chairman?

Senator THOMAS. Let me see if Senator Smith wants to——

Senator SMITH. No.

Senator THOMAS. Go right ahead.

Senator WYDEN. I thank my colleague.

Secretary Norton, we are very appreciative of you working with us on the Klamath Basin. The only question I had is that in June of last year, Senator Smith, Congressman Walden, and myself sent the President a letter outlining a number of projects we thought would generate support among both the agricultural community, the environmental community, and a host of other interested groups. On most of those we have not been able to get any action and they are not in the budget.

I would like you to get back to me on these and let us know their status.

We will provide you with another copy of the June 11 letter and ask you to respond in writing. Again, we have made progress, but we have a lot more to do.

Secretary NORTON. Thank you. We will do that. And I appreciate your assistance on that.

Senator WYDEN. Thank you, Madame Secretary.

Thank you, Mr. Chairman.

Senator THOMAS. Thank you, Senator. Thank both of you for coming and all the other Senators.

Thank you, Ms. Secretary. We want to work with you throughout the year. And of course all of us have great interest in it. And our whole country does, I think. I do understand and recognize and sympathize a little. The Department has to be managed; and when you manage, why, some things are set as priorities other than others. And that is just the way it has to be. And I understand that.

There is a limit to what is available, of course, to you. So I understand what you are saying.

There may be other questions that will be submitted after the hearing. Otherwise, thank you very much.

Secretary NORTON. Thank you.

Senator THOMAS. And the committee is adjourned.

[Whereupon, at 11:47 a.m., the hearing was adjourned.]

APPENDIX  
RESPONSES TO ADDITIONAL QUESTIONS

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U.S. SENATE,  
COMMITTEE ON ENERGY AND NATURAL RESOURCES,  
*Washington, DC, February 14, 2003.*

Hon. GALE NORTON,  
*Secretary, U.S. Department of the Interior, Washington, DC.*

DEAR MADAM SECRETARY: I would like to take this opportunity to thank you for appearing before the Senate Committee on Energy and Natural Resources on February 11, 2003, to give testimony regarding the Department of the Interior's FY04 Budget request.

Enclosed herewith please find a list of questions which have been submitted for the record. If possible, I would like to have your response to these questions by February 28, 2003.

Thank you in advance for your prompt consideration.

Sincerely,

PETE V. DOMENICI,  
*Chairman.*

[Attachments]

[Note: Responses to the following questions were not received at the time the hearing went to press].

QUESTIONS FROM SENATOR DOMENICI

*Question 1.* What progress has DOI made toward correcting the maintenance backlog in our National Parks and what are your short-term priorities for addressing the backlog?

*Question 2.* What are the benefits of Cooperative Conservation and more specifically, how have visitors to the National Parks benefitted from this initiative?

*Question 3.* How does your 2004 budget estimate compare with the 2003 estimate and why have you chosen to decrease funding for this effort?

*Question 4.* Since the first Heritage Area was designated in the 1980's, how much of the National Heritage Area program has been funded by the Department of the Interior and how much by outside sources?

*Question 5.* What other programs at DOI have you targeted to offset for the increase in Indian Trust funding?

*Question 6.* Madam Secretary, what sort of funding challenges have you experienced and how much funding do you anticipate needing in the future to manage the former DoD properties?

*Question 7.* Secretary Norton, how will your new water initiative help to reduce the impact of drought in the west and what additional funding needs do you anticipate in the future to continue the four-point water program?

*Question 8.* Interest in Coalbed Methane has grown dramatically in the past few years but a backlog on planning and NEPA compliance has been a problem. What progress has the Department made on authorizing new Coalbed Methane production?

*Question 9.* What plans has the Department made for increasing opportunities for renewable energy on federal lands?

*Question 10.* The Department recently released a new study showing significant amounts of undiscovered oil and gas resources. How will this information be used by the Department?

*Question 11.* The President often speaks of the need to find and produce more energy at home while protecting the environment. What has the Department done to improve inspection and enforcement on oil and gas activities?

*Question 12.* What progress has the Department made in implementing this legislation?

*Question 13.* How will the Department coordinate Land Acquisition funding generated in this program with that of the LWCF program.

*Question 14.* The Department has included a proposal to move the PILT Appropriation from BLM's budget to the Department's. Can you explain the purpose behind this proposal?

*Question 15.* Will this change improve the opportunity over time to reach authorized levels for PILT payments?

*Question 16.* I am very concerned with a recent news report about BLM "retiring" grazing in a National Monument. Can you verify this report and explain the intent of this precedent setting action?

*Question 17.* What progress has BLM made in addressing the backlog of expiring grazing permits?

*Question 18.* The Department recently announced plans to make changes to regulations concerning range management. What kinds of changes do you envision?

*Question 19.* Does the Department of the Interior have adequate funding to handle the predicted 2003 fire season conditions?

*Question 20.* Has the Department of the Interior considered other resources, such as State agencies' and local fire departments' capabilities, in their preparedness model?

*Question 21.* Is the proposed FY 2004 budget adequate to maintain fire preparedness levels and still move forward with a hazardous fuel reduction program?

*Question 22.* How will you prioritize the selection of fuel reduction activities, and how long will it take to achieve the hazardous fuel reduction goals of the National Fire Plan?

*Question 23.* How well has the Interior Department been working with its non-federal partners to develop and prioritize fuel reduction projects? Describe how you are working with States and other agencies?

*Question 24.* How much funding is needed to aggressively address weed problems that result from last year's fires or future fires?

*Question 25.* Will you keep me up to date as new developments in the Western Water Initiative evolve and how can we work together?

*Question 26.* As you may know, last Congress I brought Sandia National Laboratories together with the Bureau of Reclamation to begin work on finding "next generation" desalination technologies that would reduce the cost of desalination. Through this collaborative process, these two agencies are developing a "technology roadmap" that I believe will produce the kind of advanced technology we need. Are you familiar with this program?

*Question 27.* Could this "technology roadmap" tie in with your vision for desalination in the new Western Water Initiative?

*Question 28.* Has the department championed the ESA Workgroup's mitigation work in court? Why not?

*Question 29.* I notice in your budget that you have included funds for court imposed requirements, such as buying water. However, there are no funds included for any type of long term solution. What will the Department's role be in the long term plan and are you going to be prepared to help fund such a plan?

*Question 30.* As you know, New Mexico is very fortunate to have the San Juan Chama Project which brings Colorado River Basin water to the Heron Reservoir on the Rio Grande in Northern New Mexico. This water was developed through a cooperative effort and holds the key to meeting Albuquerque, Santa Fe and other cities future drinking water needs. Last October, I wrote you a letter expressing my concern about how this water had become a target of opportunity in the *Minnow v. Keys* litigation, where the plaintiffs seek the involuntary release of imported water to cure the possible harm to an endangered species. The gravity of the District Court's ruling is enormous and I cannot stress enough, how using imported San Juan Chama water for anything other than municipal purposes would severely impact a large part of the New Mexico economy.

*Question 31.* Madam Secretary, that same letter that I wrote also referenced a Supreme Court opinion, *Sweet Home v. Babbitt*, which requires a causal nexus between the harm caused by a federal action and the remedy granted by a Court under the Endangered Species Act (ESA). When you answered my letter, you acknowledged that the ESA does not provide independent authority to use Colorado River Basin water to address issues concerning endangered species on the Middle Rio Grande. What I asked in the letter was the Department's policy, if one exists, on the causal

nexus between harm and the federal action. Does the Department require a causal connection between water used as a remedy for endangered species and harm caused to the species?

*Question 32.* What is the policy of the Department on using imported water for an imported fish?

*Question 33.* I do note that the President's budget includes a \$2 million increase for the Middle Rio Grande Project. We have had various funding concerns with regard to the Middle Rio Grande project including the repair of levees, dredging the intake channel at Elephant Butte, and rehabilitation of the low flow conveyance channel, just to name a few. These costs are above and beyond the various legal obligations Interior has and will likely continue to incur as a result of the minnow litigation. Is the Department taking the necessary steps in preparation of meeting any additional legal and financial obligations that could result from the 10th Circuit decision?

*Question 34.* Collectively, the 2004 budget request includes a 53% reduction for rural water programs. I understand that this cut was a result of OMB's new Program Assessment Rating Tool. Can you explain what this new tool is and how it is being applied?

*Question 35.* How will this impact rural communities reliant on the program?

*Question 36.* Madame Secretary, in the aftermath of September 11th, there has been increased concerns about the safety of some of Reclamations resources, in particular some of the countries major dams. What is currently being done to ensure that Reclamations infrastructure is safe from potential threats?

*Question 37.* Could you please provide for the Subcommittee a breakdown of the homeland security costs for each agency and program? I think it behooves this Subcommittee to review what the Department has accomplished and what further requirements need to be addressed?

*Question 38.* While the Committee is pleased to see the Administration's emphasis on law enforcement and security, could you give the Committee a brief assessment of identified security requirements for Department of the Interior agencies, and provide information on how the requested funding matches these requirements?

*Question 39.* Does the Administration have in place, or is it working on a multi-year plan to address identified security requirements? If so, would you please provide the subcommittee with the a status report on the current planning process?

*Question 40.* What kind of toll is the new homeland security mission taking on Department personnel?

—Is additional training required, and if so, will that proceed in this fiscal year?

—Are Departmental personnel working overtime, and if so, are there sufficient funds to pay the overtime required?

*Question 41.* Can you please characterize the Department and agencies' collaboration with the new Department of Homeland Security and the Office of Homeland Security that preceded it?

*Question 42.* What general impacts are the new homeland security requirements having on ongoing agency missions and programs?

#### QUESTION FROM SENATOR THOMAS

*Question.* The Administration has recommended extending the AML fees through 2013. As you might expect, I oppose this proposal. The program is flawed and the states and tribes due money are being shortchanged. Can you provide me with an explanation as to why the Administration would seek re-authorization of fees for a program that has not meet its stated objectives for the past 25 years?

#### QUESTIONS FROM SENATOR SMITH

*Question 1.* I want to thank you and the President for including over \$20 million in the 2004 budget request for the Klamath Project, which I certainly support and will work for. However, I remain concerned that the funds we are spending in the basin to date have not resulted in either recovered fish species or renewed flexibility in project operations. For example, I have worked with my colleagues over the past several years to secure more than \$10 million in additional funds for the screening of the A-canal, one of the main diversions for the Klamath Project.

It is my understanding that this project will be completed by April 1st of this year. Can you tell me when the Fish and Wildlife Service will determine how much operational flexibility will be restored to the federal project as a result of this screening?

*Question 2.* Does either the Fish and Wildlife Service or the Bureau of Reclamation have a program to monitor the effectiveness of this screening in maintaining and restoring sucker populations in the Upper Basin?



*Question 3.* When will the Fish and Wildlife Service develop a water plan for the Klamath Basin Refuges, in order for us to use these water resources most effectively to meet the many needs in the Basin?

#### QUESTIONS FROM SENATOR TALENT

*Question 1.* The management of the Missouri River is a very important issue to the people in my state and throughout the basin. There's an existing permit between the Corps and the USFWS. Why doesn't that permit allow the Corps to move birds in time of drought as well as under flood conditions?

*Question 2.* Does the Department of the Interior plan to revisit the designation of critical habitat for the piping plover in the reach below Gavin's Point Dam due to the serious and extensive economic harm that resulted from the low flows during summer '02?

*Question 3.* What Department of the Interior monies are available for the monitoring of and for obtaining additional scientific data for the pallid sturgeon?

#### QUESTIONS FROM SENATOR BINGAMAN

*Question 1.* The Department recently finalized its so-called "disclaimer of interest" regulations, which I understand you intend to use to disclaim, among other matters, Federal interests in asserted R.S. 2477 rights-of-way across Federal lands. Does the Department intend to revise the current policy outlining the requirements needed to determine whether an R.S. 2477 claim is valid?

*Question 2.* Many of the claimed R.S. 2477 rights-of-way would cross lands under your protection, such as national parks, wildlife refuges, wilderness areas and other sensitive areas. What actions will you take to ensure that the management and protection of these areas is not compromised?

*Question 3.* I understand that the Department is still negotiating privately with the State of Utah regarding R.S. 2477 rights-of-way claimed by the State. Can you update me on the status of these negotiations. Can you please identify which lawsuits the State of Utah has filed against the United States with respect to these claims?

*Question 4.* Why, if the Administration is intent on changing the purpose of the Land and Water Conservation Fund, doesn't the Administration propose legislation to amend the fund for the uses it desires?

*Question 5.* As you know, the LWCF Act requires that no less than 40 percent of the expenditures from the fund each year be used for Federal purposes. Your budget proposes considerably less than that for Federal acquisitions. Why have you chosen to ignore the requirements of the law?

*Question 6.* Can you tell me what funding and actions the Administration is proposing to ensure that the BLM is able to provide for the proper planning, management, and protection of the recently established national monuments under its jurisdiction?

*Question 7.* Last year, legislation was introduced in the Senate to authorize the use of snowmobiles in Denali National Park in Alaska. The bill would have allowed the snowmobiles to be used in parts of the park where they historically had not been allowed, as well as within Congressionally designed wilderness. Do you support that proposal?

*Question 8.* The National Park Service Organic Act states that the purpose of national park areas is "to conserve the scenery and the natural and historic objects and the wildlife therein and to provide for the enjoyment of the same in such manner and by such means as will leave them unimpaired for the enjoyment of future generations." The National Park Service has previously interpreted this legislative directive to mean that if there is a conflict between recreational use and resource protection, the protection of the resource takes priority. There is a concern among some that your Department is considering weakening this so-called no-impairment standard. Can you tell me whether or not you are committed to upholding this management policy?

*Question 9.* Has BLM requested money in the 2004 budget for the Rio Puerco Watershed? If so, how much? Will it go to specific projects recommended for the Committee for funding?

*Question 10.* Do you agree that local watershed committees such as this one are a valuable means to address natural resource problems? Should we be trying to create such committees on a larger scale west wide?

*Question 11.* The 2003 water supply situation in the Rio Grande basin is bleak. Obviously, this will exacerbate the ongoing conflict between water users and environmental needs in the basin. I know that Reclamation and the Fish & Wildlife Service are actively working with local entities to develop a plan to get through this

year and I very much appreciate their efforts. Crisis management will only go so far, though. The USGS is reporting that there is substantial scientific evidence that we could be entering a long-term drought cycle in the West. The President's budget calls for an \$11 million Western Water Initiative for several activities, including enhanced water management and conservation. While I applaud the concept, \$11 million won't go very far—particularly when spread out over several initiatives.

Given the likelihood of continued drought and its implications for local economies, shouldn't the federal government be substantially investing in a comprehensive water management and conservation program to more efficiently use our limited water supplies and lessen the impacts of drought and competing new demands?

*Question 12.* Many parts of the West are experiencing a record drought. What is the Department doing to anticipate and address the effects of the drought? Are there any specific programs that are available to mitigate the impacts of drought on Indian reservations?

*Question 13.* You recently exercised your authority as Master of the Colorado River by taking steps to ensure that California lives within its legal allocation of Colorado River water. As a representative of one of the Basin States, I supported your efforts. How do you believe the Department can best play a constructive role in the coming months to address these serious issues on the Colorado River?

*Question 14.* There are critical water supply needs in rural America that need to be addressed and I believe it is appropriate federal policy to assist those small communities meet those needs. The President's budget, however, provides no funding for several Congressionally-authorized rural water projects. How can you justify this, particularly when the impacts of drought are severely impacting rural America?

*Question 15.* The Bureau currently does not have a comprehensive program to address and prioritize rural needs. I believe Congress should enact legislation to provide for such a program. Would the Department be willing to work with me on this legislation? What is the Administration's time frame for submitting legislation to the Congress?

*Question 16.* Half of the citizens of the United States depend upon groundwater for their drinking water supply. In New Mexico, 90 percent of the population depends upon groundwater. The U.S. Geological Survey is doing important work to gain a better understanding of our Nation's groundwater resources. I am interested in ensuring that the USGS has adequate authorities and resources to undertake this work. Would you be willing have your staff work with us to see if any further legislation is needed in this area?

*Question 17.* The budget for the Bureau of Reclamation contains a water initiative, one component of which is to promote water banking to add flexibility in dealing with competing demands for contracted water supplies. Can you please explain what future role you think water banking can play in addressing water needs in the West?

*Question 18.* Do you have the funding you need to provide for site security at the dams, monuments and other critical infrastructure administered by the Department?

*Question 19.* The Budget request for the Bureau of Reclamation reflects a significant decrease in funding for wastewater recycling and reuse projects. The budget request states, "While water reuse and recycling is important to meeting the west's future water needs, this activity is not one of Reclamation's core functions."

Why don't you view these projects, which you yourselves indicate can make a significant contribution to meeting future water needs, as part of the Bureau's core functions?

*Question 20.* What are the core functions of the Bureau?

*Question 21.* The Department entered into a settlement agreement in litigation pending in federal court in California, the *Sumner Peck* litigation, under which the United States agreed to pay substantial money damages to several parties. Unlike most settlements that I am familiar with, the amounts are not being paid out of the Judgement Fund, but rather must come out of the Bureau of Reclamation's budget. I see that the Bureau has funded this year's portion of the settlement (\$34 million) by reducing several wastewater recycling and reuse projects, and proposes to reduce the Central Valley Project expenditures by \$34 million for FY04 in order to pay for next year's portion of the settlement.

Can you explain why the damages are not being paid out of the Judgement Fund?

*Question 22.* Please provide a copy of any legal analysis setting forth the reasons as to why the Judgement Fund is not available in this instance.

*Question 23.* What assurances can you give us that the settlement will not be funded out of Bureau of Reclamation initiatives in the other Reclamation states?

*Question 24.* The President's budget for Interior includes \$99 million for the implementation of Indian Water Rights settlement. A large part of that number is funding for the Animas-La Plata project as part of the Colorado Ute settlement. I'm concerned, though, because significantly more funding will be needed over the next few years to complete A-LP within the statutory time frame. Moreover, that's just the tip of the iceberg. There are active negotiations across the West, including 2 in New Mexico that are close to resolution. Funding just a few of these settlements would easily exceed \$1 billion. Nonetheless, resolving Indian water rights are a federal responsibility and critical to water management in the states.

Has the Department formulated any plan to address funding for Indian water rights settlements and the strain that will have on the federal budget?

*Question 25.* For the second year in a row, the President is proposing to cut by half the funding that historically gone to the Navajo Indian Irrigation Project (NIIP) for completion of that long-delayed project. My understanding is that the Department would return to increased funding levels once the Navajo Nation had reorganized the management structure of the Navajo Agricultural Products Industry, the entity that utilizes the water made available by NIIP. It's also my understanding that progress has been made in this effort.

Please explain the basis for the reduced funding in the 2004 budget. What is anticipated for future funding levels and what impact will this level of funding have on construction of the project?

*Question 26.* What rulemakings is the Department anticipating during the remainder of FY03 and FY04? Please list these rulemakings (including draft and final rules) by subject matter and Bureau with expected date of publication.

*Question 27.* Will you commit to consulting with us prior to the issuance of draft and final rules?

*Question 28.* What Solicitor's Opinions are currently under review? What Solicitor's Opinions do you expect to review during the remainder of FY03 and FY04? Please provide a list.

*Question 29.* The Budget Highlights document indicates that for many Bureau accounts, uncontrollable costs will be "absorbed". For each account where this is indicated, please explain how these costs will be absorbed and what activities, if any, will be cut as a result.

*Question 30.* We understand that the Department is engaged in an outsourcing initiative. Please provide the Committee with specific information on a Bureau-by-Bureau basis as to how this initiative will be implemented. What lay-offs or reductions in FTE's are anticipated in each of the Bureaus? Please provide a list of positions and functions that will be outsourced in each bureau.

*Question 31.* The Budget materials repeatedly reference a PART review process. Please describe the process. How were programs selected for review? Please provide a listing of all the programs of the Department that were reviewed under this process and the outcome of the review. Please provide a copy of the PART analysis and any report with respect to each program of the Department that was the subject of the PART review.

*Question 32.* What programs are currently being reviewed under the PART process?

*Question 33.* The Committee did not receive the Fiscal Year 2004 Budget Justifications, with the exception of the Budget Justification of the Bureau of Reclamation and the Central Utah Project Completion Office, prior to the Committee's hearing on the Department's Budget. This hindered preparation for the hearing. Can we get your commitment that all of the Budget Justifications will be provided to the Committee for next fiscal year on the day that the President's Budget is transmitted to the Congress?

*Question 34.* What activities is the Bureau undertaking with respect to site security? Is the budget request adequate in this regard?

*Question 35.* The budget request anticipates increased oil and gas activity in deep water in the Gulf of Mexico. Please provide your estimates on the level of activity and projected annual production of oil and gas from deepwater in the Gulf of Mexico.

*Question 36.* MMS's budget materials indicate that streamlining and office closures are anticipated. Please provide details regarding these streamlining efforts and office closures. What are the streamlining measures that will be taken? What offices will be closed and when? Will personnel be laid off?

*Question 37.* Last June, I held a hearing to evaluate the problems which were causing the non-payment of oil and gas royalty payments to Navajo Nation allottees. While the *Cobell* court-ordered computer shutdown exacerbated the problem, it was clear that a substantial part of the problem was also due to a confusing multi-agency-

cy process that broke down on several levels. Has this problem been remedied—both for the short- and long-term? What specific actions have been taken?

*Question 38.* The Budget request indicates that the Administration may recommend modifications to the Surface Mining Control and Reclamation Act. What changes are being considered?

*Question 39.* The budget highlights book indicates that the Budget request for FY04 assumes a lease sale in the Arctic National Wildlife Refuge in 2005, with \$1.2 billion as the federal share of in bonus bids. These funds would then be dedicated to alternative energy R&D. Does the budget assume that the R&D funds would be subject to appropriation?

*Question 40.* There are significant reserves of coalbed methane in the Powder River Basin and the San Juan Basin. Recently, the Bureau of Land Management released an Environmental Impact Statement projecting significant new development of coalbed methane in Wyoming and Montana. I understand that the BLM is currently working on a similar analysis with respect to future development in the San Juan Basin. Will you keep us advised of your progress on this Environmental Impact Statement? When do you expect this Environmental Impact Statement to be released?

*Question 41.* The production of coalbed methane has created some conflicts with companies having rights to develop coal resources and with surface users (such as ranchers) and water users. Specifically, what steps is the Department taking to address and minimize these conflicts? Have you issued any new rules or guidance relating to surface use conflicts? If so, please provide us with a copy.

*Question 42.* Last September, the Director of BLM wrote to me and committed to hire during FY2003 an additional 13 inspectors for the oil and gas inspection and enforcement program for New Mexico. Can you provide me with your schedule for hiring these inspectors? When can we expect them to be on the job?

*Question 43.* What is the total amount of funding for the oil and gas I&E program included in the request for FY04? Please provide a table showing the funding for this program (both requested and enacted) for the previous 6 years.

*Question 44.* What is the total amount of requested funding for oil and gas NEPA compliance for FY04? Please provide a table showing the funding for NEPA compliance (both requested and enacted) for the previous 6 years.

*Question 45.* The budget includes substantial funding for oil and gas development activities on the North Slope of Alaska. This includes funding for planning for additional lease sale activities in the National Petroleum Reserve-Alaska.

What additional lease sales is BLM planning to undertake? When will these take place? Please provide a projected schedule. What are the estimates of oil and gas resources in the NPR-A? Please provide this information by planning area.

*Question 46.* I understand that there is estimates of enormous natural gas resources in the NPR-A. Will the Administration work with us to facilitate the construction of a transportation system for natural gas produced from the North Slope?

*Question 47.* I understand that the Department is considering taking another look at the Northeast Planning Area of the NPR-A with the possibility of opening some lands for development that were not made available for leasing by the prior Administration. Is this correct?

*Question 48.* What areas in particular would be the focus of this review?

*Question 49.* Is this review the result of new information or changed circumstances?

*Question 50.* Has BLM conducted an inventory of abandoned, orphaned and idled wells on lands administered by BLM? If so, please describe. How many of each category of well (abandoned, orphaned, or idled) is located on BLM administered lands? Please provide the information by state.

*Question 51.* What does the Center for Integration of Natural Disaster Information do? Why do you believe it is no longer necessary?

*Question 52.* Given the clear need for mechanisms to gather and present natural disaster information so it is useful to officials, decision makers, and the public, how will you meet this critical need without the CINDI?

*Question 53.* Explain what the Advanced National Seismic System is and provide your rationale for eliminating it.

*Question 54.* Please describe the “lower priority mapping” that you propose to eliminate that would result in \$2.8 million savings.

*Question 55.* Please explain the \$4.4 million in savings associated with the National Map. Please provide the results of the PART review and the justification for cutting funding for the program.

## QUESTIONS FROM SENATOR AKAKA

*Question 1.* One of the pressing problems facing Hawaii is the identification of extensive areas of critical habitat for endangered species by the U.S. Fish and Wildlife Service. These actions are currently taking place in Hawaii under court order, but nonetheless Hawaii has the highest number of endangered species in the U.S. and faces daunting responsibilities to protect the species and to work with the public in conservation efforts. Our State agencies are faced with overwhelming challenges and lack the appropriate funds to address the needs. In FY 2003, the budget request for the Cooperative Endangered Species fund was reduced by \$5.2 million from the FY 2002 enacted level; and this year, the FY 2004 is reduced by \$2.28 million from last year's level.

Given the reduction in funding in this program, how do you propose to help States such as Hawaii with ever-increasing burdens for developing critical habitat plans to protect and restore endangered species?

*Question 2.* Please provide a list of the grant awards of the Landowner Incentive Program and the Private Stewardship Grants program, by state, for FY 2002 and FY 2003.

*Question 3.* How does the Department intend to distribute Compact Impact aid funding during FY 2004? What changes can we expect to receive in the legislative proposal codifying the negotiations between the U.S. and Federated States of Micronesia and Republic of the Marshall Islands regarding Compact Impact aid for affected areas? Are there any plans for other federal agencies to pick up some of the Compact Impact costs in their areas, for example the Department of Education and the Department of Health and Human Services?

*Question 4.* As mentioned in my previous question, negotiations between the U.S. and FSM and RMI on Title II of the Compact of Free Association (Economic Relations), are being finalized. These provisions expire on September 30, 2003, unless Congress takes action. I chaired a hearing on this issue in December 2001. At that time, I was assured that we would receive the proposal in Fall 2002. While I understand that the State Department is in charge of the negotiations, the Department of the Interior handles its implementation. When do you anticipate that the legislative proposal will be sent to Congress?

*Question 5.* Can you please share with me your estimate of what level of funding in the proposed budget would be available for Hawaii and other States which face the management of thousands of non-native species and increased rates of new introductions on federal lands?

*Question 6.* What portion of the proposed budget would be used for innovative approaches to contain invasives, such as efforts to identify pathways, or vectors, of new introductions, so that these models can be used across the nation? How do you plan to work with other agencies such as USDA to undertake this task?

*Question 7.* How will an increase of only \$200,000 allow the Department to adequately address monitoring, restoration, and protection, and allow for the "pioneering scientific research" that is promised and needed for coral reefs? For the record, can you please provide specific details about how the \$10.1 million will be allocated to specific parks and refuges with coral reef habitat.

*Question 8.* With the dramatic increase in recreational boating across the Nation, States depend on the Clean Vessel Act program to educate boaters and to maintain cleaner, more healthful waters for swimming and fishing. Yet the Administration has again proposed level funding of only \$10 million for this valuable program. Can you please share with me the Department's plans to meet the goals of safe, healthful recreation on our waterways and bays when providing only level funding for a program that is a critical link in this equation?

*Question 9.* With a 56 percent reduction in the LWCF programs, how do you intend to meet the obligations for land acquisition for parks that are in line for funds to acquire additional lands and cultural resources in the next few years? What assurances can you provide that this Administration is committed to the LWCF process to build strong and robust national parks?

## QUESTION FROM SENATOR CANTWELL

*Question 1.* I wish to express my appreciation to you for the Department of the Interior's commitment to promote partnerships with private landowners through the Landowner Incentive program and the Private Stewardship program in the President's FY 2004 budget request. In Washington State, there are tens of thousands of non-industrial private landowners who manage several millions of acres of forested lands. Many of these small landowners are working to conserve their lands for salmon and other species, while generating income through forestry activities. In Lewis County, Washington, for example, local forest landowners have established

the Family Forest Foundation to develop a county-wide habitat conservation plan geared towards small landowners.

To help conserve family forests throughout the state, the State of Washington recently established the Small Forest Landowner Office to provide assistance to small forest landowners with regard to state forest practices and other programs. Given your commitment to work with private landowners, I was wondering if you would support naming a federal employee within the Department or the U.S. Fish and Wildlife Service, as part of a pilot project, to serve as a liaison to small private landowners to help them identify federal assistance as they navigate the regulatory requirements of the Endangered Species Act and other federal laws.

#### QUESTIONS FROM SENATOR WYDEN

*Question 1.* Scientists warn of using a cookie-cutter approach to dealing with the fuel loading in our nation's forests: forests adapted to fire in different ways—Eastern Oregon's ponderosa pine forests, for example, historically had short fire return intervals with low severity, while Oregon's Douglas Fir and Hemlock forests of the Coast range historically have had much longer fire return intervals and much more intense fires—often of stand replacement severity. What is the Department doing to assure that it is pursuing practices and techniques that are scientifically sound and appropriate for each particular ecosystem?

*Question 2.* Given the National Interagency Fire Center's predictions regarding the severity of this summer's wildfire season what steps are being taken NOW to reduce and mitigate the effects upon our most vulnerable communities in the Wildland Urban Interface?

*Question 3.* You have requested an additional \$35 million for wildland fire suppression operations. Yet, the Biscuit Fire on primarily Forest Service Land in Oregon and northern California has cost—to date—\$153 million. Is this \$35 million increase sufficient, given that the National Interagency Fire Center is predicting that 2003 could be yet another year of record fires across the West?

*Question 4.* The Bureau of Land Management attributes \$5 million of its increased Wildland Fire Preparedness budget to increased costs of aircraft contracts, which the BLM says are due to higher insurance costs in the post September 11th environment. Yet, during the 2002 fire season we saw three crashes of contracted aircraft (two air tankers and one helicopter) which resulted in five fatalities. An Interagency Blue Ribbon panel determined that aircraft age, insufficient maintenance, and insufficient oversight contributed to these avoidable tragedies. What is the BLM and its federal partners doing to assert more control and oversight over its aviation contractors?

*Question 5.* The Administration wants to spend \$1.7 billion fighting wildland fires in this budget—almost \$700 million is for the BLM's efforts. But according to a report produced last year by the Forest Service, crews were buying \$10 pens, L.L. Bean tents, carpet for campsites, and getting paid overtime to go sightseeing. What will you do to assure that such abuses of the taxpayers trust do not happen again?

*Question 6.* How can the Administration assume \$2 billion of receipts from Arctic National Wildlife Refuge drilling in its budget when the Administration's budget uses 5-year projections and the Energy Information Administration at the U.S. Department of Energy estimates it would take seven to twelve years after environmental reviews are completed in order for the leasing of drilling sites to occur?

*Question 7.* In June of 2002, I, along with Senator Smith and Congressman Walden, wrote to President Bush regarding the Klamath Basin in southern Oregon. In the letter I asked the President to work with the delegation to identify an additional \$125 million from the Farm Bill and other sources to address the complicated and pressing needs in the Klamath Basin (letter attached). I do not see reflected in the President's FY 2004 budget any of the solutions that I and Senator Smith and Congressman Walden suggested to the Administration in our letter of June 2002. Madame Secretary, what are the specific solutions that you plan to propose for the Klamath Basin? What are the costs associated with these solutions? Which of our requests are in the President's budget—why or why not? Water users in the Klamath Basin have no more assuredness of receiving adequate allocations of water than they did in 2001. I request a prompt response to this inquiry.

#### QUESTIONS FROM SENATOR FEINSTEIN

*Question 1.* Do you believe the CALFED Bay Delta program can be an effective model for preventing or mitigating environmental/water supply conflicts like we have seen on the Klamath, Columbia or Rio Grande rivers?

*Question 2.* Are you willing to commit the Department of the Interior to full and active participation in the CALFED program, including seeking needed funding to restore California's water supplies as spelled out in the CALFED plan?

*Question 3.* From my reading of the President's 2004 budget request for the Bureau of Reclamation, the state that would receive the greatest share of Bureau funding is Colorado, with \$225,978,000. California trails with \$197,173,000. Can you explain why Colorado would receive more Bureau funding than California?

*Question 4.* Colorado would receive more funding in part because the Animas-La Plata project would receive a funding boost from \$35 million in the omnibus conference report to \$58 million in FY 2004. Animas-La Plata's gains come at the expense of CALFED, which is downgraded from \$23 million in the FY 2003 omnibus to \$15 million in the President's FY 2004 budget. Can you explain the differential treatment of the Animas-La Plata project and CALFED in the President's budget?

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